

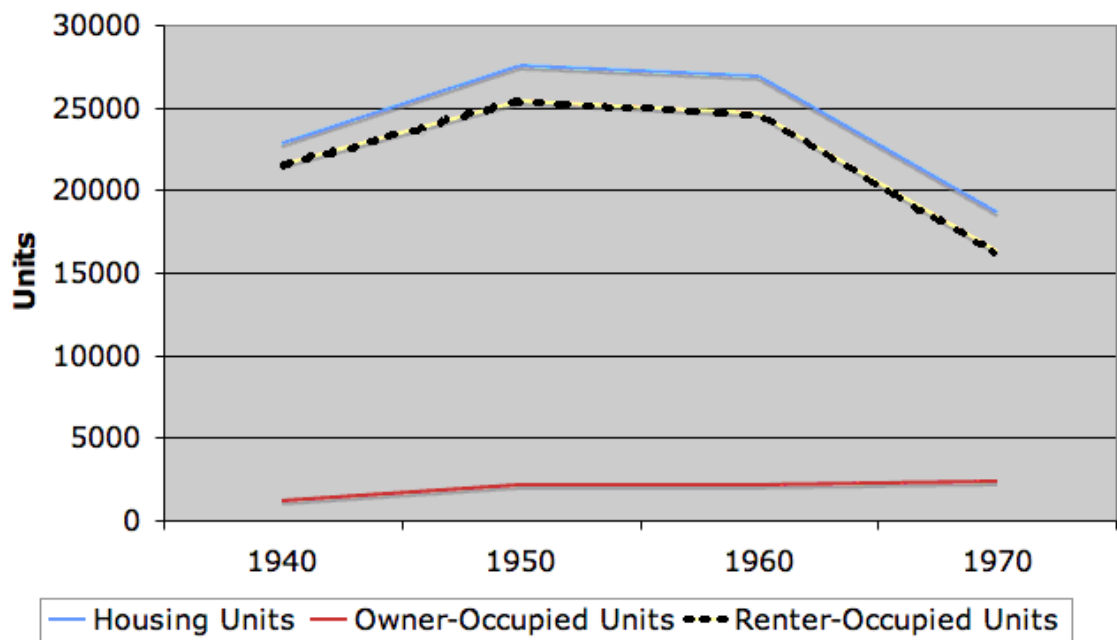
The State of Housing in Hyde Park

History

Hyde Park was founded in 1853 by Paul Cornell, was incorporated in 1863 and became part of the City of Chicago in 1889. Today, the community of Hyde Park consists of 1.65 square miles between 51st Street and the Midway, east to Lake Michigan and west to Cottage Grove. South Kenwood, between 47th and 51st Streets, is often included to identify the Hyde Park–Kenwood neighborhood.

Hyde Park started its life as a suburb of Chicago. Its large single family homes are reminders of its early suburban character. By the 1930s, Hyde Park was prospering as a popular hotel and resort area boasting over 100 hotels, including a dozen elaborate structures on the lakefront. By the 1940's, following the Depression and during the war, some of these hotels began to cater to a less affluent and transient population. Many were later converted to apartment and condominium buildings.¹

Housing Units in Hyde Park



Graph by Dale Winling, posted on *urbanoasis* (a weblog) on 09.26.07

Hyde Park, like most urban areas, started to decline economically after World War II as it experienced more racial and economic diversity. During this time, a large number of low-income residents settled in Hyde Park, which had a large stock of inexpensive but substandard housing. The African American population in Chicago began to move south

¹ Eds. Grossman, James R., Keating, Ann Durkin, and Reiff, Janice L., *The Encyclopedia of Chicago*, p. 404. The University of Chicago Press, 2004.

of Bronzeville and into Kenwood and Hyde Park, and the community suffered from the all too familiar pattern of “white flight.”

In the 1960s, an aggressive urban renewal program replaced much of the substandard housing in the community. As a result, Hyde Park saw a significant reduction in rental housing and in the overall number of housing units. The project meant that Hyde Park did not experience the same economic depression that occurred in neighboring areas, such as Woodlawn, Washington Park, and Oakland. Also, it ensured that it remained a very racially-diverse neighborhood.

2000 Census

The most recent information on Hyde Park that we have today is the 2000 Census. Hyde Park² has a population of 29,920, an increase of 1,290 over the 1990 Census, but a decline of 3,639 or 11%, from 1970. There are 14,360 households, which is about the same number of households as 1970, while the average household size has shrunk from 2.2 in 1970 to 2.0 in 2000.

Ethnically, the population breaks down:

RACE	2000 Census	1970 Census
White	43.5%	64.1%
African-American	37.7%	31.1%
Hispanic	4.1%	2.6%
Asian	11.3%	4.8%
Other	3.4%	n/m

The community has maintained its ethnic/racial diversity over that past thirty years. The African-American population in 2000 is only slightly higher than 1970, while the growth of the Hispanic and Asian population has offset the decline of the White population.

Economically, 16.5% of the population lives below the poverty level, compared with 12.4% nationally and 19.6% for the City of Chicago. Only 2.3% of the household receive public aid, down from 7.2% in 1980. The median household income in 2000 was \$35,991, compared to the Chicago city median of \$38,625 and the metropolitan median of \$67,900.

As of 2000 there were 15,227 units of housing in Hyde Park, a loss of 465 units since 1970. The vacancy rate is 5.6%, which is half the vacancy rate of 1970. Of the housing units, 4,551 are owner-occupied (single family, coop or condo) and 9,809 are renter-occupied. Since 1970, the number of owner-occupied units has risen from 15% of the total to 32% of the total housing units.

The value of owner-occupied housing has risen by 154% between 1993 and 2002 and 25% between 1998 and 2002, reflecting trends in the city and nationally. Among renter households, about half pay more than 30% of their gross (before taxes) income for

² U.S. Census Bureau, 2000 Census. The demographic data is for the Hyde Park community area only.

housing costs, and 25% pay more than 50% of their income for housings. By comparison, federal policy considers 30% as the healthy upper limit for housing costs.

Current State of Housing in Hyde Park–Kenwood

As we look at the data, we can see some important trends that will have an impact on the future of the community. Since 1970, the number of households has been stable, while the population decline reflects the national trend toward smaller households. The number of housing units has declined slightly, while the vacancy rate has shrunk. However, there has been a significant shift from rental to owner-occupied housing.

Hyde Park still has a sizable low and moderate income population, but as the housing market has changed, their options have diminished and their housing costs have risen. If the trend continues, Hyde Park will undergo a significant gentrification, with low and moderate income households priced out of the market.

Subsidized Rental Housing in Decline

Most rental housing in Hyde Park is private, market-rate apartments. Unfortunately it is difficult to analyze the local rental market in Hyde Park, as distinct from broader regional trends. Such research is beyond the scope of this report. We can, however, look at the subsidized rental market because current information is available from multiple governmental sources.³ It should be noted that, when looking at the subsidized rental stock, the research includes Kenwood south of 47th Street.

There are 1,210 units of subsidized housing in Hyde Park–Kenwood, plus 296 housing vouchers in privately owned apartment buildings. Of this number, 927 are low-income family housing, including 462 units of Project-based Section 8.

SUBSIDY ⁴	UNITS
Section 8 Project-based	462
Elderly & Disabled (202/811)	187
Federal Tax Credit	138
State & City Programs	705
Other HUD	338
Section 8 Voucher	296

The stock of subsidized family housing has declined since 2000, and is at risk of further shrinkage. In 2000, there were 1,155 units of family housing, while today the number is down to 927, and will probable shrink further in the next five years:

Subsidized family housing units lost since 2000	228	19.7%
Subsidized family units at-risk	211	18.2%
Total subsidized family units in 2000	1155	100%

³ Data compiled by Anne King from HUD, Illinois Housing Development Authority and Chicago Department of Housing.

⁴ The numbers in this table include duplicate units. Some buildings contain more than one type of subsidy due to multiple financing.

Nearly 40% of the subsidized family units in the community have been lost or are at risk of being lost in this decade. Most of the recent loss has been due to expiring Project-based Section 8 housing contracts that were not renewed by the building owner. In most cases, the units are lost because the private owner has decided to discontinue the federal subsidy with the plan to convert the building to market-rate rental or condominiums.

There are an addition 211 units that we have identified as being “at risk.” The “at risk” category includes projects for which the loss of affordability appears significant. For example, in this category are projects with Section 8 contracts expiring within the next few years. Also included are projects where the only subsidy is HUD-insured mortgages that are nearly at pay-off date, or that are eligible for pre-payment. Because we did not have access to data on all buildings, the “at risk” category may be even larger than this report shows.

Conclusion

Hyde Park has a long history of maintaining its diversity, both racially and economically. In the face of the urban challenges of the 1960s and 1970s, the community was able to maintain and grow its stock of owner-occupied homes, which added to the stability of the community. Since 1990, the housing market in Chicago has undergone a tremendous change with rising home values, the growth of the Black middle and upper-middle class, and the revival of neighborhoods. However, in the midst of this change, new challenges have emerged.

Today, the diversity of Hyde Park is threatened by its own success. The loss of rental housing, and especially the loss of subsidized rental housing, has brought added pressure to working class families and seniors in the community. Rising rents, together with a tight rental market, result in low and moderate income residents paying higher and higher percentages of their income to stay in the community. Unless a strong effort is made to reverse the current trends, the Hyde Park of tomorrow may lose the very qualities that make it such a unique and integrated community today.