

**Civil Society Consultation -  
Universal Periodic Review for the United Nations Human Rights Council  
Written Summary Presented by  
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*Problems Faced by Private Developers in Locating and Building Integrated Low-Income and Affordable Housing in the Chicago Metropolitan Area*

Lake County Residential Development Corporation (LCRDC) is a not-for-profit corporation with the mission of providing affordable housing in communities where affordable housing is not traditionally available. It has been fulfilling this mission in Lake County, Illinois since 1978 by developing, managing, and maintaining over 26 different sites including over 800 units. LCRDC is one of four community-based not-for-profit affordable housing developers in Lake County designated and certified by HUD as a Community Housing Developer Organization (CHDO).

Lake County is located in northeastern Illinois, with Lake Michigan to the east, Wisconsin to the north and Cook County to the south. It is one of the fastest-growing counties in Illinois and in the nation. The 2006 census showed an estimated 713,000 reside in the county. Projections show the population will approach 786,000 by 2020.

*Housing Cost Are Out of Reach for Significant Numbers of Renters and Homeowners*

- More than one in every three Lake County households pays more than 30% of their income for housing, in excess of federal guidelines. And roughly one in every seven pays more than half their income for housing.<sup>1</sup>
- A minimum-wage worker would have to work 97 hours a week, or 2.4 full-time jobs, to afford a two bedroom apartment at fair market rent (\$944).<sup>2</sup>
- Home prices are growing faster than incomes in Lake County, reducing the purchasing power of low- and moderate-income households. Between 2000 and 2007, the median sales price increased by 47%, while personal income increased by only 16%. (When adjusted for inflation, the median sales price increased 22% and sales incomes decreased 3.5%.) While the first six months of 2008 saw a decline in the median sales price from 2007, growth in home prices since 2000 has dramatically outpaced the growth in personal income.<sup>3</sup>
- Lake County home prices remain the second highest in the state.<sup>4</sup> In 2007 the median sales price for a single-family home in Lake County was \$305,000, a price unattainable for many dual earner households holding jobs in the service, retail and public sectors.
- While housing prices have continued to decline, other factors in the current market – increases in unemployment, tighter credit and economic uncertainty – offset the

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<sup>1</sup> 2000 Census; 2007 American Community Survey (ACS)

<sup>2</sup> National Low Income Housing Coalition. *Out of Reach 2007-2008*

<sup>3</sup> 2000 Census; 2007 ACS; Multiple Listing Service (MLS) for 2000, 2008, and 2008

<sup>4</sup> Illinois Association of Realtors. 2007 year-end single family median sales prices by county

beneficial impact that falling home prices have on affordability. As a result, many low- and moderate-income households cannot take advantage of reduced prices. In more expensive housing markets with the county, prices have not fallen enough to benefit those with lower incomes.

#### *The Supply of Affordable Rental Housing Has Not Kept Pace with Need*

- The supply of rental housing to support workers key to the County's economic development has not kept pace with job growth. Between 1990 and 2000 Lake County created 128,000 new jobs and only 2,724 new rental units.<sup>5</sup>
- Between 2000 and 2006, the County lost approximately 2,000 rental units.<sup>6</sup>
- The foreclosure crisis is likely to increase demand for rental housing. Foreclosure filings in Lake County increased from 1,631 to 5,590 between 2005 and 2009.<sup>7</sup>

#### *Barriers Faced by Developers in Locating and Developing Affordable Housing*

The following is an example of a current development LCRDC is working on in a community where the median sales price of a home is \$700,000. LCRDC was chosen through an RFP process to develop low-income rental housing on 2.3 acres in January 2009.

- **High cost of land**  
The value of the land is 2.8 million dollars. The municipality has committed to donating the land to LCRDC for the development.
- **High cost of fees charged by municipalities.**  
The permitting and development fees charged by the municipality for this 16 unit development are estimated to be \$865,634 (\$52,104 per unit).
- **Little political will by elected officials**  
After the municipality chose LCRDC for the development in January 2009 there was a change in political leadership. Even though all financing is in place to proceed with the development, the Mayor has stalled the approval process because the development is in his neighborhood and his constituents have expressed concerns.
- **NIMBY**  
The residents in the neighborhood have opposed the development even though it is appropriately zoned. There have been numerous meetings with the neighbors and all of their concerns over traffic and drainage have been addressed. The two issues that remain are how will this development affect their property values and who will live in the units once they are developed.

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<sup>5</sup> Lake County Regional Framework Plan, November 2004

<sup>6</sup> 2000 Census; 2006 ACS

<sup>7</sup> Woodstock Institute, Foreclosure Reports 2005 and 2009.