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# policyprofiles

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- *850 low income families used rent subsidy vouchers to find homes in DuPage County between 2000 and 2007.*
- *The number of low income families locating in a particular suburb does not seem to be related to its geographic location, population size, or median income.*
- *Neither housing vacancy rates nor the supply of rental housing appear to have much effect on where low income families locate in DuPage County.*
- *Other factors, such as zoning, schools, and public transportation may have an effect and are being studied further.*

## **issue:** *Affordable Housing in the Chicago Area: The DuPage County Experience*

*by Adrienne M. Holloway*

**Editor's Note:** This edition of *Policy Profiles* presents the findings of a study at Northern Illinois University's Center for Governmental Studies on the use of housing vouchers to help low income families find adequate housing in Chicago's suburbs. It focuses specifically on the relocation of Chicago Housing Authority families to DuPage County, Illinois. A subsequent report will deal with factors influencing family decisions on where to locate in the suburbs.

What role should suburban communities play in providing housing to low income families? That question assumed greater urgency in 1973 when President Richard M. Nixon signed a moratorium on federal funding for all low income housing programs. His action was an admission that the nation's program of building public housing had failed to reduce crime or make better housing available for the poor.

The moratorium led to a series of new housing programs – starting with the Housing and Community Development Act of 1974 – that constituted an effort to provide affordable housing both by encouraging private investors to enter the housing market for low income families and by offering rent subsidy vouchers that made it possible for low income families to seek housing in mixed income neighborhoods. *One clear intent of these new programs was to disperse low income residents more widely through both urban and suburban neighborhoods.*

This intent was made evident in the federal court ruling in 1976 which found that the Chicago Housing Authority was using federal Housing and Urban Development money to segregate African American families within select neighborhoods. The court then ordered the CHA to provide African American residents with vouchers enabling them to secure housing throughout the metropolitan area<sup>1</sup>. Over 7,500 families were given the vouchers and over half of them had relocated to housing in suburban communities by 1998.

### **What are housing vouchers?**

In addition to providing low income households with an apartment in a public housing project, the U.S. Department of Housing and Urban Development, working through local housing authorities, has been attempting to encourage low income families to seek alternative housing by giving them a rental subsidy (previously

called Section 8 vouchers, they are now known as Housing Choice Vouchers or HCVs). These HCVs enable each qualifying low income family to seek affordable housing via the private market in the location of the recipient's choice. (More details about this use of vouchers are provided in Appendix A of this report.)

<sup>1</sup>The program under which low income families would be given rent subsidy vouchers is known as the Gautreaux Assisted Housing Program. It was put into effect in Chicago in 1976.

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## Have they been successful?

Studies of the impact of the use of HCVs have had mixed findings. Some have found that, by reducing rental burdens on low income families, the HCVs have enabled the families to spend more money on other basic essentials such as health and dental care. In addition, families that attended local schools in new neighborhoods were more likely to graduate from high school and attend college.

Other studies criticize the HCV program on the grounds that many HCV holders are using them to relocate to neighborhoods that are nearly as poor as the ones that they left, and to neighborhoods located predominantly in the central cities. A major factor dictating this outcome has been the increasing cost of housing which, before the recent real estate crash, placed more neighborhoods out of financial reach for many HCV holders. Approximately one out of every eight households awarded an HCV has had to return their voucher to the government due to their inability to locate affordable housing.

## Are vouchers helping low income Chicago families relocate to the suburbs?

This study seeks to answer that question. It does so by examining the movement of families served by the Chicago Housing Authority (CHA) from Chicago public housing units to suburban communities located in DuPage County.

Suburban counties such as DuPage typically have had comparatively few low income families, and most of those were concentrated in older cities such as Aurora and Elgin. As the suburbs developed in

the post-war years, most housing was built for sale to individual homeowners, not for use as rental housing. Since 1994, however, the supply of rental units in suburbia has increased significantly. Because of restrictive land use policies, high construction costs, and artificially constrained rental markets, most of the rental units developed in suburban communities have been targeted to moderate or high income households. Thus, historically, Chicago's low income families have not looked to DuPage and other suburban counties for possible home sites<sup>2</sup>.

*This study examines whether or not the use of vouchers, or HCV's, has made DuPage County, and by extension all of Chicago's suburban counties, viable as housing choices for low income families from Chicago's public housing projects.*

The study gathered data on the number of families that relocated their housing from Chicago Public Housing sites to DuPage County communities using vouchers or HCV's between the years 2000-2007. DuPage County was chosen as the study site because:

- Among counties in the Chicago region, it is second only to Cook County in terms of population size;
- It is the second wealthiest county in the state, second only to Lake County;
- It is the collar county located closest to Chicago's public housing sites;
- It provides 40 per cent of the jobs in the Chicago metropolitan region and it employs over 30 per cent of the region's workforce;
- It is the only county in Illinois other than Cook County which has public

transportation options and high employment opportunities.

DuPage County was also chosen because, in CHA relocation programs prior to 2000, large numbers of CHA residents moved into western Cook County suburbs. From this, it can be postulated that, by the early years of the 21st Century, many CHA families may have decided to by-pass suburban Cook County and continue westward into DuPage County.

Finally, documents referencing the DuPage County Housing Authority indicate that DuPage County has become increasingly attractive to relocating low income families. Voucher holders from 28 different states have moved into DuPage County. In the last five years, the number of HCV holders moving into DuPage County has exceeded the number of such voucher holders moving out of the county. In 2006, for example, a total of 509 voucher holders moved into the county while only 188 voucher holders transferred out of the county.

This study, however, considered only the in-migration of families with HCV vouchers offered by the Chicago Housing Authority; it did not track in-migration of low income families with HCV's from public housing authorities located elsewhere in Illinois or from other states. *It thus tracks the movement of low income families from Chicago to the largest suburban county and job center, DuPage County.*

## How many low income Chicago families migrated to DuPage County?

A total of 850 low income families successfully used public housing vouchers to find rental housing in DuPage County

<sup>2</sup>Historically, racial considerations also limited the migration of low income minority families into suburban communities and especially into the newer collar county communities. Changing attitudes have lessened the impact of race on housing choice in recent decades, but a very high percentage of the Chicago Housing Authority's HCV eligible families come from minority group backgrounds.

during the years 2000 to 2007. Of these, a total of 222 families successfully used housing vouchers administered by the Chicago Housing Authority to relocate from Chicago to rental housing in DuPage County.

*Table 1* lists the DuPage County communities to which these families were relocated. Since public housing authority data was not complete on 19 of the 222 families, Table 1 reports on the DuPage County relocation of only 203 families. For those DuPage municipalities, such as Aurora, that are located in parts of two or more counties, the totals listed represent only the low income families relocated into the DuPage County portion of the municipality during 2000-2007 using vouchers administered by the Chicago Housing Authority.

**Is there a pattern explaining where low income families settle in DuPage County?**

*Map 1* on the next page shows the geographic distribution of the CHA low income families who migrated into DuPage County in 2000 – 2007 by municipality.

Interesting patterns emerge from a study of the map. Two of the communities with the highest number of CHA families are at opposite ends of the county: Naperville in the far western portion of the county absorbed 24 such families while Clarendon Hills in the far eastern portion absorbed 15 families. There are a number of instances of municipalities with no or one CHA family which lie adjacent to municipalities with a large number of such families. For instance, Lisle with one family is adjacent to Naperville with 24; Willowbrook with one family is adjacent to Burr Ridge with 19; Bartlett and Hinsdale (with no families)

**tableone DuPage Municipalities with CHA Families Relocated During 2000–2007**

Municipality	Number of Families	Municipality	Number of Families
Addison	10	Itasca	1
Aurora	12	Lisle	1
Bartlett	0	Lombard	4
Bensenville	6	Naperville	24
Bloomingtondale	1	Oakbrook	4
Bolingbrook	9	Roselle	3
Burr Ridge	19	Villa Park	10
Carol Stream	3	Warrenville	2
Clarendon Hills	15	Wayne	0
Darien	1	West Chicago	3
Downers Grove	11	Westmont	3
Elmhurst	8	Wheaton	7
Glen Ellyn	20	Willowbrook	0
Glendale Heights	8	Winfield	0
Hanover Park	13	Wood Dale	1
Hinsdale	0	Woodridge	4

Total 203\*

\*Nineteen CHA low income families in DuPage County are excluded from these figures because of incomplete information in housing authority files.

are adjacent, respectively, to Hanover Park (13 families) and Clarendon Hills (15 families).

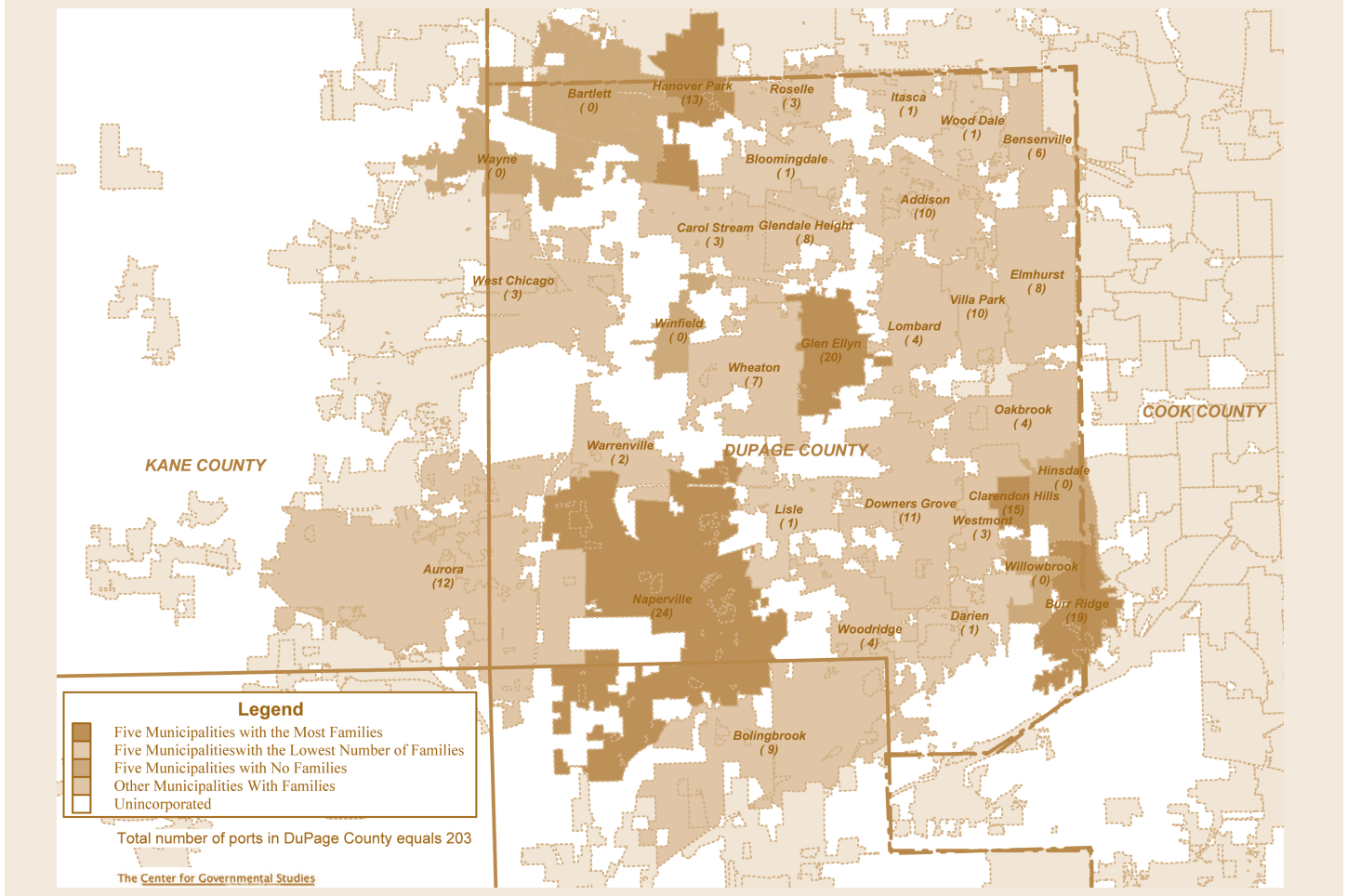
Another interesting pattern is that the municipalities of Willowbrook, Hinsdale, and Darien (with one or no families) are clustered near the Cook County line with Burr Ridge (19 families). A number of municipalities located from the Cook County line westward to the middle of the county also had more families (Elmhurst – 8; Villa Park 10, Lombard – 4; Glen Ellyn – 20; and Wheaton – 4). *Indeed, CHA families in DuPage County appear to be randomly scattered throughout the county.* Simple geographic location does not seem to predict where CHA families find housing in DuPage County.

**What factors do seem to predict where CHA families might live?**

Further analysis was thus undertaken, using three categories of variables – population, income, and housing – to see if such patterns could be found. Three sets of municipalities – those with the highest number of CHA families, those with the lowest number of CHA families, and those with no CHA families – were made to provide a basis for the analysis. The municipalities in each of these categories, and thus the municipalities that will be used in the analysis during the rest of this paper, are listed in Table 2. Table 2 also contains the data gathered for the analysis of population variables.

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**mapone** Location of Relocated CHA Families in DuPage County by Municipality, 2000–2007



### What effect does population size have on CHA family housing locations?

Interesting patterns emerge when the population figures for the communities in each of the three categories – highest, lowest, and no CHA families – are analyzed. As **Table 2** on the next page indicates, Naperville, with 24 CHA families, 11 percent of the total and 14 per cent of the county's population, could be considered a unique case. Each of the other four counties with the highest numbers of CHA families, on average, has about two per cent of the county's population and eight per cent of the CHA residents. On the other hand, the

five communities with the lowest number of CHA residents (one each) were, on average, only slightly smaller, averaging 1.9 per cent of the county's population.

Even Naperville, with 24 families, did not absorb substantially more families than Glen Ellyn, with 20 families, even though Glen Ellyn is much smaller with over 100,000 fewer residents than Naperville. It is hard, then, to argue that population size is a predictor of where CHA families will find housing.

### Does the size of a community's minority population have an effect?

There is no meaningful evidence that CHA families are more likely to settle in communities with a higher level of either Black or Hispanic/Latino residents. Among the municipalities in the study, Hanover Park with 13 CHA families had the highest minority population at 33 per cent, but the study community with the next highest level, Wood Dale with 15 per cent minority population, had only one CHA family. The average percentage of Black and Hispanic/Latino residents in the municipalities with the highest level of CHA families is nine per cent while the average percentage of



Black and Hispanic/Latino residents in the municipalities with the lowest number of CHA residents is only slightly lower at 8.6 per cent and the municipalities with no CHA families had approximately five per cent minority populations.

Similarly, the data suggests that CHA families move into municipalities that have, on average, a high percentage of married couples, but, again, since all municipalities in the study have a high percentage, this population characteristic does little to explain variations in the number of CHA families migrating to particular communities.

**Does average income in a community affect CHA family housing selections?**

The literature of public housing vouchers often cites median family income as an indicator of neighborhood value. **Table 3** on the next page shows that there is very little difference between the median incomes of communities with high and low absorption levels of CHA families in DuPage County. This suggests that median family income has little or no affect on CHA families when selecting a community in which to live.

Similarly, when the percentage of families with no wage or salary income is taken into consideration, only a slight difference exists between the three categories of municipalities studied. The municipalities with the highest number of CHA families had an average of 13 per cent of its households with no wage or salary income compared to 13.6 per cent for the lowest levels of CHA families and 13.8 per cent for those with no CHA families.

A difference does emerge, however, when comparing municipalities by the number of their families receiving public assistance. Municipalities with the most CHA families

**tabletwo Population Data on DuPage Municipalities With the Highest, Fewest, and No CHA Low Income Families 2000–2007**

	# CHA Families	Total Pop	DuPage Population	Black & Hispanic/Latino Population	Married Couple Families
1. DuPage County	222	904,161	100%	12%	86%
2. Five Municipalities with the Highest Number of CHA Families					
Naperville	24	128,300	14%	6%	90%
Glen Ellyn	20	27,040	3%	6%	88%
Burr Ridge	19	10,328	1%	3%	95%
Clarendon Hills	15	7,708	1%	3%	88%
Hanover Park	13	38,366	4%	33%	79%
3. Five Municipalities with the Lowest Number of CHA Families					
Darien	1	22,966	3%	4%	87%
Itasca	1	8,267	1%	8%	85%
Lisle	1	21,119	2%	9%	87%
Wood Dale	1	13,535	2%	15%	82%
Bloomington	1	21,582	2%	7%	84%
4. Municipalities with No CHA Families					
Bartlett	0	36,840	4%	7%	89%
Hinsdale	0	17,482	2%	3%	91%
Willowbrook	0	9,004	1%	8%	86%
Winfield	0	8,924	1%	4%	93%
Wayne	0	2,099	<1%	5%	93%

had an average of 1.4 per cent of their households on public assistance compared to 1.2 per cent of households in those with few CHA families and .66 per cent of households in those with no CHA families. These data suggest that further analysis should be undertaken to determine more precisely the nature of the relationship between the number of families on public assistance and community attractiveness to CHA families.

The level of poverty in a community is a factor considered by voucher holders and public housing agency relocation counselors when considering possible housing sites. The poverty levels in all DuPage County municipalities are well below the ten per cent ceiling recommended by public housing relocation counselors,

making DuPage County municipalities very attractive relocation sites for CHA voucher holders. While the percentage of families below the poverty level in those communities with the most and those with the fewest CHA families are relatively similar, three per cent and 3.6 per cent respectively, there is a larger difference between communities with CHA families and those without, which average only 2.2 per cent of families below the poverty level. This finding also suggests that this factor requires further analysis.

Both low income factors – households on public assistance and level of poverty – need more refined statistical analysis, particularly to distinguish between cause and effect: do low income families move to certain communities because those

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**table three** Income Comparisons Across DuPage Municipalities That Absorbed Low Income Families with CHA Vouchers 2000–2007

Municipality	% of DuPage Median Income	Population Below Poverty Level in 1999	Households with: No Wage or Salary Income	Public Assistance
1. DuPage County		4%	13%	1%
2. Five Municipalities with the Highest Number of CHA Families				
Naperville	131%	2%	9%	1%
Glen Ellyn	110%	3%	17%	1%
Burr Ridge	191%	3%	17%	1%
Clarendon Hills	125%	1%	14%	2%
Hanover Park	90%	6%	7%	2%
3. Five Municipalities with the Lowest Number of CHA Families				
Darien	110%	2%	15%	1%
Itasca	103%	5%	10%	1%
Lisle	97%	4%	11%	1%
Wood Dale	85%	4%	20%	2%
Bloomington	99%	3%	20%	1%
4. Municipalities with No CHA Families				
Bartlett	117%	2%	9%	1%
Hinsdale	54%	3%	20%	<1%
Wayne	170%	1%	8%	0%*
Willowbrook	84%	2%	22%	1%
Winfield	131%	3%	10%	1%

\*Wayne had no persons who reported being on public assistance in the 2000 census

communities have more low income families, or does the movement of low income families to those communities produce the higher percentage of low income families.

### Is the supply of available housing a consideration in CHA family relocation decisions?

Information relative to this question is summarized in *Table 4* on the next page. As the table shows, all categories of municipalities averaged very high – above 96 per cent – occupancy rates during the 2000–2007 period. This might account for an over-all low rate of CHA family relocations to the county during the

period, but it does not explain variations in the relocation rates between different municipalities.

Some differences between the three categories of municipalities do appear when average percentages of owner occupied and renter occupied housing units are compared. There is a substantial difference, for example, in the owner occupied housing units percentages between communities with a low number of CHA families and the communities with no such families. However, the data seem to disprove the conventional wisdom that communities with a higher rate of owner occupied housing units would have a lower

rate of CHA family absorption. In this study, the highest rates of owner occupied housing were found in the municipalities with the highest absorption rate of CHA families and in municipalities with no absorption at all. The absorption rates in these two categories were substantially more similar to each other than either was to the municipalities with a low absorption rate. Further, the absorption rate of Naperville was the highest in the county, yet its percentage of owner occupied units was very close to the rate for the county as a whole.

The same kinds of differences existed in comparisons of the rates of renter occupied housing between the different categories of municipalities. Perhaps most interesting in this group, the communities with the highest percentage of renter occupied housing units had the lowest absorption rate of any of the DuPage County municipalities to which CHA families relocated during 2000–2007.

Since neither the housing vacancy rate nor the supply of rental housing appears to have had much effect on where CHA residents relocated in DuPage County, other factors – most likely the affordability of housing units – must play a more significant role in CHA voucher holders' housing choices.

### What does influence the location choices of CHA families within DuPage County?

Clearly, from the above analysis, CHA families with housing vouchers who are relocating to DuPage County did not select the municipality to which they moved on the basis of such considerations as average family income, the presence or absence of Black or Hispanic/Latino families, or the supply of housing available for rent. The data is insufficient to determine whether

**tablefour** Housing Comparisons Across DuPage Municipalities That Absorbed Low Income Families with CHA Vouchers 2000–2007

Municipality	Occupied Housing Units	Vacant Housing Units	Housing Units Occupied by:	
			Owners	Renters
1. DuPage County	97%	3%	74%	23%
2. Five Municipalities with the Highest Number of CHA Families				
Naperville	96%	4%	77%	19%
Glen Ellyn	97%	3%	75%	22%
Burr Ridge	95%	5%	92%	3%
Clarendon Hills	97%	3%	79%	18%
Hanover Park	98%	2%	80%	18%
3. Five Municipalities with the Lowest Number of CHA Families				
Darien	98%	2%	84%	14%
Itasca	97%	3%	72%	25%
Lisle	96%	4%	54%	41%
Wood Dale	97%	3%	82%	15%
Bloomington	98%	2%	71%	27%
4. Municipalities with No CHA Families				
Bartlett	98%	2%	92%	6%
Hinsdale	95%	5%	79%	16%
Wayne	98%	2%	96%	2%
Willowbrook	93%	7%	73%	20%
Winfield	98%	2%	94%	4%

or not the number of low income families already located in the community plays a role in such decisions.

But other factors are also likely to be at work, especially questions relating to race, zoning, schools, and public transportation. These will be explored in the next *Policy Profiles* on this topic.

**APPENDIX A: HOUSING VOUCHERS**

**What are housing vouchers?**

Vouchers (sometimes called HCV’s or Housing Choice Vouchers) are rental subsidies granted by state and regional public housing agencies, such as the Chicago Housing Authority, the DuPage County Housing Authority, or the Aurora Housing Authority, to low income families who in turn use them to secure rental housing in the private housing market.

Families holding vouchers are required to commit at least 30% of their income (but not over 40%) toward the monthly rental cost of a housing unit as well as to assume responsibility for the payment of all their housing utility costs. The balance of the rent on any given apartment (which must be between 90 and 110 per cent of fair market rent) is paid by the housing authority that is administering the voucher.

The appeal of the voucher program is that the subsidy is not place based; instead, it “travels” with the client, increasing the likelihood that the voucher holder might find housing in mixed income neighborhoods.

**What is the reason for using housing vouchers to house low income families?**

Housing voucher programs are designed to enable low income residents to find affordable housing. On average, a low income family in

2003 needed to earn approximately \$34,000 per year to afford a two bedroom apartment anywhere in the United States. A person earning minimum wage would need to work 80 hours per week in order to afford such housing (assuming that total housing costs should require no more than 30 per cent of a total income.)

Housing vouchers also enable low income families to keep up with the rising costs of rent. In recent years, when the cost of housing has been increasing faster than incomes, low and moderate income families have been having a harder and harder time affording adequate housing. The problem has been particularly acute in suburban communities where rising land and construction costs have placed most new housing out of the reach of low and moderate income households. The voucher program enables the housing authority managing a particular family to help the family meet rental cost increases with a higher rental subsidy.

In short, the voucher program is designed primarily to help low income families afford safe, healthy, livable housing.

**Do housing voucher programs serve other purposes as well?**

Vouchers are viewed by the U.S. Congress as a means of providing housing alternatives for low income families. They are, in this sense, intended as a response to the national shortage of low income housing. A study of American housing found that, as recently as 2003, the nation was short 2.5 million housing units that extremely low income households could afford. Congress believed that vouchers will both encourage the private sector to build more low and moderate income housing and to provide more such housing options in suburban areas.

Another reason for the use of housing vouchers is that they make it possible for low income families to have a wider choice of neighborhoods in which to settle. Finally, vouchers are also now being used to make housing in more suburbs an affordable option for such families.



## About the Author

**Adrienne Holloway** has over 15 years of experience in community and economic development, with a particular focus in housing programs and policies, and nonprofit management. She holds a MPA from Baruch College, City University of New York, and is currently completing her dissertation towards a Ph.D. in Political Science at Northern Illinois University. She has held teaching positions at Aurora University and CyFair College in Texas.

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