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Despite Renters in Illinois Needing to Earn \$18.78 Per Hour in Order to Afford a Basic Two-Bedroom Apartment, House Budget Defunds National Housing Trust Fund

Renters in Illinois need to earn \$18.78 per hour in order to afford a basic two-bedroom apartment, according to a report released today that compares the cost of rental housing with what renters can really afford. Despite the high cost of renting a home for the poorest workers, the latest action from Congress suggests addressing the shortage of affordable rental housing is not a priority.

In Illinois, the average rent for a two-bedroom apartment is \$977. In order to afford this level of rent and utilities—without paying more than 30% of income on housing—a household must earn at least \$39,067 annually. Assuming a 40-hour workweek, 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. Or a household must include 2.3 minimum wage earners working 40 hours per week year-round in order to afford a modest two-bedroom apartment.

As the following table shows, across the state the two-bedroom Housing Wage ranges from \$22.52 in the Kendall County metropolitan area to \$12.13 in the Macoupin County metropolitan area. The Housing Wage in the Chicago metropolitan area is \$21.02.

Housing Wage for 2 Bedroom Apartment by Metropolitan Areas in Illinois

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 Ares/Rural	\$12.52
Cape Girardeau-Jackson MSA	\$12.23
Macoupin County HMFA	\$12.13

The report, *Out of Reach 2015*, was jointly released by the National Low Income Housing Coalition (NLIHC), a Washington, D.C.-based research and advocacy organization, and Housing Action Illinois. The report provides the Housing Wage and other housing affordability data for every state, metropolitan area, combined non-metropolitan area, and county in the country.

Out of Reach 2015 is released just days after a May 13 vote by House Appropriations Committee on next year's federal budget for the U.S. Department of Housing and Urban Development (HUD) that fails to address the huge shortage of affordable rental housing.

Nationally, there is shortage of more than 7.1 million units of rental housing for extremely low-income households. In Illinois alone, there is a shortage of 318,859 of rental units affordable and available for extremely low-income households. The vote was 100% partisan, with all Republicans voting in favor and all Democrats voting against the bill.

Among the most troubling details of the House budget bill for HUD is that it directs all funding for the National Housing Trust Fund (NHTF) into the HOME Program and prohibits Congress from putting any other money into the NHTF.

The NHTF is the first new federal funding in a generation that is targeted to expand the supply of rental housing affordable for extremely low-income households. Implementation of the NHTF is due to begin in the summer of 2016. It is not to be funded through annual appropriations, but rather through a mandatory assessment on the volume of annual business conducted by Fannie Mae and Freddie Mac. The proposed bill would take the dedicated funding for the National Housing Trust Fund and use it to back-fill another cut to the HOME program.

Even with the diversion of the funds from the NHTF, the House budget cuts the HOME Program to \$767 million next year from \$900 million in the current year budget. The HOME Program

provides formula grants to states and local governments that communities use to fund a wide range of uses to create rental or home ownership opportunities. The HOME Program has much higher income targeting thresholds than NHTF, so is not as useful to meet the needs of the nation's poorest households.

“The House budget for affordable housing programs shows a disregard for the situations of millions of low wage workers that cannot find apartments they can afford to rent,” said Bob Palmer, Policy Director for Housing Action Illinois. “We will be looking to the Senate to pass a HUD budget that has a higher funding level overall and that preserves the National Housing Trust Fund.”

Housing Action Illinois is a statewide coalition formed to protect and expand the availability of quality, affordable housing throughout Illinois. Their members include housing counseling agencies, homeless service providers and developers of affordable housing.

For additional information, visit www.nlihc.org/OOR.

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