



Affordable Housing in Chicago: Key Findings

What is the current state of affordable housing in Chicago, and how has it changed over time? How does zoning shape housing in Chicago?

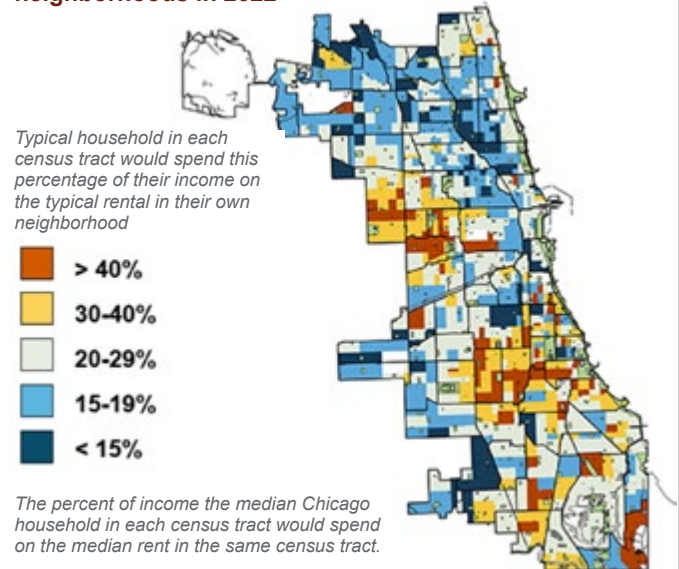
Housing affordability in Chicago has declined in the last 20 years, particularly for Black and Latinx residents. There are limited housing units specifically subsidized and set aside as affordable, and those units are distributed inequitably across the city. Meanwhile, Chicago's zoning code limits how much new housing can legally be built: it is illegal to build new multi-family housing in much of the city without a zoning change, and most new multi-family housing is part of Planned Developments. Evidence also suggests that downzonings and historic preservation have functioned to create more exclusionary neighborhoods over time.

Key data takeaways from our research

➤ **Over the past two decades, housing has become increasingly unaffordable for all Chicagoans, but particularly Black and Latinx Chicagoans.** The typical Chicago household cannot afford to buy or rent a home on much of the North and Northwest side. Typical renters in the South and West sides are spending more than 30 percent of their income on rent in their own neighborhoods. Black and Latinx families have seen the greatest declines in housing affordability since 2000.

➤ **Affordable housing options are limited and distributed inequitably across Chicago.** Some of the most common affordable housing units—federally subsidized units—are concentrated in a few communities on Chicago's South and West sides and are sparse in the whitest and highest-income areas. Very few of the most affordable housing options like shelters and single room occupancy unit buildings have been built in Chicago since 2006.

Housing affordability for renters in their own neighborhoods in 2022

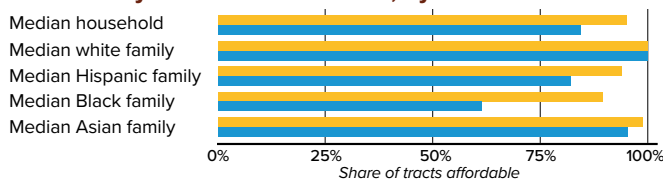


Created by Urban Institute.
Source: Census ACS 2018-2022 via National Equity Atlas.

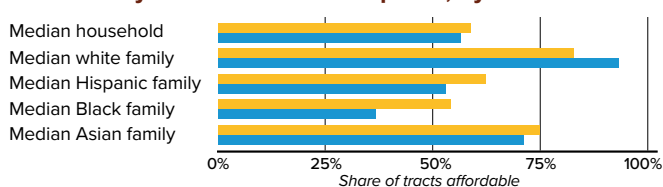
The percent of census tracts where the median household by race and ethnicity in Chicago can afford the median rent (top) or buy the median home (bottom) in that tract.

■ 2022 ■ 2000

Affordability of median rental unit, by tract

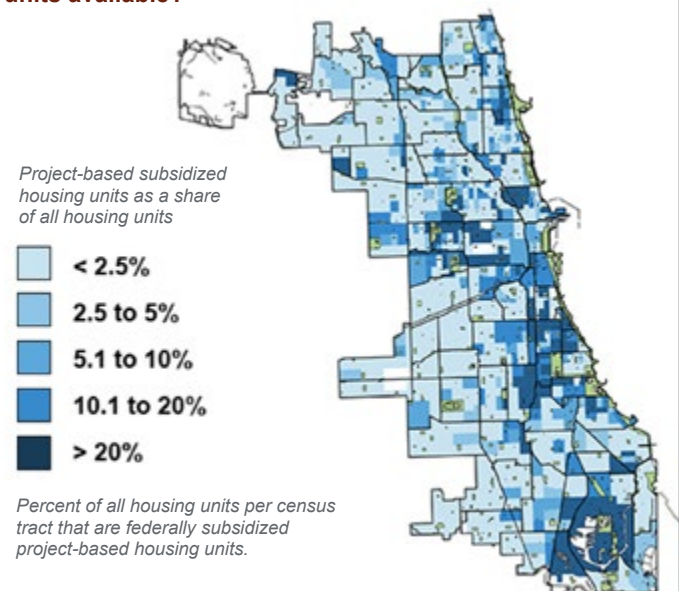


Affordability of median ownership unit, by tract



Note: 2000 median incomes: All households: \$38,625; White families: \$62,680; Hispanic families: \$37,166; Black families: \$32,776; Asian families: \$47,838
2018-2022 median incomes: All households: \$71,673; White families: \$154,749; Hispanic families: \$68,370; Black families: \$53,587; Asian families: \$89,416
Created by Urban Institute; Source: Census 1990-2010; Census ACS 2018-2022, both via National Equity Atlas.

Where are subsidized affordable housing units available?



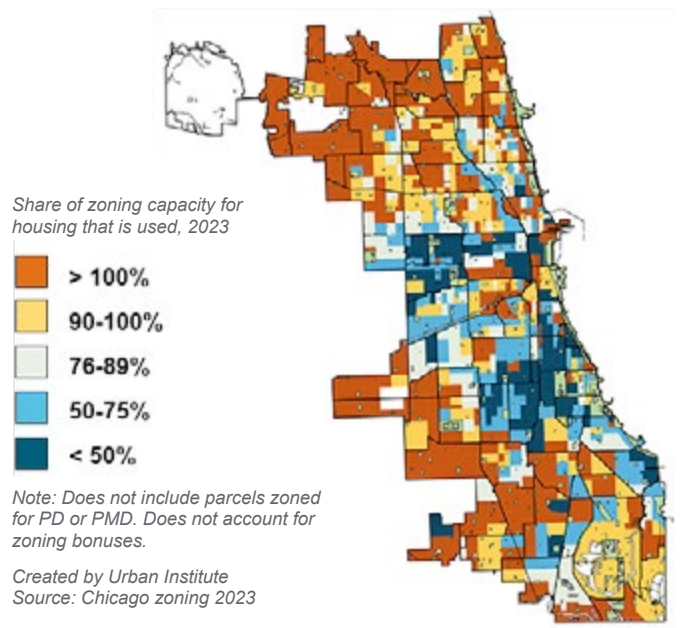
Created by Urban Institute.
Source: Census ACS 2018-2022, National Housing Preservation Database 2023.

➤ **Chicago's zoning code limits the amount of new housing that can be legally built in the city.**

41 percent of Chicago is zoned for single family homes or two-flats only, while just 11 percent of the city is zoned for three and four-flats and apartment buildings. This restrictive zoning policy leaves very little room to build new housing in large swaths of the city, most notably on the North, Northwest, and far South and Southwest sides. Most community areas in Chicago (58 percent) built fewer than 500 new homes since 2006. The majority (60 percent) of all new homes in the city built since 2006 were concentrated in just five community areas near and in the Loop.

➤ **It is illegal to build new multi-family housing in much of the city without a zoning change. Most new multi-family units are being built as Planned Developments.** Planned Developments (PDs) offer more flexibility than traditional zoning districts and include an added layer of public review. From 2006 to 2024, nearly 60 percent of new homes—and over two-thirds of homes in buildings with five or more units—were built as part of a PD.

The percentage of zoning capacity, or room for housing, that is used by housing already built.



➤ **Downzonings and historic preservation create more exclusionary neighborhoods.** In the decades since 1970, City Council tended to downzone areas that were whiter with higher housing values. After the downzonings, housing construction was limited in those areas, which became even whiter and had even higher housing value increases than areas that were not downzoned.

MPC acknowledges that Urban Institute's research on downzoning builds on and supports the downzoning analysis originally included in the report "A City Fragmented: How Race, Power, and Aldermanic Prerogative Shape Chicago's Neighborhoods." This report was created by the Chicago Area Fair Housing Alliance in partnership with the Shriver Center on Poverty Law and directly links downzoning with the reduction of affordable housing and multifamily development in Chicago.

Why does this data matter? Why should I care about these findings?

This research matters because the cost of housing impacts everyone, representing most households' [largest monthly expense](#).

According to the National Low-Income Housing Coalition, there is [a need for about 230,000 additional affordable rental homes](#) for very low-income renter households in the Chicago metro area. Our findings confirm that when housing becomes less affordable, the consequences fall on certain communities more than others, primarily Black and Latinx Chicagoans.

When it comes to new housing development, the status quo of zoning in Chicago is not resulting in equitable outcomes. Especially given the affordability challenges faced by Chicagoans, every neighborhood—not just a select few—needs plenty of options for housing to meet the needs of all neighbors. Making Chicago a welcoming, thriving place to live requires using all the tools we have—zoning included—to ensure that everyone has an affordable place to live.

Zoning and Land Use Assessment initiative and research

This research is part of a collaborative initiative led by Metropolitan Planning Council (MPC) and the Urban Institute that evaluates Chicago's zoning and land use to understand whether they contribute to equitable, sustainable, and healthy outcomes for communities and residents. The goal is to understand zoning's impact to collectively make changes to create a vibrant and thriving Chicago.

For more information about this project and additional information about this research visit metroplanning.org/projects/zoning-land-use-assessment