

NOT EVEN A PLACE IN LINE

Housing Choice Voucher Capacity and Waiting Lists in Illinois

November 2015

SOCIAL IMPACT RESEARCH CENTER

A HEARTLAND ALLIANCE PROGRAM



A stronger Illinois begins at home

This *Not Even a Place in Line* report captures the availability in Illinois (or lack thereof) of a core federal affordable housing program—Housing Choice Vouchers—to help address the dire need for affordable housing.

Seventy-two percent of waiting lists for Housing Choice Vouchers in Illinois are closed. The 51 public housing authorities (PHAs) with closed waiting lists, out of a total of 71 PHAs in Illinois with voucher programs, administer 95 percent of the vouchers available in the state.

This means that people in need of affordable rental housing in most every part of Illinois do not have the opportunity to even get in line to secure a federally funded subsidy that would alleviate their poverty and put their household in a better position to thrive.

Closed waiting lists for Housing Choice Vouchers aren't a new phenomenon, but the last time this information was collected in 2007, the number of PHAs with closed voucher waiting lists was significantly lower—"only" 56 percent of all PHAs with a voucher program.

In 2007, the poverty rate in Illinois was 11.9 percent; in 2014 it was 14.4 percent. The increase in poverty is likely a contributing factor to more PHAs closing their voucher waiting lists, as more households seek out resources to help them afford housing and the other costs of living.

The issuance of this report comes at a time when budget caps have severely constrained federal housing assistance funding in recent years. Congress has just agreed to lift these caps and is debating how much funding to provide for Housing Choice Vouchers and other critical housing programs.

For the voucher program, the choices made about the budget will determine if there is enough funding to maintain the current number of vouchers and provide additional resources to restore the 67,000 vouchers not yet restored after mandatory across-the-board "sequestration" spending cuts implemented in 2013.

In December 2014, nearly 82,000 low-income households used Housing Choice Vouchers in Illinois to afford decent, privately owned housing. This is a significant number, but far less than the number of vouchers needed to address the lack of affordable rental housing. Based on data released in 2014, there is a deficit of 321,394 rental units affordable and available to extremely low income households in Illinois, those with income at or below 30 percent of area median income.

To assist households whose need for affordable housing is not served by the private market, to help reduce the risk of homelessness, and to help lift thousands of households out of poverty, Congress should appropriate enough money to fund all current vouchers and restore vouchers previously lost to sequestration.

It is widely anticipated that Congress will come to an agreement on the fiscal year 2016 federal budget by Thanksgiving of this year. If Congress restores vouchers lost to sequestration in this year's budget, it will help lift 67,000 households out of poverty across the nation and demonstrate a commitment to provide the resources necessary to alleviate the long-standing affordable housing shortage.

AFFORDABLE HOUSING NEED IN ILLINOIS

The demand for Housing Choice Vouchers is so far in excess of supply because rental housing costs in the private market are unaffordable to low-wage workers and low-income people with fixed incomes.

In 2015, renters in Illinois need to earn on average \$18.78 per hour in order to afford a basic two-bedroom apartment. This “Housing Wage” is based on the average rent for a two-bedroom apartment being \$977. In order to afford this level of rent and utilities—without paying more than 30 percent of income on housing—a household must earn at least \$39,067 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of \$18.78.

In Illinois, a minimum wage worker earns an hourly wage of \$8.25. In order to afford the rent for a two-bedroom apartment, a minimum wage earner must work 91 hours per week, 52 weeks per year. Alternately, a household needs 2.3 minimum wage earners working 40 hours per week year round in order to afford a modest two-bedroom apartment.

As Table 1 shows, across the state the two-bedroom Housing Wage ranges from \$22.52 to \$12.13, depending on the geographic area. The Housing Wage in the Chicago metropolitan area is \$21.02.

Table 1. Housing Wage for a Two-Bedroom Apartment by Metropolitan Areas in Illinois¹

Area	Housing Wage
Kendall County HMFA	\$22.52
Chicago-Naperville-Joliet HMFA	\$21.02
State of Illinois	\$18.78
Grundy County HMFA	\$18.04
Kankakee-Bradley MSA	\$17.42
DeKalb County HMFA	\$16.81
Champaign-Urbana MSA	\$15.31
Bloomington-Normal MSA	\$14.96
Danville MSA	\$14.25
Bond County HMFA	\$14.12
Davenport-Moline-Rock Island MSA	\$13.65
Decatur MSA	\$13.19
Non-Metro Areas/Rural	\$12.52
Cape Girardeau-Jackson MSA	\$12.23
Macoupin County HMFA	\$12.13

The lack of affordable rental housing is even more pronounced for people with disabilities whose only income is from Supplemental Security Income (SSI). The basic SSI monthly payment is \$733. The monthly rent that is affordable based on this income is only \$220. The average rent for a studio apartment in Illinois is more than three times as high, \$703, and even higher in many parts of the state.²

For families whose only income is from TANF (Temporary Assistance for Needy Families), the situation is even more dire. In 2015, the average monthly TANF benefit in Illinois is \$432 for a single parent family of three. This benefit has not increased since 2011, and the value of benefit, adjusted for inflation, has declined by 24.9 percent since 1996. The monthly TANF benefit is equal to only 44.2 percent of the average rent statewide for a two-bedroom apartment.³

Another way to understand the need for affordable housing is that there is a deficit of 321,394 rental units affordable and available to extremely low-income households in Illinois, those with income at or below 30 percent of area median income. Statewide, there are only 30 affordable and available units for every 100 extremely low-income renter households.⁴ In the Chicago metropolitan area, the situation is even grimmer, with just 27 affordable and available units for every 100 extremely low-income renter households.

Publicly funded housing programs don’t come anywhere close to addressing the need for affordable housing, as only 1 in 4 families eligible for federal rental assistance receives it.⁵

WHO BENEFITS FROM HOUSING CHOICE VOUCHERS IN ILLINOIS

81,800 low-income Illinois households used Housing Choice Vouchers in December 2014 to help them afford their housing.

The average income for Illinois households with vouchers was \$12,343 in 2013. Seventy percent of households are extremely low-income, with an income at or below 30 percent of their local area median income.

Nearly all households using vouchers in Illinois include children or people who are elderly or disabled.

2. Ibid.

3. Center on Budget and Policy Priorities. (2015, October). *TANF Cash Benefits Have Fallen by More Than 20 Percent in Most States and Continue to Erode*. Available [here](#).

4. National Low Income Housing Coalition. (2015, March). *Housing Spotlight: Affordable Housing is Nowhere to be Found for Millions*. Available [here](#).

5. Center on Budget and Policy Priorities. (2015, July). *Policy Basics: Federal Rental Assistance*. Available [here](#).

1. National Low Income Housing Coalition. (2015). *Out of Reach 2015*. Available [here](#). Federally defined Metropolitan Statistical Areas (MSAs) or HUD Metro FMR Areas (HMFAs).

THE HOUSING CHOICE VOUCHER PROGRAM NATIONALLY AND IN ILLINOIS

Low-income families use Housing Choice Vouchers to help pay for housing they rent in the private market. The program is federally funded through the U.S. Department of Housing and Urban Development and administered by a network of about 2,230 agencies across the nation. In Illinois, all of the administering agencies are Public Housing Authorities, or PHAs, the term for administering agencies we'll use throughout the report. In December 2014, more than 5 million people in 2.1 million low-income families nationwide used vouchers to help them afford their rent.⁶

Federal rules ensure that vouchers are targeted at the families with the lowest incomes. Seventy-five percent of new households receiving vouchers must be “extremely low-income,” with incomes not exceeding 30 percent of the local median or the poverty line, whichever is higher. PHAs may set admissions preferences based on housing need or other criteria, such as a preferences for working families, people with disabilities, victims of domestic violence, and/or people who are elderly, displaced, or experiencing homelessness.

Once a family receives a voucher, it has at least 60 days to find housing. A family can use a voucher to help pay the rent either for its current unit or for a new unit. In either case, the PHA must verify that the unit meets federal housing quality standards and that the rent is reasonable compared to market rents for similar units in the area. A family with a voucher generally must contribute the higher of 30 percent of its income or a “minimum rent” of up to \$50 for rent and utilities. The voucher pays the rest of those costs, up to a limit (called a “payment standard”) set by the housing agency.

In addition to improving the lives of vulnerable low-income people, vouchers can produce savings in health care, child welfare, corrections, and other program areas that offset part (in some circumstances all) of the cost of the rental assistance.

Nationally, vouchers and other rental assistance lifted 2.8 million people—including about 900,000 children—above the poverty line in 2014, according to the federal government’s Supplemental Poverty Measure, which counts non-cash benefits. Vouchers alone likely produced at least half of that effect.⁷

Of the 109 PHAs in Illinois, 71 have active Housing Choice Voucher Programs.⁸ In December 2014, nearly 82,000 low-income households used Housing Choice Vouchers in Illinois to afford decent, privately owned housing.⁹

Recent data demonstrate that nearly all households using vouchers in Illinois include children or people who are elderly or disabled. Specifically:¹⁰

- More than half, 51 percent, of all households include children under the age of 18.
- Eighteen percent of households include a person who is elderly.
- Almost one quarter of households, 23 percent, include an adult with a disability.

Table 2. Percentage of Housing Choice Voucher Households in Illinois with Children and/or An Adult Who is Elderly or Disabled¹¹

Household Composition	Percent of All Households
Adults with Children	42%
Elderly with Children	2%
Disabled Adults with Children	7%
Elderly	16%
Disabled Adults	16%

Defying stereotypes, among households that are able to work, more than two-thirds are participating in the labor market: 69 percent of the non-elderly, non-disabled households using vouchers in Illinois were working, had worked recently, or likely were subject to work requirements through another program.¹²

However, despite the significant number of voucher holders participating in the workforce, in 2013 the average income for Illinois households with vouchers was only \$12,343. Seventy percent of households were extremely low-income, with an income at or below 30 percent of their local area median income.¹³

6. Center on Budget and Policy Priorities. (2015, July). *Policy Basics: Federal Rental Assistance*. Available [here](#).

7. Center on Budget and Policy Priorities. (2015, October). *Research Shows Housing Vouchers Reduce Hardship and Provide Platform for Long-Term Gains Among Children*. Available [here](#).

8. The remaining 38 PHAs own and manage public housing units but do not have voucher programs.

9. Center on Budget and Policy Priorities. (2014, March). *Illinois Fact Sheet: The Housing Choice Voucher Program*. Available [here](#).

10. Ibid.

11. Ibid.

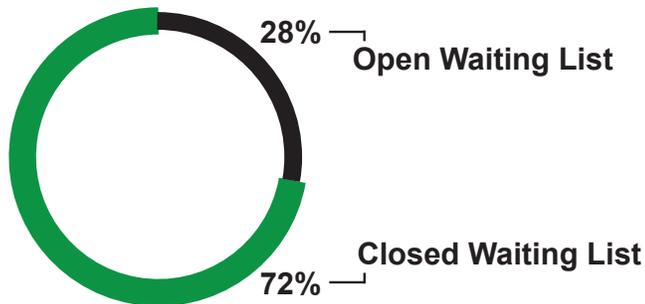
12. Ibid.

13. HUD. (n.d.). *Picture of Subsidized Households, 2013*. Available [here](#).

ILLINOIS HOUSING CHOICE VOUCHER CAPACITY AND WAITING LISTS

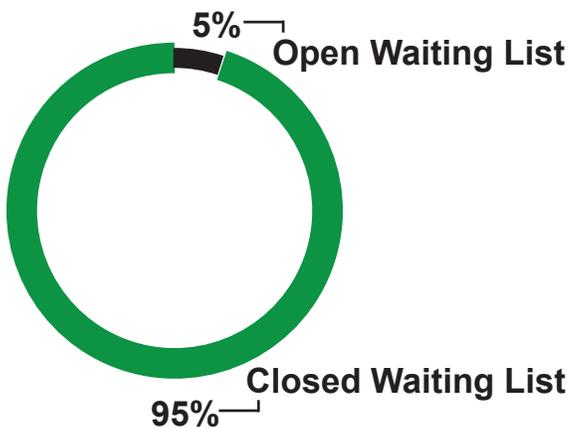
Between August and October 2015, we surveyed PHAs in Illinois about their Housing Choice Voucher waiting list status via email and telephone. As shown in Chart 1, of the 71 PHAs with voucher programs, 51, or 72 percent, reported that their waiting list is currently closed.

Chart 1. Voucher Waiting List Status for IL PHAs



As shown in Chart 2, these 51 PHAs with closed waiting lists administer 95 percent of all the vouchers available statewide—77,321 vouchers, based on the number of vouchers in use as of December 2014. This reflects that the 20 PHAs with open voucher waiting lists have relatively few vouchers, a total of 4,453, and are primarily located in rural areas outside of major population areas.

Chart 2. Vouchers in Use In Illinois by PHA Waiting List Status

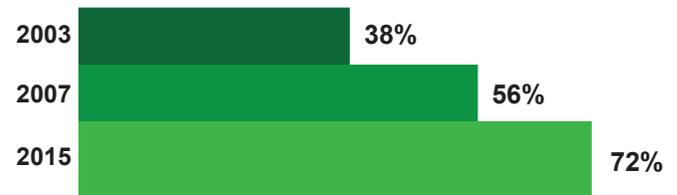


We also asked PHAs if they had any plans to re-open their waiting lists. Only 17 PHAs responded that they had plans to re-open their waiting lists sometime before the end of 2016.

Waiting list status and other voucher data for individual Illinois PHAs is available in the Appendix of this report.

The last time this information was collected, in 2007, the percentage of Illinois PHAs with closed voucher waiting lists was significantly lower, “only” 56 percent. A 2003 analysis found that 38 percent of PHA voucher waiting lists were closed. These data are shown in Chart 3.¹⁴

Chart 3. Illinois PHAs with Closed Voucher Waiting Lists by Year



It is complicated to understand all the reasons that more Housing Choice Voucher waiting lists are closed in 2015 compared to prior years, but two factors are undoubtedly contributors: an increase in poverty and changes in the housing market. As Table 3 shows, during the same period, a higher percentage of people in Illinois have come to experience poverty due to the lack of living wage jobs, increased cost of living, and the erosion of certain public benefits.

Table 3: People in Poverty In Illinois, 2007 and 2014¹⁵

	2007	2014
# People in Poverty	1.5 million	1.8 million
Poverty Rate	11.9%	14.4%
# People in Extreme Poverty	668,000	829,000
Extreme Poverty Rate	5.3%	6.6%

In addition, the percentage of households renting has been increasing in the aftermath of the foreclosure crisis and the Great Recession. As a result, vacancy rates have decreased and rents have gone up. During the first quarter of 2015, the share of Illinois households that rent their housing was 34.4 percent; in the first quarter of 2007, the share of households that rented was 30.5 percent. The first quarter 2015 rental vacancy rate in Illinois was 8 percent; in the first quarter of 2007, it was 11.7 percent.¹⁶

14. The 2007 and 2003 *Not Even A Place in Line* reports are available [here](#).

15. U.S. Census Bureau’s American Community Survey 1 year-estimates program. Available [here](#).

16. U.S. Census Bureau’s Housing Vacancies and Homeownership. Available [here](#).

IMPACT OF SEQUESTRATION ON THE HOUSING CHOICE VOUCHER PROGRAM

The Budget Control Act of 2011's sequester spending caps imposed funding restrictions that resulted in mandatory 5 percent across-the-board budget cuts to nondefense discretionary (NDD) programs in the fiscal year 2013 budget—including most U.S. Department of Housing and Urban Development (HUD) and U.S. Department of Agriculture (USDA) housing programs.

PHAs had to start implementing the sequester budget cuts in March 2013. Almost all PHAs implemented the budget cuts to the voucher program by not reissuing vouchers to those on the waiting list when other households left the program. The Center on Budget and Policy Priorities (CBPP) estimated that 100,000 fewer low-income families were using vouchers by June 2014, compared to a year earlier.¹⁷ Among 70 of 71 Illinois PHAs, the net decrease in vouchers in use during this period was 1,744.

One Illinois PHA, the Chicago Housing Authority (CHA), significantly increased the number of vouchers in use during this period, an increase of 1,932 vouchers, but was only able to do so because their voucher utilization rate had been very low in recent years, largely as a result of their participation in the Moving to Work (MTW)

demonstration program.¹⁸ MTW provides a total of 39 currently participating PHAs nationwide enormous flexibility from most HUD statutory and regulatory requirements.¹⁹

Authorized in 1996, the demonstration program continues even though it has not been evaluated on a broad scale. MTW has allowed the CHA to use many fewer vouchers than currently authorized by HUD. In 2014, CHA only used 38,299, or 75 percent, of its 50,946 authorized vouchers. Compared to 2010, this represents a modest percentage increase, as the CHA only used 70 percent of their authorized vouchers that year.

CBPP estimates that through June 2015 PHAs across the nation have been able to restore approximately 33,000 of the 100,000 vouchers lost due to sequestration. Additional federal funding is needed to restore the remaining 67,000 vouchers lost.

Estimates of the impact of sequestration on individual Illinois PHAs is available in the Appendix to this report.

ADDITIONAL RESOURCES ABOUT THE HOUSING CHOICE VOUCHER PROGRAM

Parts of this report rely on analysis conducted by the following two organizations:

Center on Budget and Policy Priorities: CBPP is a nonpartisan research and policy institute that pursues federal and state policies designed both to reduce poverty and inequality and to restore fiscal responsibility in equitable and effective ways. They work to improve the effectiveness of federal low-income housing programs, and they study how well-designed housing assistance programs can advance goals such as reducing concentrations of poverty. Learn more at <http://www.cbpp.org/topics/housing-vouchers>.

National Low Income Housing Coalition: NLIHC is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes. They advocate protecting and expanding the Housing Choice Voucher program with the goal of assisting as many extremely low income households as possible. Learn more at <http://nlihc.org/issues/vouchers>.

17. Center on Budget and Policy Priorities. (2015, October). *Housing Agencies Restoring Vouchers — Let's Finish the Job in 2016*. Available [here](#).

18. In recent years, the CHA has also continued to maintain a large budget surplus that could be used to fund additional vouchers. For more information see Center for Tax and Budget Accountability. (2014, July). *A Fiscal Review of the Chicago Housing Authority*. Available [here](#).

19. The Champaign County PHA also participates in the Moving to Work demonstration program.

FY16 FEDERAL BUDGET NEEDS AND RECOMMENDATIONS

On October 26, 2015, the details of the Bipartisan Budget Act of 2015 were released, a bipartisan agreement that lifts the sequester-level spending caps that were put in place in 2011 as part of a plan to reduce the federal budget deficit.

Like past budget agreements, the Bipartisan Budget Act of 2015 maintains the parity principle, providing dollar-for-dollar relief from sequestration for defense and nondefense programs and also includes some very minor revenue increases. This agreement will allow for some modest increases in the HUD budget next year.

Restoring the remaining vouchers cut by sequestration should be a priority in the coming weeks in negotiations over a final 2016 budget. To achieve this goal:

1. HUD's 2016 budget should include funding to renew all of the nearly 2.2 million vouchers that will likely be in use at the end of this year. This will require \$18.05 billion in 2016, or \$560 million above the 2015 funding level, according to CBPP estimates based on the new HUD data. While the House-passed Transportation-HUD funding bill meets this goal, the Senate Appropriations Committee's bill does not.
2. HUD's 2016 budget should include sufficient funding to restore the remaining vouchers cut by sequestration. President Obama's budget requested \$512 million to restore an additional 67,000 vouchers, including 30,000 vouchers targeted to reduce homelessness among families with children and veterans, help victims of domestic violence who are forced to flee their homes, and prevent the separation of children from their families due to a lack of affordable housing. The Senate bill takes a step in this direction: it includes \$75 million for 10,000 new vouchers for homeless veterans and \$20 million for some 2,500 new "family unification" vouchers to help families with children and youth to stay together. The House bill includes no funding to restore vouchers.
3. In order to make the highest number of vouchers available for people in need of affordable housing, Congress should not expand the MTW demonstration program as part of the fiscal year 2016 appropriations process. The MTW program has some advantages for PHAs in terms of budget flexibility and reducing administrative burdens but can be used to reduce resources that go to the people with the most significant housing needs. Any expansion of MTW should be done only after a thorough evaluation of the program, particularly in terms of how it impacts people with lowest incomes.
4. It's critically important to restore vouchers previously lost to sequestration, but this should not be at the expense of other crucial federally funded housing programs. Examples of these programs include McKinney Vento Homeless Assistance Grants, project-based Section 8 units, the HOME Investment Partnership Program, and the National Housing Trust Fund. Through the additional funding available due to lifting of the sequestration spending limits, Congress has the ability to restore vouchers *and* provide necessary funding for the remainder of the HUD budget.

It is widely anticipated that Congress will come to an agreement on the fiscal year 2016 federal budget by Thanksgiving of this year. If Congress restores vouchers previously lost to sequestration in this year's budget, it will help lift 67,000 households out of poverty and demonstrate a commitment to provide the resources necessary to alleviate the long-standing affordable housing shortage.

APPENDIX: HOUSING CHOICE VOUCHER WAITING LIST STATUS AND VOUCHERS IN USE FOR ILLINOIS PHAs

PHA	Code	Voucher Waiting List Status	Vouchers in Use, as of Dec. 2014	Estimated Change in Number of Families Using Vouchers Following Sequestration, as of Dec. 2014
Aurora	IL090	Closed	798	-86
Bloomington	IL051	Closed	429	-8
Boone County	IL122	Closed	154	-2
Bureau County	IL086	Closed	60	-7
Champaign County*	IL006	Closed	1,304	-179
Chicago*	IL002	Closed	39,850	1,932
Christian County	IL038	Closed	98	-22
Cicero	IL130	Closed	189	16
Clark County	IL069	Open	6	-4
Cook County	IL025	Closed	12,653	180
Cumberland County	IL070	Closed	8	-1
Danville	IL011	Closed	291	-140
Decatur	IL012	Closed	970	-48
DeKalb County	IL089	Closed	566	0
DuPage County	IL101	Closed	2,389	-96
East Peoria	IL124	Closed	235	84
Edgar County	IL120	Open	48	-12
Elgin	IL092	Closed	1,081	58
Ford County	IL034	Closed	6	-1
Franklin County	IL061	Closed	45	-2
Fulton County	IL084	Open	240	-5
Henry County	IL009	Open	150	-1
Jackson County	IL053	Closed	300	-113
Jefferson County	IL059	Closed	71	-12
Jersey County	IL074	Open	148	-16
Jo Daviess County	IL082	Closed	24	-8
Joliet	IL024	Closed	1,105	-225
Kankakee County	IL039	Closed	452	-57
Kendall County	IL137	Closed	141	1
Knox County	IL085	Open	189	-34
Lake County	IL056	Closed	2,730	-57
LaSalle County	IL014	Closed	507	4
Lee County	IL035	Open	27	-7
Logan County	IL040	Closed	38	-10
Madison County	IL015	Closed	756	-122
Marion City	IL126	Closed	124	-26
Marion County	IL057	Open	276	4

* participates in HUD's Moving to Work Demonstration Program.

Waiting list status comes from the report authors' original data collection. Voucher use and sequestration data come from the Center on Budget and Policy Priorities.

PHA	Code	Voucher Waiting List Status	Vouchers in Use, as of Dec. 2014	Estimated Change in Number of Families Using Vouchers Following Sequestration, as of Dec. 2014
Mason County	IL042	Open	86	-5
Maywood	IL054	Closed	429	3
McDonough County	IL076	Closed	97	10
McHenry County	IL116	Closed	891	-26
McLean County	IL117	Closed	253	-60
Menard County	IL028	Closed	267	170
Mercer County	IL131	Closed	25	7
Moline	IL020	Closed	188	3
Montgomery County	IL037	Closed	82	-1
Morgan County	IL079	Open	164	-151
Mt. Vernon	IL123	Closed	48	-10
North Chicago	IL107	Open	391	-29
Oak Park	IL103	Closed	409	-19
Ogle County	IL095	Open	104	-21
Park Forest	IL136	Closed	128	-20
Peoria	IL003	Closed	1,510	9
Quincy	IL016	Closed	125	-10
Randolph County	IL052	Open	41	-1
Richland County	IL096	Open	61	-1
Rock Island	IL018	Closed	250	-104
Rock Island County	IL010	Closed	283	-34
Rockford	IL022	Closed	1,468	-75
Saline County	IL043	Open	112	-13
Shelby County	IL087	Open	19	-7
Springfield	IL004	Closed	1,914	-40
St. Clair County	IL030	Open	2,074	-161
Vermilion County	IL036	Closed	60	-7
Warren County	IL091	Open	71	1
Waukegan	IL026	Closed	735	-104
Wayne County	IL088	Open	31	-5
Whiteside County	IL032	Closed	211	-59
Williamson County	IL050	Closed	132	-21
Winnebago County	IL083	Closed	442	-9
Woodford County	IL104	Open	215	0
TOTAL			81,774	

* participates in HUD's Moving to Work Demonstration Program.

Waiting list status comes from the report authors' original data collection. Voucher use and sequestration data come from the Center on Budget and Policy Priorities.

ABOUT THE AUTHORS

Housing Action Illinois is a statewide coalition formed to protect and expand the availability of quality, affordable housing throughout Illinois. Together we empower communities to thrive through three programs: Organizing, Policy Advocacy, and Training and Technical Assistance. Our members include housing counseling agencies, homeless service providers, developers of affordable housing and policymakers. These organizations serve low- and moderate-income households, helping to provide a place to call home, thereby strengthening the community at large. At Housing Action Illinois our supporters, participants and members agree that a stronger Illinois begins at home.

Website: www.housingactionil.org
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