May 2008

The demand for affordable housing exceeds supply.

The unmet affordable housing need through the year 2010 in Cook County is conservatively estimated at 409 low-income households. Meanwhile, the number of households in the state spending more than half of their income on housing increased from 1 in 15 in 2000 to 1 in 8 in 2006. Minnesota experienced the fastest increase of extremely cost burdened households of any state in the nation during this time period.

The table above shows the number and percent of households in different income brackets that pay over 30% of household income for rental or ownership costs. It illustrates that the burden of housing costs weighs more heavily on lower-income families.

About 78% of Cook County residents own their home and 22% are renters.

WHAT IS AFFORDABLE HOUSING?

Housing is considered affordable if it consumes 30% or less of a household’s gross income.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters</th>
<th>Home Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Households Paying Over 30% in Rent</td>
<td>Percent of Households Paying Over 30% in Rent</td>
</tr>
<tr>
<td>Less than $19,999</td>
<td>106</td>
<td>49%</td>
</tr>
<tr>
<td>$20,000-$34,999</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>$35,000-$49,999</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Generally, when households spend more than 30% of their income to meet housing costs, they do not have enough income to meet other basic needs or weather financial setbacks.
Lower-income households face extreme affordability challenges.

The chart below compares the median earnings of different workers to the income required for affordable housing. The median household income for Cook County was $39,934 in 2006.

\[\text{Housing Affordability by Occupation, Cook County}\]

- Elementary School: Needed to rent 2BR apartment at $0
- Police Officer: Needed to own median priced home at $50,000
- Retail Salesperson: Needed to rent 2BR apartment at $10,000
- Registered Nurse: Needed to own median priced home at $40,000
- Food Preparation: Needed to rent 2BR apartment at $20,000

In Cook County, a median-priced home is $213,500, and the fair market rent for a two bedroom apartment is $562 per month. Since 2000, home prices have increased by 64.4% and fair market rent has increased by 28.0%.

Approximately 19% of homeowners and 22% of renters in Cook County spend over 30% of their household income on housing.

In Cook County, a family of four with two full-time wage earners needs to earn a combined annual salary of $44,124 to afford the basic cost of living.

34% of jobs in Cook County and counties nearby pay less than the regional wage required to afford basic needs.

The average annual unemployment rate in Cook County was 4.6% in 2007.

Sources:
4. Ibid.
7. Minnesota Dept. of Revenue Sales Ratio Study; HUD Fair Market Rents; Low Income Housing Coalition, “Out of Reach, 2007-8.”
11. Ibid.
12. Ibid.
13. Ibid.
14. Ibid.
16. Ibid.
18. Ibid.