

This AI was not adopted by the jurisdictions involved.
The Lake County Community Development Director unilaterally withheld this AI from the Lake County Planning Commission and subjected county staff who worked on it to disciplinary action because it reported evidence of housing discrimination in several Lake County towns. HUD declined to issue funds to Lake County to conduct a new AI because there was nothing wrong with this AI. The AI was never presented for adoption by North Chicago or Waukegan.

Lake County, Illinois Analysis of Impediments to Fair Housing Choice 2012

Lake County
North Chicago
Waukegan



Prepared by

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Lake County, Illinois

Department of Planning, Building & Development

Joel Williams, Community Development Administrator

City of North Chicago

Economic Development Department

Pamela Jeffries, Community Development Block Grant Administrator

City of Waukegan

Community Development Block Grant

Laura Hamilton, Compliance Coordinator

Conducted by

PLANNING/COMMUNICATIONS

Planner/Attorney: Daniel Lauber, AICP — Principal Author

Director of Research: Diana Lauber

Consulting Planner: Sam Casella, FAICP

Home Mortgage Disclosure Act Data Compiled By
The Housing & Advocacy Center
Cleveland, Ohio

All photographs by Daniel Lauber

Website: <http://planningcommunications.com>

Email: info@planningcommunications.com

River Forest, Illinois

708/366-5200

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Table of Contents

Chapter 1:	
Executive Summary	1
Chapter 2:	
Basis of This Study.	5
Chapter 3:	
Jurisdictional Overview	12
Demographics	12
Poverty Rates	14
Racial and Hispanic Composition	14
Employment.	59
Transportation	68
Chapter 4:	
Status of Fair Housing in Lake County	74
Private Sector Compliance Issues	74
Fair Housing Complaints and Studies	74
Incidents of Hate Crimes	84
Home Mortgage Lending Practices	85
Foreclosures	95
Home Appraisal Practices	96
Real Estate Advertising	96
The Affordability of Housing	99
Public Sector Compliance Issues	112
Efforts to Build and Preserve Affordable Housing	112
Zoning and Availability of Land for Residential Development	114
Land–Use Controls and Building Codes.	122
Public and Subsidized Housing	132
Accessing Information About Fair Housing and Reporting Housing Discrimination	144
Limited English Proficiency	146
Fair Housing Issues in Comprehensive Plans	147
Implementation of the 2004 AI	149
Chapter 5:	
Impediments and Recommendations	154
Private Sector Impediments	157
Public Sector Impediments	161
Conclusion	176

Tables

Table 1: Lake County Population Change: 1980–2010	12
Table 2: North Chicago Population Change: 1980–2010	13
Table 3: Waukegan Population Change: 1980–2010	13
Table 4: Percentages of Population in Poverty by Jurisdiction and Category	14
Table 5: Lake County: Racial and Ethnic Household Composition 2000 & Individuals 2010	23
Table 6: Lake County Municipalities: Racial and Ethnic Household Composition in 2000 & Individuals in 2010 Plus Opportunity Group	24
Table 7: North Chicago: Racial and Ethnic Household Composition 1990–2000 & Individuals 2010	44
Table 8: Waukegan: Racial and Ethnic Household Composition 1990–2000 & Individuals 2010	49
Table 9: Lake County Racial and Hispanic Composition: 1990–2010	57
Table 10: North Chicago Racial and Hispanic Composition: 1990–2000	58
Table 11: Waukegan Racial and Hispanic Composition: 1990–2010	58
Table 12: Lake County Work Force: 2005–2010	60
Table 13: North Chicago Work Force: 2005–2010	60
Table 14: Waukegan Work Force: 2005–2010	61
Table 15: Lake County Private Sector Businesses by Industry and Number of Employees: 2009	62
Table 16: Largest Lake County Employers: 2012	63
Table 17: Racial and Ethnic Composition of Who Worked in Lake County: 2000	64
Table 18: North Chicago Private Sector Businesses by Industry and Number of Employees: 2009	65
Table 19: Waukegan Private Sector Businesses by Industry and Number of Employees: 2009	66
Table 20: Largest Waukegan Employers: 2009	67
Table 21: Racial and Ethnic Composition of Who Worked in Waukegan: 2000	68
Table 22: Community Time By Jurisdiction	70
Table 23: Commuting Modes By Jurisdiction	71
Table 24: All Lake County Fair Housing Complaints Filed With HUD: 2005–2011	74
Table 25: Lake County Excluding North Chicago and Waukegan Fair Housing Complaints Filed With HUD: 2005–2011	75
Table 26: North Chicago Fair Housing Complaints Filed With HUD: 2005–2011	77

Table 27: Waukegan Fair Housing Complaints Filed With HUD: 2005–2011	78
Table 28: Lake County Fair Housing Complaints Filed With the Illinois Department of Human Rights: 2005–2011	80
Table 29: North Chicago Fair Housing Complaints Filed With the Illinois Department of Human Rights: 2005–2011	81
Table 30: Waukegan Fair Housing Complaints Filed With the Illinois Department of Human Rights: 2005–2011	82
Table 31: Reported Hate Crimes in Lake County: 2005–2011	84
Table 32: Reported Hate Crimes in Waukegan: 2005–2011	85
Table 33: Results of Applications for Conventional Home Mortgages in Lake County: 2008–2009	86
Table 34: Results of Applications for Conventional Home Mortgages in the Chicago–Naperville–Joliet MSA: 2008–2009	87
Table 35: Results of Applications for Conventional Home Mortgages in North Chicago: 2008–2009	88
Table 36: Results of Applications for Conventional Home Mortgages in Waukegan: 2008–2009	89
Table 37: Cost–Burdened Home Owners by Jurisdiction: 2010	100
Table 38: Cost–Burdened Tenants by Jurisdiction: 2010	101
Table 39: Median Household Income By Race and Ethnicity For Each Jurisdiction	102
Table 40: Affordability of Home Ownership By Lake County Municipality: 2010	106
Table 41: Affordability of Home Ownership in North Chicago: 2010–2011	108
Table 42: Affordability of Home Ownership in Waukegan: 2010–2011	109
Table 43: Lake County Rents in 2010	110
Table 44: North Chicago Rents in 2008–2010	110
Table 45: Waukegan Rents in 2010	111
Table 46: Number of Housing Units for Which Building Permits Were Issued By Lake County: 2005–2010	115
Table 47: Land Zoned for Residential Use in Lake County As of September 1, 2011	115
Table 48: Number of Housing Units for Which Building Permits Were Issued By North Chicago: 2005–2010	120
Table 49: Land Zoned for Residential Use in North Chicago As of September 1, 2011	120
Table 50: Number of Housing Units for Which Building Permits Were Issued By Waukegan: 2005–2010	121
Table 51: Land Zoned for Residential Use in Waukegan As of October 2011	122
Table 52: Lake County Public Housing Authority Public Housing Developments Demographics: 2010	134
Table 53: Racial and Ethnic Composition of North Chicago Public Housing Developments: 2011	136
Table 54: Racial and Ethnic Composition of Waukegan Public Housing Developments	138

Table 55: Racial and Ethnic Composition of Lake County Housing
Choice Voucher Holders: 2011 140

Table 56: Number of Section 8 Voucher Units by Lake County
Jurisdiction: 2010 141

Table 57: Distribution of Housing Choice Vouchers by Opportunity
Group: 2010 142

Table 58: Racial and Ethnic Composition of North Chicago Housing
Choice Voucher Holders: 2011 143

Table 59: Racial and Ethnic Composition of Waukegan Housing
Choice Voucher Holders: 2011 143

Figures

Figure 1: Segregated Neighborhoods in the Chicago Region: 1980 Through 2000	15
Figure 2: Where Lake County’s 47,651 African American Residents Lived in 2010	16
Figure 3: Where Lake County’s 134,705 Latino Residents Lived in 2010 . .	16
Figure 4: Where Lake County’s 43,030 Asian Residents Lived in 2010	17
Figure 5: Opportunity Groups of Lake County Municipalities	19
Figure 6: Lake County Median Household Income By Race and Ethnicity: 2010	20
Figure 7: Frank Lloyd Wright Designed Mary M.W. Adams House in Highland Park	32
Figure 8: Beach Park Trailer Homes	33
Figure 9: Libertyville Houses	35
Figure 10: Round Lake Beach Townhomes	38
Figure 11: Vernon Hills Townhomes	41
Figure 12: Shiloh Tower, Lake County Housing Authority Senior Public Housing in Zion	43
Figure 13: North Chicago Single–Family Homes	46
Figure 14: Extent of Diversity in North Chicago Housing: 2010.	47
Figure 15: Kukla Towers Senior Public Housing in North Chicago	48
Figure 16: Waukegan House for Rent	53
Figure 17: Latino Concentrations in Waukegan: 2010	54
Figure 18: Market Rate Rental Highrise in Waukegan	61
Figure 19: Waukegan Apartments Above Shops	62
Figure 20: Waukegan Single–Family House	66
Figure 21: Multiple Transportation Modes at the Downtown Highland Park Metra Station	69
Figure 22: Grayslake Townhouses Affordable to Households With Modest Incomes	71
Figure 23: Dependency on Public Transportation by Race and Ethnicity in 2008–2009: Lake County	72
Figure 24: Dependency on Public Transportation by Race and Ethnicity in 2008–2009: North Chicago.	72
Figure 25: Dependency on Public Transportation by Race and Ethnicity in 2008–2009: Waukegan	72
Figure 26: Higher Density Housing Near Metra Station in Downtown Highland Park	73
Figure 27: Mundelein Houses	79
Figure 28: Lindenhurst House	81

Figure 29: Abandoned House in Waukegan	90
Figure 30: Percentages of Mortgages and Refinancings That Were High Cost: 2005–2010	91
Figure 31: Boarded Up Housing in Zion	91
Figure 32: Percentages of High Cost Mortgages and Refinancings in Lake County: 2005–2010	92
Figure 33: Modest Highwood Houses	92
Figure 34: Percent of Mortgages and Refinancings That Were High Cost By Race and Ethnicity in Lake County: 2005–2010	93
Figure 35: Libertyville “McMansion”	93
Figure 36: Percent of Mortgages and Refinancings That Were High Cost By Race and Ethnicity in North Chicago: 2005–2010	94
Figure 37: Perhaps the Funkiest House in Highland Park	94
Figure 38: Percent of Mortgages and Refinancings That Were High Cost By Race and Ethnicity in Waukegan: 2005–2010	95
Figure 39: Lake County Median Household Income By Race and Ethnicity: 2010	102
Figure 40: North Chicago Median Household Income By Race and Ethnicity: 2008–2010	103
Figure 41: North Chicago Homes	103
Figure 42: Waukegan Median Household Income By Race and Ethnicity: 2010	104
Figure 43: Modest Highland Park House Bought for \$369,000 in 2006 and Sold in 2011 for \$309,000 After Extensive Remodeling ...	105
Figure 44: New Urbanist Homes in the Prairie Crossing Development ...	114
Figure 45: Townhomes in Unincorporated Gurnee Lost Value	119
Figure 46: Woodstone Village Rentals in Zion	121
Figure 47: Highrise Public Housing in Waukegan	135
Figure 48: Low-Cost Housing in Zion	137
Figure 49: Highland Park Mansion	141
Figure 50: Highwood House	144

Chapter 1

Executive Summary

Implementing this report's recommendations to achieve the purposes of the Community Development Block Grants that Lake County, North Chicago, and Waukegan receive, gives Lake County an unparalleled opportunity to boost the county's economy, decrease the traffic congestion that diminishes air quality and the tax needed to maintain Lake County's heavily-traveled road system, and reduce poverty and dependence on safety net programs.

While Lake County is one of the wealthiest counties in Illinois and the nation, averages mask the significant extent of poverty, the large proportions of households that cannot afford their housing, and the extensive segregation throughout Lake County. As documented in Chapter 3, very little of Lake County reflects the county's overall racial, ethnic, and economic diversity. Like most of the Chicago metropolitan area, racial, ethnic, and economic segregation is the norm rather than the exception in nearly all of Lake County. This segregation has resulted in the overwhelming majority of African American and Latino Lake County residents living in the lowest opportunity group communities while Caucasians live in communities ranging from the lowest to highest opportunity groups.¹

The racial, ethnic, and economic segregation emanates from both private sector practices and public sector laws, policies, and practices. If Lake County's housing market were a free market not distorted by discrimination, every one of its 51 municipalities would have been at least 9 percent African American — and that's with the housing that already exists in each community. In 2010, Blacks comprised less than two percent of the population in six out of ten Lake County municipalities and five percent or less in nearly nine out of ten of the county's cities and villages.

But in addition to the discrimination in housing that has created this racial segregation, public sector laws, practices, and policies of Lake County and a great many of its municipalities have excluded housing affordable to households with modest incomes, a disproportionately large percentage of which are African American and Latino. The median income in 2010 for Lake County's non-Hispanic Caucasian households was \$84,525 and \$82,793 for Asians. But the median household income for the county's Latino residents was \$48,712 and only \$36,498 for its Black residents. The land-use ordinances of the county and many of its municipalities prevent the construction of housing affordable to median income African Americans and Hispanics, only intensifying the housing segregation in Lake County and making the exclusion of housing affordable to households with modest incomes a fair housing concern due to its ramifications for Blacks, Latinos, families with children, people with disabilities, and other classes protected by the Fair Housing Act and the Illinois Human Rights Act.

1. The concept of opportunity groups is explained beginning on page 17.

Large proportions of Lake County residents spend 30 percent or more of their monthly gross income on housing costs, which makes them “cost burdened.” In Lake County, nearly 43 percent of home owners with a mortgage and 52 percent of tenants are cost burdened. Two-thirds of the home owners with a mortgage and 47 percent of the tenants in North Chicago are cost burdened. Half of the home owners with a mortgage and 55 percent of tenants in Waukegan are cost burdened. In all three jurisdictions, more than three-quarters of the cost-burdened households spend 35 percent or more of their income on housing costs. So many households spending such a high percentage of their income on housing weakens the county’s economy by denying spending on goods and services.

More than seven of every ten of Lake County’s Black residents live in North Chicago (21 percent), Waukegan (36 percent), and Zion (16 percent). More than a third of the county’s Hispanic residents live in Waukegan (35 percent), while another fourth live in Round Lake Beach (10 percent), Mundelein (7 percent), and North Chicago (7 percent).

The impacts of this hypersegregation are immense. Living largely in the lowest and low opportunity group cities and villages, the vast majority of the county’s African American and Latino residents lack access to the quality education, community resources and services, and employment opportunities needed for the upward mobility we all wish for our children.² It leads to the perpetuation of the lower class from which relatively few are able to move upward — and increases the need for safety net programs and their attendant cost to taxpayers.

North Chicago and Waukegan are more diverse than nearly all the rest of Lake County. But demographically, North Chicago is two very different cities with Latinos of any race and African Americans concentrated in the north end and Caucasians concentrated in the south end. Two census tracts in the middle of the city are racially and ethnically integrated.

Overall, Waukegan has been diverse for decades with the proportion of African Americans roughly what would be expected in a free housing market without discrimination. The city’s Latino population more than doubled during the past 20 years to more than half of the population, far greater than what would have been expected in a free housing market absent discrimination.

Within Waukegan, the proportion of African Americans is lower than what would be expected in a free housing market in five census tracts and significantly higher in four tracts. Several census tracts on the outer edge of Waukegan are overwhelmingly white and exhibit the characteristics of hypersegregation that dominate Lake County.

The exclusion of African Americans, households of modest incomes, and to a lesser extent, Latinos, from most of Lake County has contributed to the intense concentrations of Blacks and Latinos in North Chicago and Waukegan.

2. For a thorough, well-documented discussion of these impacts, see Douglas Massey and Nancy Denton, *American Apartheid: Segregation and the Making of the Underclass* (Cambridge, MA: Harvard University Press, 1993).

As documented in chapters 3 and 4, these levels of hypersegregation are largely the result of discriminatory private and public sector practices and policies and seemingly “neutral” policies and practices that have discriminatory impacts.

Frustratingly it is impossible to determine the extent of discriminatory practices in the housing industry in Lake County, North Chicago, and Waukegan due to a lack of on-going systemic “testing” of real estate agents, rental agents, and rental managers as well as real estate appraisers, insurers, and lenders. Testing is essential to determining the extent of racial and ethnic steering and other discriminatory practices that may be occurring.

Our examination of print and online real estate advertising uncovered no blatant violations of the Fair Housing Act. But the photographs of real estate agents in print advertising and on websites reveal a very small presence of African Americans, Hispanics, and Asians in real estate sales and management. The absence of minority real estate agents, especially in the highly-segregated Caucasian portions of Lake County sends a clear message to minorities that they are not welcome to even look for homes there.

If a home seeker suspects she has encountered illegal discrimination, it’s unlikely that she’ll ever file a fair housing complaint in Lake County. Access to fair housing information is extremely limited. Our test phone calls to Lake County, North Chicago, and Waukegan were an exercise in futility with none of these jurisdictions able to connect us to the proper entity. Callers are *not* directed to Prairie State Legal Services which provides fair housing services to all three jurisdictions.

The Internet offers no real alternative. The websites for Lake County and North Chicago contain no references or links to fair housing or housing discrimination. Waukegan’s website buries its link to the website of the Illinois Department of Human Rights where there is a link for “Fair Housing.” Only the Lake County Housing Authority website offers a direct link to information about fair housing.

All of these websites are English-only despite close to 50,000 Spanish-speaking Lake County residents who speak English “less than very well.” An effective language access plan needs to be implemented by Lake County, North Chicago, and Waukegan. The automated phone attendants for the City of Waukegan and the Waukegan Housing Authority offer callers a choice of English or Spanish.

There is no doubt that the lending industry has continued to discriminate against mortgage applicants based on race and ethnicity in Lake County, North Chicago, and Waukegan. Home Mortgage Disclosure Act data for 2008 and 2009 show significantly lower approval rates for African Americans and Latinos than for non-Hispanic whites. The data do not reveal any significant differences in the reasons for denial between the different races and ethnicities. Income differences do *not* explain the dissimilar approval rates. Discrimination on the basis of race or ethnicity appears to be the only explanation for these discrepancies.

Since 2005, high cost and predatory mortgage loans were issued twice as frequently in North Chicago and Waukegan than in the county as a whole — in 2008 the rates were two to five times greater than in all of Lake County. And while African Americans and Latinos received high cost loans far more frequently than whites in Lake County, members of all races and ethnicities in North Chicago and Waukegan were issued high cost loans more frequently than in the county as

a whole. While there were no reports available that examined whether foreclosures were conducted in a discriminatory manner, the prevalence of high rates of foreclosures and delinquencies in North Chicago and Waukegan reflected the hypersegregation characteristic of Lake County.

Over 13 percent of households with housing choice vouchers issued through the Lake County Housing Authority have used them to move to a dozen high and highest opportunity group municipalities in Lake County. Opportunities would increase if the zoning practices of these communities that exclude more affordable housing ended. Neither the North Chicago nor Waukegan housing authorities could provide data on where their voucher holders live.

Due to its zoning definition of “family,” Lake County must allow all community residences for up to eight people with disabilities as a permitted use in all residential zoning districts with no spacing or licensing requirements. Other portions of the county’s *Unified Development Code* are also invalid. North Chicago’s zoning provisions for community residences for people with disabilities violate the letter and spirit of the nation’s Fair Housing Act. Waukegan’s zoning practices and provisions for community residences for people with disabilities all need revision to comply with Fair Housing Act. All three jurisdictions need to conduct a proper study on which to base the badly-needed substantial revamping of their zoning for community residences to bring them into compliance with the Fair Housing Act. It appears, however, that all three jurisdictions are properly applying their property maintenance and building codes to community residences.

All three jurisdictions need to incorporate fair housing into their comprehensive plans and planning practices. To affirmatively further fair housing, Lake County and most of its 51 municipalities need to require inclusionary zoning and eliminate their exclusionary land-use controls and practices.

The recommendations in Chapter 5 offer Lake County an opportunity to end the discriminatory practices and policies and the exclusionary zoning laws and practices that have distorted the free housing market and resulted in an intense degree of racial, ethnic, and economic segregation in nearly all of Lake County. These practices largely account for the extreme concentration of 73 percent the county’s African American residents in just three of 51 municipalities and the nearly as intense concentration of 59 percent of the county’s Latino residents in four municipalities. Private sector discrimination likely accounts in large part for 54 percent of the county’s Asian population living in just six cities and villages.

Since the concentrations of “minorities” in North Chicago and Waukegan are in large part due to the exclusionary and discriminatory practices in the rest of Lake County, minimizing or eliminating these practices throughout Lake County will enable minorities of all income levels to move to higher opportunity communities and achieve the American Dream of upward mobility.

While these segregative conditions plague the entire Chicago metropolitan area, Lake County has the opportunity to take significant steps to remedy them within its borders without waiting for the other five counties to also take concrete actions to affirmatively further fair housing choice.

Chapter 2

Basis of This Study

Like all jurisdictions that receive Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development, Lake County and the cities of North Chicago and Waukegan are obligated to identify, analyze, and devise solutions to both private and public sector impediments to fair housing choice that may exist in the three jurisdictions.

Community Development Block Grants combined a slew of categorical grants into a single grant to cities, counties, and states that gives recipients a fair amount of discretion in how they spend the funds. Passage of the Housing and Community Development Act in 1974 established that *recipients of Community Development Block Grant (CDBG) funds have an obligation to “affirmatively advance fair housing.”*¹

Since 1968, the *U.S. Department of Housing and Urban Development (HUD)* has been under a duty to “affirmatively advance fair housing in the programs it administers.”² In 1996, HUD officials very candidly reported:

“However, we also know that the Department [HUD] itself has not, for a number of reasons, always been successful in ensuring results that are consistent with the Act. It should be a source of embarrassment that fair housing poster contests or other equally benign activity were ever deemed sufficient evidence of a community’s efforts to affirmatively further fair housing. The Department believes that the principles embodied in the concept of “fair housing” are fundamental to healthy communities, and that communities must be encouraged and supported to include *real, effective*, fair housing strategies in their overall planning and development process, not only because it is the law, but because it is the right thing to do.”³

As a condition of receiving these federal funds, communities are required to certify that they will affirmatively advance fair housing. Every voucher for funds that a community submits to HUD “implicitly certifies” that the community is affirmatively furthering fair housing.⁴ As HUD has clearly stated, benign activities do not make the cut. Seeking to comply with our nation’s laws, HUD officials have determined that “Local communities will meet this obligation by performing an analysis of the impediments to fair housing choice within their communi-

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1. Public Law Number 93–383, 88 Stat. 633 (August 22, 1974). Most of this statute can be found at 42 U.S.C. §§1437 et seq. and 42 U.S.C. §§5301 et seq.
 2. Office of Fair Housing and Equal Opportunity, U. S. Department of Housing and Urban Development, *Fair Housing Planning Guide*, (Washington, DC. March 1996), Vol. 1, i.
 3. Ibid. Emphasis in original.
 4. *U.S ex rel. Anti-Discrimination Center of Metro New York, Inc. v. Westchester County*, New York, U.S. Dist. Ct. S.D.N.Y., 06 Civ. 2860 (DLC), Feb. 24, 2009, 43.

ties and developing (and implementing) strategies and actions to overcome these barriers based on their history, circumstances, and experiences.”⁵

While the extent of the obligation to affirmatively advance or further fair housing is not defined statutorily, HUD defines it as requiring a recipient of funds to:

- 1 Conduct an analysis to identify impediments to fair housing choice within the jurisdiction
- 2 Take appropriate actions to overcome the effects of any impediments identified through the analysis, and
- 3 Maintain records reflecting the analysis and actions in this regard.”⁶

Throughout the nation, HUD interprets these broad objectives to mean:

- ◆ Analyze and eliminate housing discrimination in the jurisdiction
- ◆ Promote fair housing choice for all persons
- ◆ Provide opportunities for racially- and ethnically-inclusive patterns of housing occupancy
- ◆ Promote housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities
- ◆ Foster compliance with the nondiscrimination provisions of the Fair Housing Act.⁷

While HUD has proffered a multitude of suggestions for producing the required analysis of impediments to fair housing choice, each recipient community is able to conduct the study that fits it within the broad guidelines HUD offers. We have attempted to do just that with this report.

The substantive heart of the Fair Housing Act lies in the prohibitions stated in §3604, §3605, §3606, and §3617. It is said that the most important part of these sections is §3604(a) which makes it illegal

To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, **or otherwise make unavailable or deny**, a dwelling to any person because of race, color, religion, sex, familial status, or national origin.⁸

The 1988 amendments to the Act added a similarly-worded provision that added discrimination on the basis of handicap in §3604(f)(1) and required that reasonable accommodations be made “in rules, policies, practices, or services when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling.”⁹ In addition, the 1988 amendments mandate that reasonable modifications of existing premises be allowed for people with dis-

5. Ibid.

6. Ibid., 1–2.

7. Ibid., 1–3.

8. 42 U.S.C. §3604(a). *Emphasis added*.

9. Ibid., §3604(f)(3)(B).

abilities and that renters must agree to restore the interior of the premises to the condition it was in prior to making the modifications.¹⁰ The amendments also require new multi-family construction to meet specified accessibility requirements in public areas and individual dwelling units.¹¹

The highlighted provision “or otherwise make unavailable or deny” has been interpreted to include a broad range of housing practices that can discriminate illegally, such as exclusionary zoning; redlining of mortgages, insurance, and appraisals; racial steering; blockbusting; discriminatory advertising; citizenship requirements that have the effect of excluding African Americans from a city’s all-white public housing; harassment that would discourage minorities from living in certain dwellings; prohibiting white tenants from entertaining minority guests; and many more.¹²

As much as practical under budgetary constraints, an analysis of impediments to fair housing choice should seek to determine if any of these practices are present. The Housing and Community Development Act of 1974 clearly states that the intent of Congress is that the “primary objective” of the act and “of the community development program of each grantee is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.”¹³

*It is clear that one of the key underlying purposes of the Housing and Community Development Act of 1974 is to foster racial and economic integration.*¹⁴ This key goal of the act is reflected in the technical language “the reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income.”¹⁵

Taken as a whole the act has “the goal of open, integrated residential housing patterns and to prevent the increase of segregation, in ghettos, of racial groups.”¹⁶ With such a panoptic goal, HUD is obligated to use its grant programs “to assist in ending discrimination and segregation, to the point where the supply of genuinely open housing increases.”¹⁷ “Congress saw the antidiscrimination policy [embodied in the Fair Housing Act] as the means to effect the antisegregation–integration policy.”¹⁸

The courts have been very clear that the Fair Housing Act requires more than simply refraining from discriminating: “...every court that has considered the question has held or stated that Title VIII imposes upon HUD an obligation to do more

10. Ibid., §3604(f)(3)(A).

11. Ibid., §3604(f)(3)(C).

12. Robert Schwemm, *Housing Discrimination: Law and Litigation*, §13:4–13:16, 2007.

13. 42 U.S.C. §5301(c).

14. Daniel Lauber, “The Housing Act & Discrimination,” *Planning*, (February 1975): 24–25.

15. 42 U.S.C. §5301(c)(6).

16. *Otero v. New York City Housing Authority*, 484 F.2d 1122, 1134 (2d Cir. 1973).

17. *N.A.A.C.P. v. Secretary of HUD*, 817 F.2d 149, 155 (1st Cir. 1987) (Breyer, J.).

18. *United States v. Starrett City Associates*, 840 F.2d 1096, 1100 (2d Cir. 1988). The discussion in this paragraph is derived in large part from the discussion on pages 24 and 25 of the district court’s decision in *U.S. ex rel. Antidiscrimination Center of Metro New York, Inc. v. Westchester County, New York*, 495 F.Supp.2d 375, 385–386 (S.D.N.Y. 2007).

than simply refrain from discriminating (and from purposely aiding discrimination by others).... This broader goal [of truly open housing] ... reflects the desire to have HUD use its grant programs to assist in ending discrimination and segregation, to the point where the supply of genuinely open housing increases.”¹⁹

And the U.S. Department of Housing and Urban Development has been quite clear that “Although the grantee’s AFFH [affirmatively furthering fair housing] obligation arises in connection with the receipt of Federal funding, its AFFH obligation is not restricted to the design and operation of HUD-funded programs at the State or local level. The AFFH obligation extends to all housing and housing-related activities in the grantee’s jurisdictional area whether publicly or privately funded.”²⁰

These purposes of the act have implications for the proper conduct of an analysis of impediments to fair housing choice. As noted earlier, every jurisdiction that accepts Community Development Block Grant funds is obligated to “affirmatively further fair housing.” In a lawsuit alleging that Westchester County, New York, had not affirmatively furthered fair housing with the \$35 million of CDBG funds it received from 2000 to 2006, the federal district court in the Southern District of New York ruled “a local government entity that certifies to the federal government that it will affirmatively further fair housing as a condition to its receipt of federal funds must consider the existence and impact of race discrimination on housing opportunities and choice in its jurisdiction.”²¹ The court concluded “an analysis of impediments that purposefully and explicitly, “as a matter of policy,” avoids consideration of race in analyzing fair housing needs fails to satisfy the duty affirmatively to further fair housing.”²²

Two years later Westchester County agreed to a \$62.5 million settlement and conducted a new analysis of impediments in 2010 that was supposed to address the issues of racial and socioeconomic segregation that it had ignored in violation of the law.

Since then the State of Ohio found the analyses of impediments of at least four Ohio entitlement communities to be inadequate. In California, a HUD investigation led to a settlement agreement with Marin County to meet its obligation to affirmatively further fair housing. Marin County agreed to determine whether government-assisted housing there has perpetuated racial and/or ethnic segregation, to identify the causes of lower racial and ethnic minority residency in Marin County relative to adjacent counties, to take affirmative marketing to promote residency in Marin County of under-represented racial and ethnic groups and people with disabilities, and examine municipal resistance to affordable housing.²³

Last November, HUD found the analysis of impediments produced by the City of Houston, Texas to be “incomplete” because it did not identify actions known to the city that perpetuate segregation; did not identify actions to address existing

19. *NAACP v. Secretary of Housing and Urban Development*, 817 F.2d 149, 155 (1st Cir. 1987).

20. *Fair Housing Planning Guide* (1996), 1–3.

21. *U.S. ex rel. Antidiscrimination Center of Metro New York, Inc. v. Westchester County, New York*, 495 F.Supp.2d 375, 387 (S.D.N.Y. 2007).

22. *Ibid.*, 388.

23. The full 14–page Marin County settlement agreement is available online at <http://www.hud.gov/offices/fheo/library/10-Marin-VCA-final-12-21-2010.PDF>.

segregation; failed to specify an appropriate strategy or actions to overcome the shortage of housing affordable to African Americans and Latinos; and did not identify fair housing enforcement efforts such as testing even though high levels of discrimination were identified as an impediment to fair housing choice.²⁴

This analysis of impediments seeks to comply with the decisions in the Westchester County case, the Marin County settlement agreement, and with the purpose and spirit of the Housing and Community Development Act and the nation's Fair Housing Act. Every effort has been taken to conduct a fair, balanced analysis that follows sound planning, housing, and fair housing principles and practices.

Planning/Communications approached this analysis of impediments to fair housing choice using the "CSI approach," namely we let the evidence lead us to our conclusions. We have attempted to apply sound planning and fair housing principles to the facts we found in order to identify both current and potential impediments to fair housing choice and craft recommendations to mitigate them.

This is an analysis of "impediments" or barriers to fair housing choice. Consequently it focuses on those policies and practices that impede fair housing choice. However, several "suggestions" are offered throughout this analysis of impediments to address regulations, practices, and policies that are *not* yet impediments to fair housing choice, but could develop into impediments if left intact. Lake County, North Chicago, and Waukegan should consider these "suggestions" as constructive recommendations that incorporate fair housing concerns into their planning and implementation processes.

Limitations of This Analysis

This analysis of impediments to fair housing choice was prepared for the purposes stated in this chapter. Consequently, it seeks to identify impediments and suggest solutions. However, it does *not* constitute a comprehensive planning program. Many of the identified issues warrant additional research and analysis by the planning and development staff in the three subject jurisdictions.

Tempting as it always is to lift statements from any study out of context, please don't! It is vital that this analysis of impediments be read as a whole. Conclusions and observations made throughout this study are often dependent on data and discussions presented earlier. Readers of early drafts of every analysis we have conducted report that they were surprised to find their questions answered one or two pages later. Context is vital to correctly understand this analysis and avoid misleading or erroneous interpretations of its content.

24. Letter from Christina Lewis, HUD Houston Fair Housing and Equal Opportunity Director, to James D. Noteware, Director, City of Housing and Community Development (Nov. 30, 2011) (on file with Planning/Communications).

This analysis does not constitute legal advice.

We have assumed that all direct and indirect information that the Lake County, North Chicago, Waukegan, and other government agencies supplied is accurate. Similarly, we have assumed that information provided by other sources is accurate.

An important note about the data

Like any research that uses demographics over a longitudinal period, this analysis of impediments is at the mercy of its data sources. We have used the most reliable data available throughout the report including the limited amount of data from the 2010 decennial census that became available while we conducted this study.

Decennial census and American Community Survey figures for the value of homes are of questionable reliability. Both report what those surveyed think their homes are worth, *not* the actual selling prices during the time period covered. We have used actual sale prices of homes. This problem does not exist with rental housing where tenants tend to know exactly what they pay in rent each month.

The same data sources are not available for all three jurisdictions. Due to North Chicago's smaller size, the American Community Survey does not produce annual estimates for North Chicago. When we have needed to rely on American Community Survey data, we have used the most recently available, the "2007–2009 ACS 3–Year Estimates."

Over the years data can be reported in different ways. Categories can be changed at the discretion of those who produce the raw data. Consequently, there are times when it is impossible to precisely match data categories from one year to another.

In Chapters 3 and 4, this study reports data on racial and ethnic composition that include small variations depending on the source material. Various data sources categorize their data differently. For example, some sources include "Hispanics" *within* their various racial categories. Others tally Hispanics as a separate category in addition to African Americans, Caucasians, and Asians. Some of these sources refer to these Caucasians as "White Non-Hispanic."

Because the number of Lake County, North Chicago, and Waukegan residents who are Native American, Alaskan and Eskimo, and Hawaiian/Pacific Islander is infinitesimal, we have excluded these categories from most tables and graphs to make them more legible and easier to read and use.

Additional data. There are instances in this report where summary data is presented. The raw data on which these summaries are based are available in either an Excel spreadsheet or a PDF file archived with the Lake County Department of Planning, Building & Development. This is public information available upon request from the county. Footnotes and explanatory material below a table or figure alert readers to the availability of additional data.

Acknowledgments

We are extremely grateful to the staff of Lake County, North Chicago, and Waukegan for their timely and very professional assistance in the completion of this research.

Community Development Administrator Joel Williams of Lake County's Department of Planning, Building & Development was the primary manager of this project for the three subject jurisdictions. He provided valuable guidance, insight, data, maps, vital contacts, coordination, feedback, and review without which this analysis could not have been conducted.

We are extremely grateful to Agnes Monton of Lake County's Community Development Division for her most excellent and essential contribution to this analysis by calculating the actual median sale prices of housing in Lake County and each of its 51 municipalities that begins on page 105.

The following professionals served as coordinator for their jurisdiction and contributed valuable insights, data, feedback, and more:

- ◆ Pamela Jeffries, CDBG Administrator, City of North Chicago
- ◆ Laura Hamilton, CDBG Compliance Coordinator, City of Waukegan
- ◆ Jeneen Smith-Underwood, Associate Director, Lake County Housing Authority
- ◆ Nina Huley, Executive Director, North Chicago Housing Authority
- ◆ Yolanda Collier, Deputy Director, Waukegan Housing Authority

Thanks for their valuable contributions also go to City Planner Nimrod Warda of North Chicago's Department of Economic Development; Principal Planner Tom Chefalo of Lake County's Planning, Building & Development Department; and Senior Planner and Plat Administrator Steve Sabourin of Waukegan's Department of Planning and Zoning.

We appreciate the contributions of all those not named above whom we interviewed in the preparation of this analysis and to all of the professionals who provided data and insights.

Chapter 3

Jurisdictional Overview

Demographics

Founded in 1893, Lake County accurately describes itself as “a montage, with progressive urban areas, as well as picturesque rural communities. Along Lake Michigan's beautiful lakefront, which forms the county's eastern border, up to the Wisconsin border in the north and out to the chain-of-lakes in the west, the county's residents have diverse backgrounds and lifestyles.”¹

With a per capita income of \$32,102 in 1999, Lake County has been the wealthiest county in Illinois. Per capita income was 50 percent greater than the national per capita income of \$21,587 which placed Lake County in the top one percent of all counties in the nation. The county's median household income was also among the highest and has grown more quickly than those of the State of Illinois and the nation as a whole. The proportion of Lake County residents who live below the poverty level is significantly lower than in the six-county metropolitan area, the state, and the nation as a whole.

But the countywide data mask the much more middle class nature of Waukegan and the lower incomes, very high poverty rates, and shrinking employment opportunities in North Chicago.² The countywide data also mask the significant levels of racial and Latino segregation in the county.

Table 1: Lake County Population Change: 1980–2010

Lake County Population Change: 1980–2010				
Year	Population	Change	Percent Change	Change Since 1980
1980	440,372	—	—	—
1990	516,418	76,046	17.3%	17.3%
2000	644,356	127,938	24.8%	46.3%
2010	703,462	59,106	9.2%	59.7%

Source: 1980, 1990, 2000, 2010 U.S. Census.

While the county's population has increased by nearly 60 percent in the 30

1. Lake County Official Government Site, <http://www.lakecountyil.gov/AboutOurCounty/History/Pages/default.aspx> (last visited March 29, 2012).
2. This analysis of impediments examines Lake County as a whole as well as the cities of North Chicago and Waukegan individually. In each section of this study, information and analysis will be presented first for the entire county and then individually for North Chicago and Waukegan.

years ending in 2010, North Chicago and Waukegan have had different experiences.

North Chicago

North Chicago is best known as home to Abbott Laboratories and the Great Lakes Naval Training Station, the second largest military installation in Illinois and the largest training station in the Navy. Each year roughly 40,000 recruits pass through the Recruit Training Command at Great Lakes with as many as 7,000 enrolled at the installation at any one time. In 1986, 1,932 acres of the station were added to the National Register of Historic Places.

Table 2: North Chicago Population Change: 1980–2010

North Chicago Population Change: 1980–2010				
Year	Population	Change	Percent Change	Change Since 1980
1980	38,774	—	—	—
1990	34,978	-3,796	-9.8%	-9.8%
2000	35,918	940	2.7%	-7.4%
2010	32,574	-3,344	-9.3%	-16.0%

Source: 1980, 1990, 2000, 2010 U.S. Census.

Historically, North Chicago has been a magnet for Eastern European immigrants. The “Great Migration” from the southern states during 1910 to 1970 brought a substantial number of African Americans to North Chicago.

Unlike the county and Waukegan, North Chicago’s population has shrunk since 1980. As the data reported in this chapter suggest, North Chicago has become a predominantly lower income city with large proportions of African American and Hispanic residents.

Waukegan

Waukegan is the county seat of Lake County and the ninth largest city in Illinois. Its population grew by more than a quarter during the 1990s.

Table 3: Waukegan Population Change: 1980–2010

Waukegan Population Change: 1980–2010				
Year	Population	Change	Percent Change	Change Since 1980
1980	67,653	—	—	—
1990	69,392	1,739	2.6%	2.6%
2000	87,901	18,509	26.7%	29.9%
2010	89,078	1,177	1.3%	31.7%

Source: 1980, 1990, 2000, 2010 U.S. Census.

Poverty Rates

Reflecting the overall wealth of Lake County residents, poverty rates in every category were lower in Lake County than for the nation, the State of Illinois, and the Chicago–Joliet–Naperville Metropolitan Statistical Area in which Lake County is located.

Table 4: Percentages of Population in Poverty by Jurisdiction and Category

Percentage in Poverty by Jurisdiction and Category						
Category	Lake County 2010	North Chicago 2008–2010	Waukegan 2010	Metropolitan Statistical Area 2010	Illinois 2010	United States 2010
All people	8.7%	21.9%	17.9%	13.6%	13.8%	15.3%
Age 65 and over	6.3%	11.8%	13.0%	9.0%	8.4%	9.0%
Under 18 years old	11.8%	29.9%	26.0%	19.3%	19.4%	21.6%
Unrelated individuals for whom poverty status is determined	19.7%	31.7%	25.8%	22.7%	24.1%	26.2%
All families	6.6%	19.0%	16.2%	10.0%	10.1%	11.3%
Families with related children under 18 years old	9.9%	25.6%	23.8%	15.5%	16.1%	17.9%
Married couple families	3.3%	11.8%	7.7%	4.9%	4.6%	5.6%
Female-headed households, no husband present	23.6%	33.2%	39.2%	26.5%	28.5%	30.3%
With related children under 18	30.8%	40.1%	47.2%	36.2%	38.2%	39.6%
Whites, not Hispanic	5.1%	16.2%	14.0%	6.7%	8.7%	10.6%
Hispanic of any race	15.8%	20.0%	15.3%	19.7%	20.2%	24.8%
African American	27.0%	29.2%	32.2%	28.8%	30.0%	27.1%
Asian	3.9%	—	—	11.7%	11.8%	12.5%
Some other race	16.2%	21.9%	14.5%	22.2%	22.5%	27.0%
Two or more races	13.8%	—	—	14.7%	17.9%	20.1%

Sources: North Chicago: 2008–2010 American Community Survey 3–Year Estimates, Tables S1701 and S1702. All other jurisdictions: 2010 American Community Survey 1–Year Estimates, Tables S1701 and S1702. The margin of error for some three-year estimates is in double digits which reduces confidence in their accuracy. No estimate is shown when the sample was too small for estimates to be made.

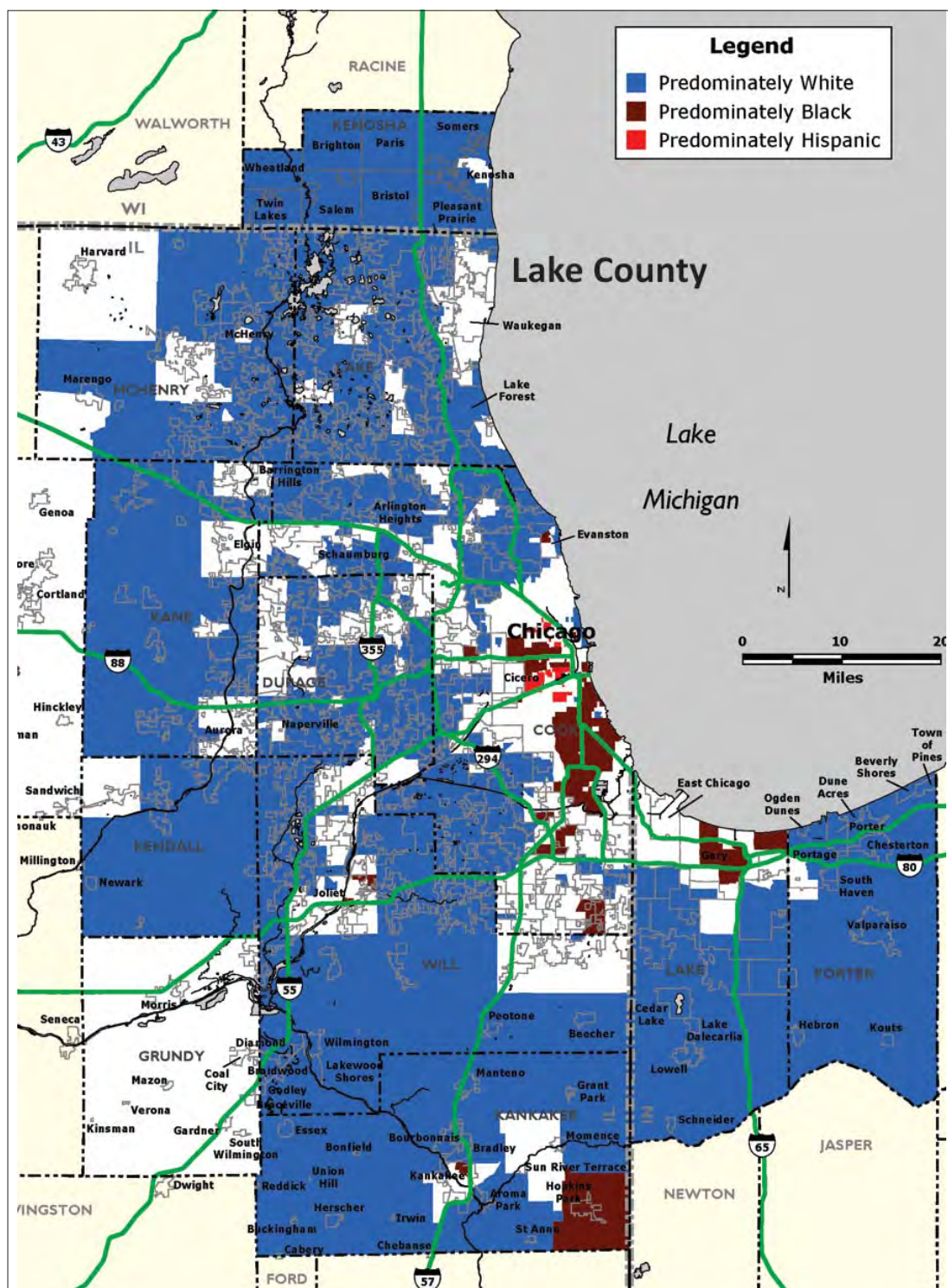
However, in North Chicago the poverty rate is higher in nearly every category than in any of the other jurisdictions shown in the above table. Similarly, Waukegan exhibits higher poverty rates than all the other jurisdictions shown in this table except North Chicago.

Poverty rates are significantly lower in all but one category for all of Lake County compared to North Chicago and Waukegan. The countywide poverty rate for African Americans is 27 percent while it is 29.2 and 32.2 percent in North Chicago and Waukegan respectively.

Racial and Hispanic Composition

As the figure on the next page illustrates, Lake County is part of metropolitan statistical area hypersegregated by race and Latino ethnicity. Changes from the racial and Latino composition during 1980 through 2000 of each Lake County jurisdiction are discussed in this section of this report.

Figure 1: Segregated Neighborhoods in the Chicago Region: 1980 Through 2000

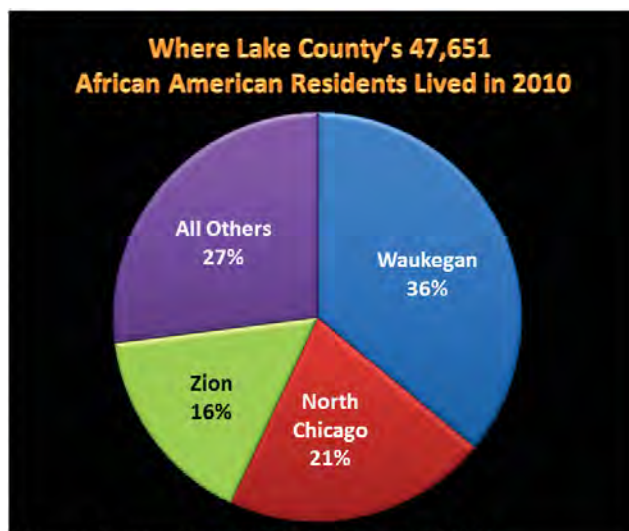


Source: University of Minnesota Institute of Race & Poverty, *Minority Suburbanization and Racial Change: Chicago Maps*, Map 3.7 available at http://www.irpumn.org/website/projects/index.php?strWebAction=project_folder&intDocFolderID=4

The data on poverty shown on page 14 reflect the fact that 57 percent of the county's Black population is concentrated in North Chicago and Waukegan with African Americans virtually absent from most of Lake County. Nearly three out of four African Americans in Lake County live in the northeast corner in North Chicago, Waukegan, and Zion.

The figure to the right and the two that follow show the proportion of the entire county's population of that group that lives in each town. These figures are *not* the percentage of a town's residents who are, for example, African American. So in the figure above, 36 percent of all African Americans who live in Lake County live in Waukegan, 21 percent live in North Chicago, and 16 percent in Zion.

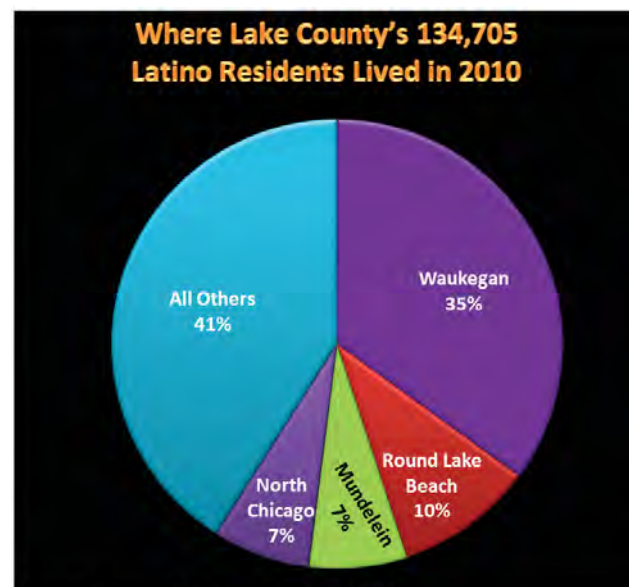
Figure 2: Where Lake County's 47,651 African American Residents Lived in 2010



Source: U.S. Census Bureau 2010, DEC_10_PL_GCTPL1.ST13

The county's growing Latino population of any race is not quite as densely concentrated as Lake County's Black population. Fifty-nine percent of the county's Hispanic residents are concentrated in just four cities: Waukegan, Round Lake Beach, Mundelein, and North Chicago. So while 42 percent of the county's Latino population is concentrated in the northeast corner along with 73 percent of the county's African American residents, 58 percent Hispanics live elsewhere in Lake County.

Figure 3: Where Lake County's 134,705 Latino Residents Lived in 2010



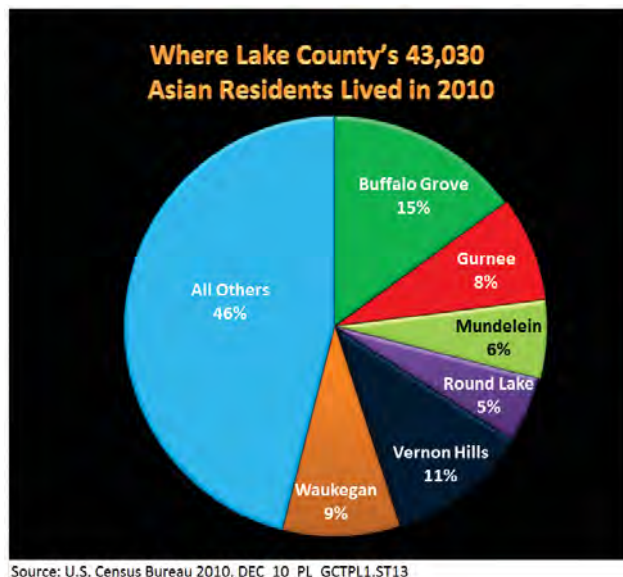
Source: U.S. Census 2010, DEC_10_PL_GCTPL1.ST13

Less concentrated than Lake County's African American and Hispanic residents, more than half of the county's Asian residents reside in just six cities.

Asians include people of Pakistani, Indian, Japanese, Chinese, Korean, Thai, Filipino, and other ancestry based in Asia.

As these three pie charts and the tables on the following pages suggest, while Lake County has become more diverse since 1990, "minorities" are generally consigned to a handful of cities and villages. And while the proportions of Asians and Latinos have risen significantly, the proportion of African Americans has been static.

Figure 4: Where Lake County's 43,030 Asian Residents Lived in 2010



Consequences. This concentration of “minorities” in a handful of Lake County municipalities carries with it significant consequences because where you live determines the kinds of life opportunities you can access — one of the reasons that it is so important to end housing discrimination and achieve economic and racial diversity. Researchers have found that “stark racial and economic disparities exist in terms of access to opportunities in” the Chicago region.³ Their research revealed that fewer than four percent of the housing in the cities that offer “high opportunity” is affordable to households with limited incomes. Their inquiries found that 83 percent of Latino households and 94 percent of African American households live in “low opportunity” cities. In contrast, only four and three percent of Latino and African American households live in “high opportunity” areas no matter what the income of these “minority” households may be.⁴

To identify the level of opportunity offered by each city in the Chicago metropolitan area, the researchers generated an “Opportunity Index” for each city based on four broad categories:

- ◆ *Jobs and transportation* (number of jobs and job growth within a ten mile radius of the city, jobs per household within the city, average commute time, percentage of population within ¼ mile of public transportation)

3. John Lukehart, Tom Luce, and Jason Reece, *The Segregation of Opportunities: The Structure of Advantage and Disadvantage in the Chicago Region* (Chicago: Leadership Council for Metropolitan Open Communities, May 2005) 1.
 4. Ibid.

- ◆ *Education* (graduation rate, average ACT scores, truancy rate, mobility rate, limited English proficiency rate)
- ◆ *Quality of life* (violent and nonviolent crime rates, polluted sites per capita, percentage of low birth rate, park land per capita, asthma/hypertension incidence, voter participation rate)
- ◆ *Municipal services* (average age of housing stock, combined property and sales tax capacity per household, school age population, population over 65, day care slots)⁵

Cities were ranked into quintiles based on their overall score. The “lowest opportunity” group consists of the 20 percent of the cities with the lowest scores. The next 20 percent are the “low opportunity” cities. The middle 40 to 60 percent are labeled “moderate opportunity” cities. Cities in the second highest quintile offer residents a “high opportunity.” The top 20 percent fall into “highest opportunity” group.

Overall, a greater percentage of Lake County cities offer greater opportunities than the metropolitan area. Nearly half of the municipalities in Lake County fall into the high and highest opportunity groups — the top two quintiles — where 40 percent of *all* metropolitan area cities are ranked. Almost a third fall into the lowest and low opportunity groups — the two lowest quintiles — where 40 percent of all metropolitan area cities are placed. Nineteen percent are in the moderate opportunity group where 20 percent of all metropolitan area cities are ranked.

The study found that lower-income households were concentrated in the two lowest opportunity groups which makes it very difficult for lower-income households to improve their circumstances and achieve upward mobility. The lowest and low opportunity cities lack the quality public schools and the financial capacity to provide services and access to employment opportunities.⁶

The differences between highest and lowest opportunity cities are substantial. The highest opportunity cities have nearly twice as many jobs within ten miles than the lowest opportunity cities. The disparities in every measure of the quality of education — the key to economic mobility for the next generation — between the highest opportunity cities and the lowest opportunity cities are huge. Illinois is known for having one of the most inequitable education funding systems in the nation with per pupil spending that ranges from over \$18,000 to under \$5,000 in 2005.⁷ In 2007–2008, the share of total revenues for public elementary and secondary education from state sources was the second lowest among the 50 states.⁸

The picture is much the same when it comes to fiscal disparities between cities in the lowest and highest opportunity groups with municipal spending per household being three times greater in the highest opportunity cities.

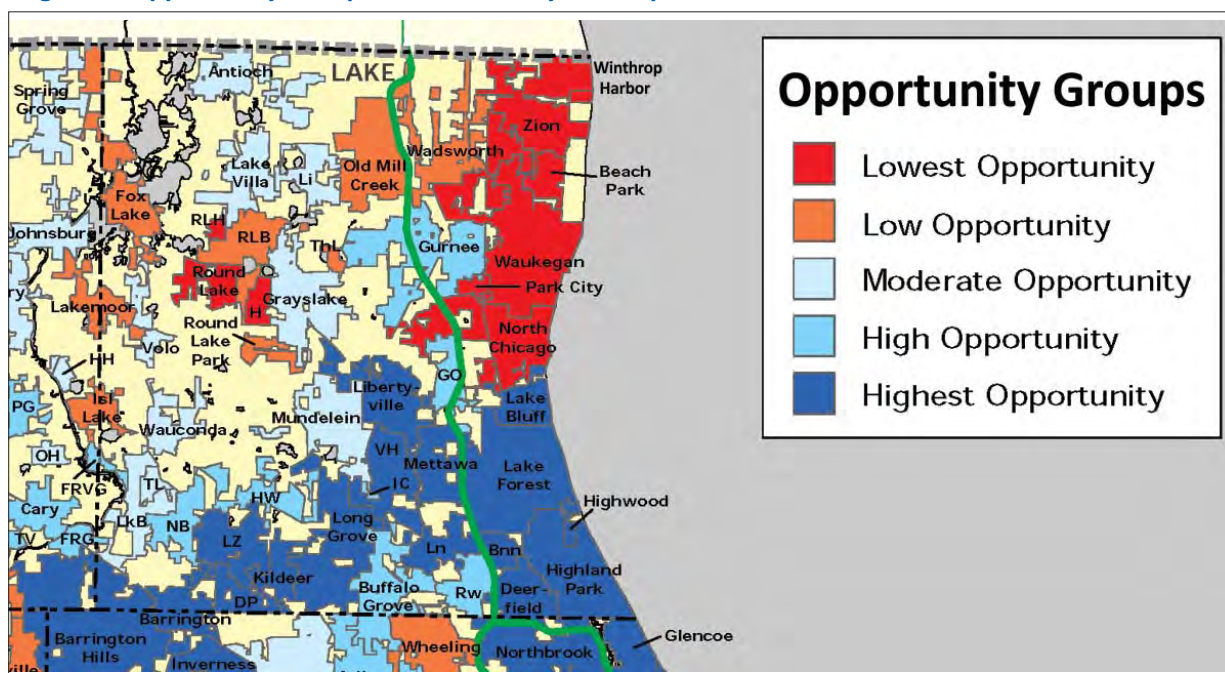
5. Ibid. 31–32. See these pages for a complete explanation of the methodology, data, and sources. The scores for each of the four variable categories are reported on pages 33 through 39.

6. Ibid. 8.

7. Ibid. 12.

8. National Center for Education Statistics, U.S. Department of Education, “Table A–35–2. Total revenues and percentage distribution for public elementary and secondary schools, by revenue source and state: School year 2007–2008” available at <http://nces.ed.gov>.

Figure 5: Opportunity Groups of Lake County Municipalities



Source: John Lukehart, Tom Luce, and Jason Reece, *The Segregation of Opportunities: The Structure of Advantage and Disadvantage in the Chicago Region* (Chicago: Leadership Council for Metropolitan Open Communities, May 2005) 29.

The above map shows the opportunity group for each Lake County municipality. The tables that begin after page 23 also identify the “Opportunity Group” for each municipality in Lake County. The cities within the same Opportunity Groups are generally so close together that county could be divided into “Opportunity Quadrants” with the highest opportunities in the southeast and southwest portions of the county, the lowest opportunities in the northeast corner, and the more moderate opportunities in the northwest quadrant.

A careful perusal of these tables confirms that the cities in Lake County with the most “minority” residents and/or lowest-income residents tend to be in the lower opportunity groups and the wealthiest and least diverse cities are in the higher opportunity groups. These differences suggest a segregation of opportunity concomitant with the segregation of African Americans and lower income households within Lake County..

More in–depth analysis. While it is clear that Lake County’s Black, Latino, and Asian residents are largely concentrated in a handful of the county’s 51 cities and villages, a more extensive and in–depth analysis is needed to determine the extent, if any, of racial and Latino segregation in Lake County and within North Chicago and Waukegan.

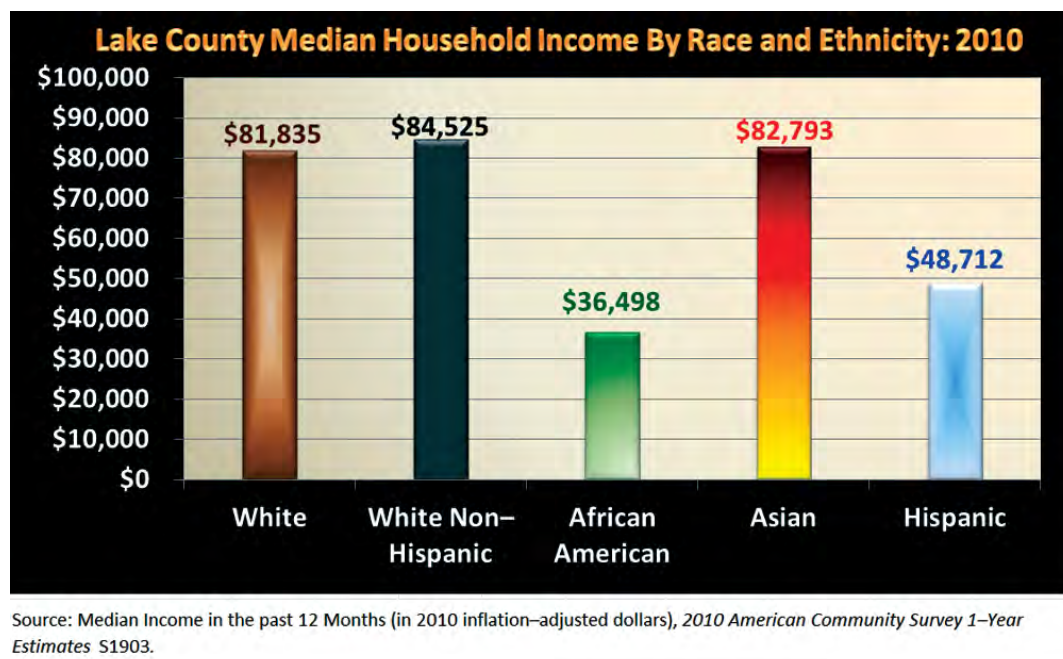
All too often efforts to determine the presence and extent of racial and Hispanic segregation are confounded by household income. As will be examined in some detail in Chapter 4 beginning on page 101, the median incomes of households headed by Caucasians, African Americans, Asians, and Latinos of any race

vary substantially. It is true that with a much lower median household income than whites, far fewer Black households in Lake County can afford the housing in most Lake County cities and towns. Because of the income differences, some researchers conclude that the cost of housing explains why so few minority households live in these cities and villages. *However, the approach taken in the analysis that follows takes into account these differences in household income to approximate what the racial and Latino composition of each jurisdiction in Lake County would be if household income were the prime determinant of where people live.*

The analysis that follows identifies whether the racial and ethnic composition of the entire county, each city, and each census tract within North Chicago and Waukegan is probably due to differences in household income or to discriminatory private and/or public sector practices that distort the free housing market.

Methodology. By taking household income into account, the analysis that follows more accurately identifies possible racial and ethnic segregation than simply reporting the proportions of each racial or ethnic group within a jurisdiction or census tract. As noted above, there is a common misconception that housing is segregated largely because minority households as a whole earn less than white households. The significant disparity in the *median incomes* of Lake County's African American and Caucasian residents as shown in the figure below certainly contributes to the demographic distribution in the county, North Chicago, and Waukegan. However, the analysis that follows controls for these income differences by explicitly taking into account household income to *approximate* the racial and ethnic composition of the county, a city or village, and a census tract if racial and ethnic discrimination were absent and household income was the primary determinant of where households live.

Figure 6: Lake County Median Household Income By Race and Ethnicity: 2010



This approach requires thinking about housing discrimination and segregation a little differently than the usual approach. Discrimination is the likely cause of an area's racial and ethnic composition when the actual racial and ethnic composition differs significantly from what the composition would be in a free housing market devoid of discrimination. It is very likely that discrimination is the primary cause of a census tract being 90 percent white if the tract would be expected to be 75 percent white when taking household income into account.

The approach used here compares the actual racial composition of a census tract or a jurisdiction with what the *approximate* racial composition would likely be in a free housing market *not distorted* by practices such as racial steering, mortgage lending discrimination, discriminatory advertising, discriminatory rental policies, mortgage and insurance redlining, or discriminatory appraisals.⁹

Racial discrimination badly warps the free market in housing by artificially reducing demand — and home values — for housing in some neighborhoods and artificially increasing demand — and home values — in others.

Racial discrimination in housing also distorts property values. When African Americans, for example, move to segregated neighborhoods, they pay a substantial price in lost housing value. It is well documented that the value and appreciation of homes in segregated minority neighborhoods is generally less than in stable integrated areas and white areas. Segregated minority neighborhoods also often lack jobs and business investment opportunities, making them economically unhealthy compared to stable integrated and predominantly white areas.¹⁰ For the Black middle and upper classes which had grown so much prior to the Great Recession of 2008, living in segregated minority neighborhoods denies them the full economic and educational benefits of middle- and upper-class status enjoyed in stable integrated and in predominantly Caucasian neighborhoods.

In a genuinely free housing market, household income rather than race or ethnicity determines who lives in the community. The tables that follow show the

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9. Determining the approximate racial and ethnic composition of a geographic area like a census tract, an entire city, or a county is a fairly straightforward, albeit lengthy, process. Here is the step-by-step procedure using a census tract as an example. First we obtain from the U.S. Census the number of households for the census tract that are in each of 16 income ranges starting with “Less than \$10,000” and “\$10,000 to \$14,999” and ending with “\$150,000 to \$199,999” and “\$200,000 or more.” Within each income range, the census specifies the number of Caucasian, African American, Asian, and Latino households. We obtain the same data for the entire housing market within which the census tract is located. *The housing market here consists of entire Chicago–Joliet–Naperville Metropolitan Statistical Area in which Lake County sits.*

We then multiply the number of Caucasian households in an income category in that census tract by the percentage of white households in that income bracket for the full housing market. This gives us an good approximation of the number of white households in this income bracket that would live in this census tract if income determined who lived there. We calculate these figures in all 16 income brackets for whites, Blacks, Asians, and Hispanics of any race. *This procedure assures that the census tract income of residents in a free market without discrimination is the same as the income of actual residents.* We then add up the number of households in each racial or ethnic group to get the approximate racial and ethnic composition of the census tract if income were the prime determinant of who lives there. From this we calculate the percentages of the census tract that each group comprises. These percentages are then compared to the actual proportion of each racial or ethnic group within the census tract to identify the difference between actual census numbers and a free housing market without discrimination.

10. D. Coleman, M. Leachman, P. Nyden, and B. Peterman, *Black, White and Shades of Brown: Fair Housing and Economic Opportunity in the Chicago Region* (Chicago: Leadership Council for Metropolitan Open Communities, February 1998), 28–29. See chapter 5, note 1.

actual racial composition of households in 2000 and the approximate racial composition if housing were a genuine free market *without* the distortions caused by discriminatory housing practices. To help determine whether the past decade has resulted in movement toward or away from stable racial and Hispanic integration, these tables also show the actual racial composition of *individuals* from the 2010 U.S. Census.¹¹ Keep in mind that the free market figures are based on actual household incomes. These data debunk the misconception that dissimilarities in household income explain these differences.

When the actual proportions of minorities are significantly less than the proportions that would exist in a free housing market, it is very likely that factors other than income, social class, or personal choice are influencing who lives in the community. Researchers have concluded “that race and ethnicity (not just social class) remain major factors in steering minority families away from some communities and toward others.”¹²

In the tables that follow, differences that suggest distortions of the free housing market possibly caused by racial discrimination are highlighted in two shades of cautionary yellow. The darker yellow highlights differences of ten or more percentage points while the lighter shade of yellow points to differences close to, but under ten percentage points. While other researchers have concluded that differences of five percentage points indicate that discrimination is distorting the housing market,¹³ we have concluded that ten percentage points is more likely to be indicative of possible discrimination by factoring in those households that may prefer to live in a predominantly minority neighborhood.

For the county, each city, and the census tracts within North Chicago and Waukegan, this analysis of impediments identifies the actual proportions of households (“HHs Actual proportions”) of Caucasian, African American, Asian, and Hispanic of any race in 2000 and the approximate proportions that would be expected in a genuinely free housing market that is not distorted by racial or ethnic discrimination (“HHs free Market”).¹⁴ The differences between the actual proportions and free market proportions are shown in the rows labeled “HHs Difference.”

As explained earlier, this same analysis could not be conducted for 2010 because the household income data were not available. However, past experience has shown that the proportions of *individuals* have consistently been within 0.5

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11. It was impossible to conduct this free market analysis for 2010 as well as for 2000 because the Census Bureau imprudently removed the household income question from the 2010 census short form, making the key household income data by race and ethnicity unavailable. However, we have determined from the 2000 data that the racial and ethnic composition of households and individuals have been consistently within one half to two percentage points of households, which makes individuals a close surrogate measure for households in 2010.
 12. Ibid., v. This methodology, first developed by Harvard economist John Kain, is explained in detail beginning on page 17 of the study. A PDF file of the entire study (28.1 megabytes) can be downloaded at <http://www.luc.edu/curl/pubs>.
 13. See *Black, White and Shades of Brown: Fair Housing and Economic Opportunity in the Chicago Region*.
 14. The number of households in other ethnic groups and racial classifications (“some other race,” “two or more races”) are so relatively small that data based on their samples are not reliable enough to include in the tables that follow. Note also that a substantial proportion of Hispanics report themselves as being “some other race” which explains why, in some cities and census tracts with high proportions of Hispanics, the proportions of whites, Blacks, and Asians do not add up even close to 100 percent.

to 2 percent of the proportions of *households*. So individuals can serve as a surrogate for households to indicate the direction of any demographic changes in each municipality and census tract during the past decade.

Table 5: Lake County: Racial and Ethnic Household Composition 2000 & Individuals 2010

Lake County: Racial and Ethnic Household Composition 2000 & Individuals 2010				
All Lake County	2000 Census			
	White	Black	Asian	Hispanic, Any Race
2010 Individuals	75.1%	7.0%	6.3%	19.9%
HHs Free market	74.9%	14.7%	4.0%	10.0%
HHs Actual proportions	84.2%	6.4%	3.3%	9.3%
HHs Difference	9.3%	-8.3%	-0.6%	-0.7%
HHs = Data for 2000 are based on households. Data for 2010 are based on individuals.				
Source: 2000, 2010 <i>U.S. Census</i> .				

The above table shows that when taken as a whole, Lake County's racial and Latino composition is now close to what would have been expected in free housing market without discrimination in 2000. However, the proportion of African Americans in Lake County is less than half of what would have been expected in a free housing market at the beginning of the decade. The proportion of Hispanics in 2010 is nearly double what would have been expected. The proportion of Asians in 2010 has nearly doubled and is now more than one-third greater than what would have been expected. *These approximations, however, mask significant differences among and within the county's municipalities.*

In the above table and the tables that follow, "HHs" means "households." Data for 2000 are based on households. Data for 2010 are based on individuals which has historically been very close to the data for households. The asterisk after a municipality's name indicates that the city or village is in more than one county. Data for such municipalities include the entire municipality, not just the portion in Lake County.

Table 6: Lake County Municipalities: Racial and Ethnic Household Composition in 2000 & Individuals in 2010 Plus Opportunity Group

Lake County Municipalities: Racial and Ethnic Household Composition in 2000 & Individuals in 2010 Plus Opportunity Group					
City or Village	2000 Census				Opportunity Group
	White	Black	Asian	Hispanic, Any Race	
Antioch					
2010 Individuals	88.8%	3.1%	3.7%	8.5%	Moderate Opportunity
HHs Free market	72.8%	16.3%	3.8%	10.9%	
HHs Actual proportions	97.7%	0.2%	0.7%	2.0%	
HHs Difference	24.9%	-16.1%	-3.2%	-8.9%	
Bannockburn					
2010 Individuals	76.6%	6.1%	13.8%	3.3%	Highest Opportunity
HHs Free market	80.2%	11.0%	4.2%	7.3%	
HHs Actual proportions	97.1%	0.0%	2.0%	2.0%	
HHs Difference	16.9%	-11.0%	-2.2%	-5.3%	
Barrington*					
2010 Individuals	92.1%	1.0%	3.7%	4.5%	Highest Opportunity
HHs Free market	76.5%	13.7%	4.1%	9.1%	
HHs Actual proportions	96.4%	1.4%	1.0%	1.9%	
HHs Difference	19.9%	-12.3%	-3.1%	-7.2%	
Barrington Hills*					
2010 Individuals	91.2%	0.8%	6.5%	2.7%	Highest Opportunity
HHs Free market	81.9%	9.7%	4.4%	6.5%	
HHs Actual proportions	97.1%	0.9%	0.5%	1.5%	
HHs Difference	15.1%	-8.7%	-3.9%	-5.0%	
Beach Park					
2010 Individuals	68.9%	10.7%	5.7%	25.1%	Lowest Opportunity
HHs Free market	73.3%	15.8%	3.8%	11.1%	
HHs Actual proportions	88.3%	4.5%	0.6%	8.0%	
HHs Difference	15.0%	-11.3%	-3.2%	-3.2%	
Buffalo Grove*					
2010 Individuals	79.8%	1.0%	16.0%	4.9%	High Opportunity
HHs Free market	77.1%	13.0%	4.1%	9.3%	
HHs Actual proportions	90.1%	0.8%	7.3%	2.7%	
HHs Difference	13.0%	-12.1%	3.2%	-6.6%	
Deer Park*					
2010 Individuals	92.9%	0.9%	4.3%	3.4%	Highest Opportunity
HHs Free market	82.6%	9.1%	4.4%	6.4%	
HHs Actual proportions	94.5%	1.7%	2.1%	1.7%	
HHs Difference	11.8%	-7.4%	-2.3%	-4.7%	

— Continued

Antioch. While the proportions of Hispanics and Asians moved much closer to what would have been expected in a free housing market at the beginning of the decade, the proportion of African Americans in 2010 is less than a fifth of what would have been expected. This large gap strongly suggests that discrimination against African Americans is distorting the free housing market in Antioch.

Bannockburn. The proportion of Hispanics in Bannockburn continues to be less than half of what would have been expected.

At first glance it appears that with 6.1 percent of the village's 2010 population of individuals being African American, Bannockburn made strides to mitigate its hypersegregation in which zero percent of the village's households were African American at the turn of this century. In a free market without discrimination, approximately 11 percent of the households would have been Black in 2000. Further research revealed that no progress has been made.

The 97 African American residents of Bannockburn reported in the 2010 census of individuals were among the 610 students living in student housing at Trinity International University.

Similarly, proportion of the village's population that is Asian increased six fold during the decade. Most likely this increase consists of the students attending Trinity International University.

Barrington. Discrimination against African Americans appears to continue to distort Barrington's housing market. The proportion of African Americans has been stagnant over the past decade and is just one-thirteenth of what would be expected in a free housing market. The proportions of Asians and Hispanics continue to move closer to what would be expected in a free housing market.

Barrington Hills. The proportion of Asians is roughly what would be expected in a free housing market. However, the proportion of African Americans continues to be less than one-tenth of what would be expected, suggesting that Blacks face discrimination in Barrington Hills. The proportion of Hispanics is moving slowly toward what would be expected in a free housing market.

Beach Park. During the past decade, Beach Park became much more racially and ethnically diverse. However, the proportion of Hispanics is now more than twice what would have been expected in a free housing market suggesting that Beach Park has become a magnet for Hispanic households that may be leading to serious concentrations developing. Beach Park is one of the few Lake County jurisdictions in the "Lowest Opportunity" group that is integrating.

Buffalo Grove. While Buffalo Grove has become more diverse with growing Asian and Hispanic populations, the lack of growth in its African American population suggests that Blacks face discrimination when moving to Buffalo Grove. The proportion of Blacks continues to be less than one-twelfth of what would have been expected in a free housing market. Buffalo Grove appears to have become a magnet for Asian families where the proportion is now four times what would have been expected. The proportion of Hispanics has grown to become

about half of what would have been expected.

Deer Park. Like Buffalo Grove, Deer Park continues to have such a low proportion of African Americans compared to what would be expected in a free market, that it is highly likely that Blacks seeking to move to Deer Park face discrimination. The proportion of Blacks is less than one-tenth of what would have been expected in a free housing market. While the proportion of Asians is what would have been expected, the proportion of Hispanics hovers at about half of what would have been expected in a discrimination-free housing market.

Why the percentages do not add up to 100 percent

The percentages in these free market analysis tables will not add up to 100 percent for several reasons. First, they do not include several racial classifications such as “Native Hawaiian and Other Pacific Islander” and “American Indian and Alaska Native,” because the number of people in these classifications is so small that they would not alter the findings and analysis. Second, the tables do not include “Some other race” or “Two or more races” because they would make these tables impossibly complicated and they would not affect the findings and analysis since there are so few people in these classifications. So when the percentages of whites, African Americans, and Asians in a row do not add up to 100, it’s because these other races were not included in the table.

In addition, the category “Hispanic, Of Any Race” is an ethnicity. Hispanics can be of any race. Adding up all the percentages in a row would count Hispanics twice.

Why some of the names of cities in this narrative are in red and others are in green

The names of cities that made progress toward racial and ethnic integration during the first decade of this new century are in green; those that are extremely segregated and made no progress toward racial and ethnic integration are in red.

Lake County table continued

Lake County Municipalities: Racial and Ethnic Household Composition in 2000 & Individuals in 2010 Plus Opportunity Group					
City or Village	2000 Census				Opportunity Group
	White	Black	Asian	Hispanic, Any Race	
Deerfield*					
2010 Individuals	94.0%	0.5%	3.6%	2.8%	Highest Opportunity
HHs Free market	79.5%	11.3%	4.3%	7.8%	
HHs Actual proportions	97.2%	0.2%	2.1%	1.4%	
HHs Difference	17.7%	-11.1%	-2.1%	-6.3%	
Fox Lake*					
2010 Individuals	92.8%	1.0%	1.0%	8.9%	Low Opportunity
HHs Free market	70.5%	18.3%	3.6%	11.7%	
HHs Actual proportions	97.1%	0.6%	0.9%	2.4%	
HHs Difference	26.6%	-17.6%	-2.8%	-9.3%	
Fox River Grove*					
2010 Individuals	93.6%	0.6%	2.9%	5.4%	High Opportunity
HHs Free market	74.8%	14.8%	3.9%	10.2%	
HHs Actual proportions	97.2%	0.4%	0.3%	2.5%	
HHs Difference	22.4%	-14.4%	-3.6%	-7.6%	
Grayslake					
2010 Individuals	83.7%	3.3%	6.8%	8.8%	Moderate Opportunity
HHs Free market	75.7%	14.0%	4.0%	9.8%	
HHs Actual proportions	92.0%	1.0%	4.1%	3.1%	
HHs Difference	16.3%	-12.9%	0.1%	-6.7%	
Green Oaks					
2010 Individuals	86.6%	1.4%	8.5%	3.3%	High Opportunity
HHs Free market	81.4%	9.9%	4.4%	6.9%	
HHs Actual proportions	92.8%	2.0%	4.8%	1.6%	
HHs Difference	11.3%	-7.9%	0.4%	-5.3%	
Gurnee					
2010 Individuals	73.3%	7.8%	11.6%	11.7%	High Opportunity
HHs Free market	75.7%	14.0%	4.0%	9.7%	
HHs Actual proportions	86.2%	4.6%	6.2%	4.1%	
HHs Difference	10.5%	-9.4%	2.1%	-5.7%	
Hainesville					
2010 Individuals	72.9%	4.0%	11.8%	16.8%	Lowest Opportunity
HHs Free market	75.8%	13.7%	4.0%	10.2%	
HHs Actual proportions	83.7%	1.5%	5.3%	9.6%	
HHs Difference	7.8%	-12.2%	1.3%	-0.6%	

— Continued

Deerfield. The picture is even worse in Deerfield where the proportion of Blacks continues to be less than one–twentieth of what would have been expected in a free housing market absent discrimination. While the proportion of Asians is roughly what would have been expected, the proportion of Hispanics is about one–third of what would have been expected.

Fox Lake. It's the same picture in Fox Lake where the proportion of Blacks continues to be about one–twentieth of what would have been expected in a free housing market without discrimination. While the proportion of Asians has remained at low 2000 levels, the proportion of Hispanics is close to what would have been expected.

Fox River Grove. It appears highly likely that African Americans continue to face significant discrimination if they wish to live in Fox River Grove. The proportion of Blacks continues to be less than one–twenty fifth of what would have been expected in a free housing market absent discrimination. The proportion of Asians is roughly what would have been expected while the proportion of Hispanics has grown to about half of what would have been expected.

Grayslake. While the proportions of Asians and Hispanics are roughly what would have been expected in a free housing market absent discrimination, the proportion of Blacks continues to be about one–fourth of what would have been expected despite the presence of the College of Lake County.

Green Oaks. While Green Oaks became more diverse during the past decade, the proportion of African Americans remains about one–seventh of what would have been expected in a free housing market absent discrimination. The proportion of Hispanics remains less than half of what would have been expected while the proportion of Asians is nearly double what would have been expected.

Gurnee. Gurnee is far more diverse than its own residents think it is. During the past decade, the racial and ethnic composition of Gurnee moved closer to what would have been expected in a free housing market without discrimination. The proportion of African Americans increased to a little over half of what would have been expected while the proportions of Asians and Hispanics have exceeded what would have been expected. As a “High Opportunity” group village, Gurnee offers greater opportunities to the members of minority groups moving there.

Hainesville. The decade brought increased diversity to Hainesville with the proportion of Asian and Hispanic populations now greater than would have been expected in a free housing market. Although the proportion of African Americans is less than a third of what would have been expected, it more than doubled during the past decade. Despite having about the same percentage of minority residents as Gurnee, Hainesville is a “Lowest Opportunity” group village.

Lake County table continued

Lake County Municipalities: Racial and Ethnic Household Composition in 2000 & Individuals in 2010 Plus Opportunity Group					
City or Village	2000 Census				Opportunity Group
	White	Black	Asian	Hispanic, Any Race	
Hawthorne Woods					
2010 Individuals	89.4%	1.4%	6.7%	3.8%	High Opportunity
HHs Free market	81.9%	9.6%	4.5%	6.6%	
HHs Actual proportions	96.4%	0.3%	1.5%	0.2%	
HHs Difference	14.5%	-9.2%	-3.0%	-6.4%	
Highland Park					
2010 Individuals	91.0%	1.8%	2.9%	7.3%	Highest Opportunity
HHs Free market	78.4%	12.2%	4.2%	8.2%	
HHs Actual proportions	94.5%	1.2%	1.9%	5.0%	
HHs Difference	16.1%	-11.0%	-2.3%	-3.2%	
Highwood					
2010 Individuals	72.0%	1.5%	2.2%	56.9%	Highest Opportunity
HHs Free market	71.3%	17.5%	3.6%	11.7%	
HHs Actual proportions	82.6%	2.3%	3.1%	23.3%	
HHs Difference	11.3%	-15.2%	-0.5%	11.6%	
Indian Creek					
2010 Individuals	76.2%	2.2%	18.0%	6.7%	High Opportunity
HHs Free market	78.2%	12.0%	4.1%	9.0%	
HHs Actual proportions	94.3%	0.0%	0.0%	2.9%	
HHs Difference	16.1%	-12.0%	-4.1%	-6.1%	
Island Lake*					
2010 Individuals	90.4%	1.1%	1.9%	14.0%	Low Opportunity
HHs Free market	74.6%	14.7%	3.9%	10.7%	
HHs Actual proportions	95.2%	1.3%	1.2%	5.7%	
HHs Difference	20.6%	-13.3%	-2.7%	-5.0%	
Kildeer					
2010 Individuals	85.4%	0.9%	11.1%	3.2%	Highest Opportunity
HHs Free market	82.1%	9.4%	4.4%	6.6%	
HHs Actual proportions	96.1%	1.1%	2.8%	2.7%	
HHs Difference	14.0%	-8.3%	-1.6%	-3.9%	
Lake Barrington					
2010 Individuals	95.7%	0.7%	2.5%	2.3%	Moderate Opportunity
HHs Free market	79.4%	11.4%	4.3%	7.8%	
HHs Actual proportions	98.8%	0.8%	0.2%	0.2%	
HHs Difference	19.4%	-10.6%	-4.1%	-7.6%	
— Continued					

Hawthorne Woods. While the proportions of Asians and Hispanics in Hawthorne Woods have moved closer to what would have been expected, the proportion of Blacks continues to be about one-seventh of what would have been expected in a free housing market absent discrimination.

Highland Park. While Highland Park has taken steps to provide some housing affordable to households with more modest incomes, these efforts have not increased the city's racial diversity. The proportion of African Americans continues to be less than one-seventh of what would have been expected in a free housing market absent discrimination. The proportions of Asians and Hispanics in Highland Park continue to be roughly what would have been expected.

Highwood. Highwood has become a magnet for Hispanics with the proportion more than doubling to 56.9 percent during the past decade while African Americans appear to be excluded from the city. The proportion of Blacks continues to be less than one-tenth of what would have been expected in a free housing market absent discrimination. The proportion of Asians is roughly what would have been expected. The staggering increase in the proportion of residents of Latino extraction suggests that Highwood may be developing into an ethnically segregated city. However, in part due to its location adjacent to Highland Park, Highwood is a "High Opportunity" group city in which opportunities for upward mobility are substantial.

Indian Creek. Indian Creek became a magnet for Asians during the past decade as their proportion grew from zero to 18 percent, more than four times what would have been expected in a free housing market. The proportion of Hispanics is roughly what would have been expected. Although the proportion of African Americans grew from zero to 2.2 percent, that is still about one-sixth of what would have been expected. This movement toward diversity should be carefully monitored because this substantial change in the Asian population suggests that Indian Creek *could* be in the early stages of resegregating into an predominantly Asian community.

Island Lake. While the proportions of Asians and Hispanics are close to what would have been expected in a free housing market, the proportion of Blacks living in Island Lake continues to be less than one-fourteenth of what would have been expected in a free housing market absent discrimination. Island Lake is a "Low Opportunity" group village with an overwhelmingly Caucasian modest income population, but few African American residents of any income.

Kildeer. Kildeer has become a magnet for Asians while the proportion of Hispanics is half of what would have been expected in a free housing market. The proportion of African Americans continues to be less than one-tenth of what would have been expected in a free housing market absent discrimination.

Lake Barrington. The proportion of Blacks living in Lake Barrington continues to be less than one-fifteenth of what would have been expected in a free housing market absent discrimination. While the proportion of Asians is roughly what would have been expected, the proportion of Hispanics is less than one-third.

Lake County table continued

Lake County Municipalities: Racial and Ethnic Household Composition in 2000 & Individuals in 2010 Plus Opportunity Group					
City or Village	2000 Census				Opportunity Group
	White	Black	Asian	Hispanic, Any Race	
Lake Bluff					
2010 Individuals	92.0%	0.6%	5.5%	1.9%	Highest Opportunity
HHs Free market	80.1%	10.9%	4.3%	7.5%	
HHs Actual proportions	95.6%	1.3%	3.1%	0.7%	
HHs Difference	15.5%	-9.6%	-1.2%	-6.8%	
Lake Forest					
2010 Individuals	92.1%	1.1%	4.7%	2.8%	Highest Opportunity
HHs Free market	80.7%	10.6%	4.3%	7.1%	
HHs Actual proportions	95.0%	1.2%	2.8%	1.0%	
HHs Difference	14.3%	-9.3%	-1.5%	-6.1%	
Lake Villa					
2010 Individuals	86.2%	3.9%	5.0%	8.2%	Moderate Opportunity
HHs Free market	74.5%	14.9%	3.9%	10.4%	
HHs Actual proportions	94.3%	2.0%	1.2%	2.5%	
HHs Difference	19.8%	-12.9%	-2.7%	-7.9%	
Lake Zurich					
2010 Individuals	86.7%	1.0%	7.4%	7.7%	Highest Opportunity
HHs Free market	77.5%	12.6%	4.2%	9.0%	
HHs Actual proportions	94.0%	0.5%	3.6%	4.3%	
HHs Difference	16.5%	-12.1%	-0.6%	-4.6%	
Lakemoor*					
2010 Individuals	87.6%	2.0%	3.3%	13.1%	Low Opportunity
HHs Free market	72.3%	16.7%	3.8%	11.3%	
HHs Actual proportions	96.4%	1.3%	1.1%	4.0%	
HHs Difference	24.1%	-15.4%	-2.7%	-7.3%	
Libertyville					
2010 Individuals	90.1%	1.2%	5.7%	4.1%	Highest Opportunity
HHs Free market	77.5%	12.8%	4.2%	8.7%	
HHs Actual proportions	94.2%	0.3%	4.1%	2.2%	
HHs Difference	16.7%	-12.4%	-0.1%	-6.5%	
Lincolnshire					
2010 Individuals	91.5%	0.9%	6.1%	2.0%	Highest Opportunity
HHs Free market	81.0%	10.3%	4.4%	7.0%	
HHs Actual proportions	96.5%	0.3%	2.6%	1.3%	
HHs Difference	15.5%	-10.0%	-1.7%	-5.7%	

— Continued

Lake Bluff. The proportion of African Americans continues to be one-eighteenth of what would have been expected in a free housing market absent discrimination. While the proportion of Asians is what would have been expected, the proportion of Hispanics remains a quarter of what would have been expected. The racial and Latino composition of Lake Bluff is very different than that of adjacent North Chicago. In a free housing market without discrimination and taking income disparities into account, North Chicago's population would have been 19.9 percent African American compared to 10.9 percent in Lake Bluff — just twice Lake Bluff's proportion of Black residents, rather than 50 times greater as it actually was in 2010.

Figure 7: Frank Lloyd Wright Designed Mary M.W. Adams House in Highland Park



Lake Forest. The proportion of Blacks living in Lake Forest continues to be about one-tenth of what would have been expected in a free housing market absent discrimination. While the proportion of Asians is what would have been expected, the proportion of Hispanics is less than a third.

Lakemoor. The proportion of African Americans residing in Lakemoor continues to be about one-tenth of what would have been expected in a free housing market absent discrimination. The proportions of Asians and Hispanics are what would have been expected. Like Island Lake, Lakemoor is a “Low Opportunity” group village with an overwhelmingly Caucasian modest income population, but few African American residents of any income.

Lake Villa. The proportion of Blacks who live in Lake Villa continues to be about a quarter of what would have been expected in a free housing market absent discrimination. The proportions of Asians and Hispanics are what would have been expected.

Lake Zurich. The proportion of African Americans living in Lake Zurich continues to be less than one-thirteenth of what would have been expected in a free housing market absent discrimination. The proportions of Asians and Hispanics are what would have been expected.

Figure 8: Beach Park Trailer Homes



Libertyville. The proportion of Blacks among Libertyville’s residents continues to be one-tenth of what would have been expected in a free housing market absent discrimination. The proportion of Asians is what would have been expected while the proportion of Hispanics is about half of what would have been expected. Around 1971, Libertyville rejected annexing the “new town” that Urban Investment and Development proposed to build in which the developer planned to include subsidized and racially-integrated housing.¹⁵

Lincolnshire. The proportion of Blacks who live in Lincolnshire continues to be less than one-tenth of what would have been expected in a free housing market absent discrimination. The proportion of Asians is what would have been expected while the proportion of Hispanics remains a bit more than a quarter of what would have been expected.

15. Personal recollection of principle author Daniel Lauber who performed his planning internship at Urban Investment and Development at the time and conducted studies for the proposed new town. Both Libertyville and Mundelein declined to annex the new town because the developer intended to include subsidized housing and to affirmatively market all homes to households of all racial groups. Then tiny Vernon Hills annexed the new town. President Nixon’s moratorium on all subsidized housing prevented the inclusion of housing affordable to households with modest incomes and undermined the developer’s plans to build a racially-integrated community like it had done with Park Forest more than 20 years earlier.

Lake County table continued

Lake County Municipalities: Racial and Ethnic Household Composition in 2000 & Individuals in 2010 Plus Opportunity Group					
City or Village	2000 Census				Opportunity Group
	White	Black	Asian	Hispanic, Any Race	
Lindenhurst					
2010 Individuals	88.8%	2.4%	4.5%	6.8%	Moderate Opportunity
HHs Free market	76.3%	13.4%	4.1%	9.8%	
HHs Actual proportions	93.5%	2.1%	2.4%	2.7%	
HHs Difference	17.2%	-11.2%	-1.7%	-7.1%	
Long Grove					
2010 Individuals	83.9%	1.2%	11.9%	3.2%	Highest Opportunity
HHs Free market	82.1%	9.5%	4.4%	6.5%	
HHs Actual proportions	91.6%	1.2%	6.2%	0.7%	
HHs Difference	9.5%	-8.3%	1.8%	-5.8%	
Mettawa					
2010 Individuals	91.6%	1.8%	4.6%	11.0%	Highest Opportunity
HHs Free market	80.0%	11.1%	4.3%	7.3%	
HHs Actual proportions	95.2%	0.0%	1.6%	5.6%	
HHs Difference	15.2%	-11.1%	-2.7%	-1.7%	
Mundelein					
2010 Individuals	72.3%	1.5%	8.8%	30.1%	Moderate Opportunity
HHs Free market	75.4%	14.2%	4.0%	10.0%	
HHs Actual proportions	84.4%	0.8%	5.8%	16.5%	
HHs Difference	9.1%	-13.4%	1.8%	6.5%	
North Barrington					
2010 Individuals	93.5%	0.5%	3.9%	2.4%	High Opportunity
HHs Free market	82.6%	9.1%	4.4%	6.3%	
HHs Actual proportions	97.4%	0.3%	2.3%	0.4%	
HHs Difference	14.8%	-8.8%	-2.1%	-5.9%	
North Chicago					
2010 Individuals	47.9%	29.9%	3.8%	27.2%	Lowest Opportunity
HHs Free market	68.5%	19.9%	3.5%	12.5%	
HHs Actual proportions	43.4%	45.5%	2.3%	14.6%	
HHs Difference	-25.1%	25.6%	-1.1%	2.1%	
Old Mill Creek					
2010 Individuals	81.5%	4.5%	4.5%	10.1%	Low Opportunity
HHs Free market	77.4%	12.7%	4.1%	9.4%	
HHs Actual proportions	91.3%	1.0%	4.9%	0.0%	
HHs Difference	13.9%	-11.7%	0.8%	-9.4%	

— Continued

Lindenhurst. While the proportion of Asians in Lindenhurst is roughly what would have been expected in a free housing market, the proportion of African Americans in this blue collar town continues to be less than one-fifth of what would have been expected in a free housing market absent discrimination. The proportion of Hispanics has grown to be close to what would have been expected.

Long Grove. While the proportions of Asians and Hispanics increased during the decade, the proportion of Blacks remains unchanged and is about one-tenth of what would have been expected in a free housing market absent discrimination.

Mettawa. While the proportions of Asians and Hispanics increased during the decade, the proportion of African Americans has grown from zero to 1.8 percent, nearly 16 percent of what would have been expected in a free housing market absent discrimination.

Figure 9: Libertyville Houses



Mundelein. The proportion of Asians had grown in 2010 to a little more than what would have been expected in a free housing market not distorted by discrimination. The proportion of Latinos nearly doubled to three times what would have been expected. But the proportion of Blacks remains unchanged and continues to be about one-tenth of what would have been expected in a free housing market absent discrimination. As we have seen elsewhere when there is a large proportion of Hispanic residents, the proportion identifying themselves to the census as "some other race" is high in Mundelein, 14.9 percent in 2010. This accounts for some of the decline in the reported proportion of Caucasians. Around 1971, Mundelein also rejected annexing the "new town" that Urban Investment and Development proposed to build in which the developer planned to include subsidized and racially-integrated housing.¹⁶ Mundelein is a "Moderate Opportunity" group village due, in part, to the job-rich "Highest Opportunity" group municipalities to its east and south.

North Barrington. The proportion of Blacks residing in North Barrington continues to be about one-twentieth of what would have been expected in a free housing market absent discrimination. The proportion of Asians is roughly what would have been expected while the proportion of Hispanics has grown to nearly 40 percent of what would have been expected.

North Chicago. North Chicago is incorrectly seen as a mostly African American city. During the past decade the proportion of African Americans living in North Chicago has moved closer to what would have been expected in a free housing market although the proportion of Blacks is double what it would have been in a free housing market without discrimination. The proportion of Hispanics grew from 12.5 percent to 27.2 percent, nearly twice what would have been expected. With this increase in the proportion of Hispanics, the proportion of Caucasians increased slightly during the decade. Despite respectable job opportunities, North Chicago is a "Lowest Opportunity" group city in large part because it is one of the lowest ranking cities in education in the metropolitan area. North Chicago is experiencing a middle class out-migration, largely of African Americans. North Chicago is examined in detail beginning on page 45.

Old Mill Creek. The decade introduced more diversity to Old Mill Creek as the proportion of African Americans increased to one-third of what would have been expected and the proportion of Hispanics grew from zero to roughly what would have been expected in a free housing market. The proportion of Asians continues to be what would be expected in a housing market without discrimination. The increases in the proportions of Blacks and Latinos are indicative of stable integration. Old Mill Creek, however, is a "Low Opportunity" group village.

16. Ibid.

Lake County table continued

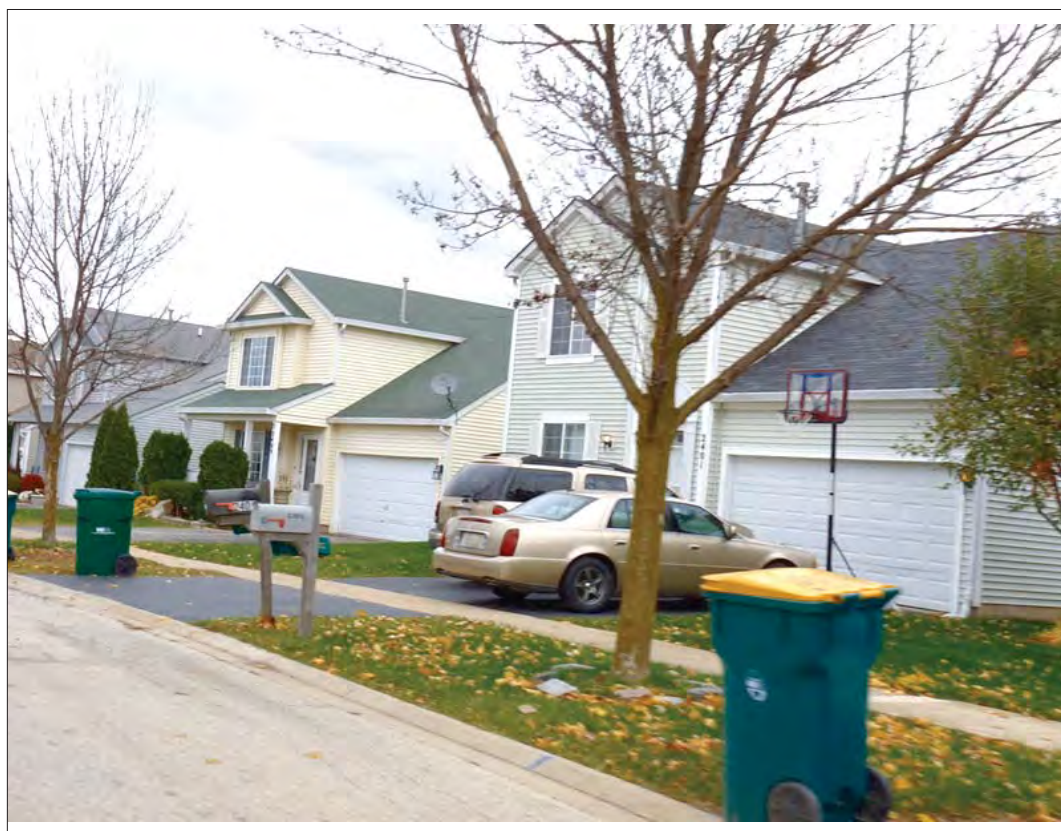
Lake County Municipalities: Racial and Ethnic Household Composition in 2000 & Individuals in 2010 Plus Opportunity Group					
City or Village	2000 Census				Opportunity Group
	White	Black	Asian	Hispanic, Any Race	
Park City					
2010 Individuals	45.5%	7.4%	5.4%	65.2%	Lowest Opportunity
HHs Free market	68.4%	19.9%	3.5%	12.7%	
HHs Actual proportions	67.3%	11.9%	8.2%	23.3%	
HHs Difference	-1.1%	-8.0%	4.7%	10.6%	
Port Barrington, formerly known as Fox River Valley Gardens					
2010 Individuals	88.0%	1.2%	7.2%	5.7%	High Opportunity
HHs Free market	78.0%	12.2%	4.2%	8.9%	
HHs Actual proportions	96.0%	0.0%	1.3%	4.0%	
HHs Difference	18.0%	-12.2%	-2.8%	-4.9%	
Riverwoods					
2010 Individuals	93.2%	0.7%	4.7%	2.8%	High Opportunity
HHs Free market	82.0%	9.5%	4.3%	6.5%	
HHs Actual proportions	95.9%	0.8%	3.3%	1.2%	
HHs Difference	13.8%	-8.7%	-1.0%	-5.3%	
Round Lake					
2010 Individuals	68.9%	4.8%	12.8%	25.3%	Lowest Opportunity
HHs Free market	72.3%	16.8%	3.8%	11.1%	
HHs Actual proportions	85.1%	1.5%	1.5%	16.0%	
HHs Difference	12.8%	-15.2%	-2.2%	4.9%	
Round Lake Beach					
2010 Individuals	68.7%	4.3%	3.0%	48.0%	Low Opportunity
HHs Free market	73.1%	15.9%	3.8%	11.1%	
HHs Actual proportions	81.1%	2.7%	2.1%	21.4%	
HHs Difference	8.0%	-13.3%	-1.8%	10.3%	
Round Lake Heights					
2010 Individuals	68.0%	5.1%	5.8%	36.0%	Lowest Opportunity
HHs Free market	72.4%	16.4%	3.8%	11.5%	
HHs Actual proportions	88.0%	2.1%	1.2%	12.9%	
HHs Difference	15.6%	-14.4%	-2.6%	1.4%	
Round Lake Park					
2010 Individuals	71.6%	3.4%	1.1%	38.6%	Low Opportunity
HHs Free market	70.5%	18.1%	3.6%	12.3%	
HHs Actual proportions	87.1%	0.2%	1.0%	16.1%	
HHs Difference	16.7%	-17.9%	-2.6%	3.8%	

— Continued

Park City. The data show that Park City has become a predominantly Hispanic city. As concentrations of Hispanic households grew in Park City during the past decade, the proportions of Asians and African Americans declined a few percentage points. As we have seen elsewhere when there is a large proportion of Hispanic residents, the proportion identifying themselves in the census as "some other race" is high in Park City, 37.9 percent in 2010. This accounts for the decline in the reported proportion of Caucasians. Like its neighbors to the east and south, Park City is a "Lowest Opportunity" group city.

Port Barrington. While the proportion of Blacks is no longer zero, it is just one-tenth (18 people) of what would have been expected in a free housing market absent discrimination. The proportions of Asians and Hispanics are close to what would have been expected.

Figure 10: Round Lake Beach Townhomes



Riverwoods. The past decade has brought little change to Riverwoods. The proportion of African Americans continues to be less than one-tenth of what would have been expected in a free housing market absent discrimination. The proportion of Asians is what would have been expected while the proportion of Hispanics continues to be less than half.

The data show that the four Round Lake communities discussed below have become magnets for Latinos while the proportions of African Americans living in each has increased slightly, but remain

substantially lower than would be expected in a free market not distorted by discrimination. All of the Round Lake communities rank in the “Lowest Opportunity” and “Low Opportunity” groups common in Lake County’s northwest quadrant.

Round Lake. The proportion of African Americans living in Round Lake grew to about one-fourth of what would have been expected in a free housing market without discrimination while the proportions of Asians and Hispanics significantly exceeded what would have been expected. The proportion of Asian residents increased nearly nine fold while the proportion of Latinos grew by more than half. Round Lake is a “Lowest Opportunity” group village.

Round Lake Beach. As concentrations of Hispanic households developed in Round Lake Beach during the past decade, the proportions of Asians and African Americans increased incrementally. The proportion of African Americans rose to one-fourth of what would have been expected in a free housing market. As we have seen elsewhere when there is a large proportion of Hispanic residents, the proportion identifying themselves in the census as “some other race” is high in Round Lake Beach, 20.6 percent in 2010. This accounts for the decline in the reported proportion of Caucasians. Round Lake Beach is a “Low Opportunity” group village.

Round Lake Heights. Similarly, as concentrations of Latino households developed in Round Lake Heights during the past decade, the proportions of Asians and Blacks increased by a few percentage points. The proportion of African Americans rose to almost a third of what would have been expected in a free housing market. As we have seen elsewhere when there is a large proportion of Hispanic residents, the proportion identifying themselves to the census as “some other race” is high in Round Lake Heights, 17.2 percent in 2010. This accounts for the decline in the reported proportion of Caucasians. Round Lake Heights is a “Lowest Opportunity” group village.

Round Lake Park. While concentrations of Hispanic households developed in Round Lake Park during the past decade, the proportion of Asians remained stagnant while the proportion of African Americans increased by a few percentage points to almost a fifth of what would have been expected in a free housing market. As we have seen elsewhere when there is a large proportion of Hispanic residents, the proportion identifying themselves in the census as “some other race” is high in Round Lake Park, 21.3 percent in 2010. This accounts for the decline in the reported proportion of Caucasians. Round Lake Park is a “Low Opportunity” group village.

Lake County table continued

Lake County Municipalities: Racial and Ethnic Household Composition in 2000 & Individuals in 2010 Plus Opportunity Group					
City or Village	2000 Census				Opportunity Group
	White	Black	Asian	Hispanic, Any Race	
Third Lake					
2010 Individuals	95.0%	0.3%	1.4%	5.8%	Low Opportunity
HHs Free market	78.4%	12.0%	4.3%	8.3%	
HHs Actual proportions	96.6%	0.9%	1.8%	0.0%	
HHs Difference	18.2%	-11.1%	-2.5%	-8.3%	
Tower Lakes					
2010 Individuals	94.9%	0.6%	1.7%	3.4%	Moderate Opportunity
HHs Free market	80.3%	10.8%	4.4%	7.3%	
HHs Actual proportions	98.9%	0.5%	0.7%	0.7%	
HHs Difference	18.6%	-10.3%	-3.7%	-6.6%	
Vernon Hills					
2010 Individuals	71.4%	2.2%	19.3%	11.4%	Highest Opportunity
HHs Actual proportions	85.3%	1.7%	9.5%	5.7%	
HHs Free market	75.6%	14.1%	4.0%	9.8%	
HHs Difference	9.6%	-12.4%	5.4%	-4.1%	
Volo					
2010 Individuals	82.1%	2.0%	8.2%	12.2%	Moderate Opportunity
HHs Free market	71.7%	17.0%	3.6%	12.0%	
HHs Actual proportions	90.4%	0.0%	0.0%	17.3%	
HHs Difference	18.7%	-17.0%	-3.6%	5.3%	
Wadsworth					
2010 Individuals	87.6%	4.1%	2.3%	8.8%	Low Opportunity
HHs Free market	77.5%	12.6%	4.2%	8.9%	
HHs Actual proportions	94.4%	0.8%	2.1%	2.4%	
HHs Difference	16.8%	-11.8%	-2.1%	-6.5%	
Wauconda					
2010 Individuals	85.0%	0.9%	4.2%	17.8%	Moderate Opportunity
HHs Free market	73.0%	16.2%	3.8%	11.0%	
HHs Actual proportions	95.1%	0.3%	0.9%	6.7%	
HHs Difference	22.1%	-15.9%	-2.9%	-4.3%	

— Continued

Third Lake. Third Lake continues to be a virtually all-white community. The proportion of Blacks living there continues to be less than one-fortieth of what would have been expected in a free housing market absent discrimination. The proportion of Asians is about one-fourth of what would have been expected. The Hispanic population has grown from zero percent to nearly 70 percent of what

would have been expected. The overwhelmingly white Third Lake is a “Low Opportunity” group village located between “Moderate Opportunity” group Grayslake and “High Opportunity” group Gurnee.

Tower Lakes. Similarly, Tower Lakes has maintained extreme segregation due to the virtual exclusion of African Americans during the past decade. The proportion of Blacks continues to be about one–twentieth of what would have been expected in a free housing market absent discrimination. The proportions of Asians and Hispanics increased during the past decade to get somewhat closer to what would be expected if there were no discrimination in housing.

Vernon Hills. The proportion of African Americans living in Vernon Hills continues to be less than one–seventh of what would have been expected in a free housing market absent discrimination. However, the proportion of Latinos is about what would have been expected while the city has become an electric magnet for Asians.

Volo. The proportion of African Americans residing in Volo continues to be about one–tenth of what would have been expected in a free housing market without discrimination. The proportion of Hispanics is about what would have been expected while the proportion of Asians has grown from zero to more than double what would have been expected.

Figure 11: Vernon Hills Townhomes

Wadsworth. The proportion of African Americans living in Wadsworth has increased more than four fold in the past decade as it moves on a path toward possible integration. The proportion of Hispanics is what would have been expected in a free housing market while the proportion of Asians continues to be about half of what would have been expected.



Wauconda. The proportion of Blacks who live in Wauconda continues to be about one–twentieth of what would have been expected in a free housing market absent discrimination. The proportion of Asians is about what would have been expected and the proportion of Hispanics has grown to about 50 percent more than would have been expected.

Lake County table continued

Lake County Municipalities: Racial and Ethnic Household Composition in 2000 & Individuals in 2010 Plus Opportunity Group					
City or Village	2000 Census				Opportunity Group
	White	Black	Asian	Hispanic, Any Race	
Waukegan					
2010 Individuals	46.6%	19.2%	4.3%	53.4%	Lowest Opportunity
HHs Free market	69.9%	18.8%	3.6%	12.0%	
HHs Actual proportions	56.0%	20.4%	3.5%	31.4%	
HHs Difference	-13.8%	1.6%	-0.1%	19.4%	
Winthrop Harbor					
2010 Individuals	90.9%	1.4%	2.3%	7.6%	Lowest Opportunity
HHs Free market	73.6%	15.6%	3.9%	10.7%	
HHs Actual proportions	96.3%	0.3%	1.1%	3.3%	
HHs Difference	22.6%	-15.3%	-2.8%	-7.3%	
Zion					
2010 Individuals	48.9%	31.0%	2.3%	27.7%	Lowest Opportunity
HHs Free market	70.2%	18.5%	3.6%	11.9%	
HHs Actual proportions	64.4%	26.1%	1.6%	9.6%	
HHs Difference	-5.8%	7.6%	-2.0%	-2.3%	

HHs = Data for 2000 are based on households. Data for 2010 are based on individuals.

*Municipality is located in more than one county. Data are for the entire municipality, not just the Lake County portion.

Sources: 2000, 2010 *U.S. Census*; John Lukehart, Tom Luce, Jason Reece, *The Segregation of Opportunities: The Structure of Advantage and Disadvantage in the Chicago Region* (Chicago: Leadership Council for Metropolitan Open Communities, May 2005).

Waukegan. While the proportions of African Americans and Asians remained stable and what would have been expected during the past decade, the proportion of Hispanics of any race grew by 70 percent, far beyond what would have been expected in a discrimination-free housing market. As we have seen elsewhere when there is a large proportion of Hispanic residents, the proportion identifying themselves to the census as "some other race" is high in Waukegan, 25.8 percent in 2010. This accounts for the decline in the reported proportion of Caucasians. Even with respectable job opportunities, Waukegan is a "Lowest Opportunity" group city in large part because it is one of the lowest ranking cities in education in the metropolitan area. Waukegan is discussed in more detail beginning on page 52.

Winthrop Harbor. Winthrop Harbor continues to exhibit the characteristics of extreme racial segregation as its African American population was just 2 percent of what would have been expected in 2000 and it has barely budged in the past de-

cade. The Hispanic and Asian populations have moved closer to what would have been expected in a free housing market devoid of discrimination. Winthrop Harbor is another highly segregated, nearly all-white community that ranks in the “Lowest Opportunity” group and is clustered together with other “Lowest Opportunity” group municipalities in the county’s northeast corner. The question might be posed, “Why is Winthrop Harbor so racially- and ethnically-segregated given its similarities to the much more diverse municipalities in Lake County’s northeast quadrant?”

Zion. In 2000, Zion's population was close to what would have been expected in a discrimination-free housing market. But over the decade Zion’s Black and especially Hispanic populations have grown substantially and that the city appears to be in the early stages of resegregation into a predominantly minority community. Zion is clustered together with most of the other “Lowest Opportunity” group municipalities in Lake County’s northeast quadrant.

Figure 12: Shiloh Tower, Lake County Housing Authority Senior Public Housing in Zion



North Chicago

Table 7: North Chicago: Racial and Ethnic Household Composition 1990–2000 &

North Chicago: Racial and Ethnic Household Composition 1990–2000 & Individuals 2010								
Geographic Area	2000 Census				1990 Census			
	White	Black	Asian	Hispanic, Any Race	White	Black	Asian	Hispanic, Any Race
North Chicago Citywide								
2010 Individuals	47.9%	29.9%	3.8%	27.2%				
HHs Free market	68.5%	19.9%	3.5%	12.5%	72.2%	20.3%	2.4%	8.7%
HHs Actual proportions	43.4%	45.5%	2.3%	14.6%	49.5%	49.5%	2.0%	8.5%
HHs Difference	-25.1%	25.6%	-1.1%	2.1%	-22.8%	29.1%	-0.4%	-0.3%
Census Tract 8628.00**								
2010 Individuals	21.2%	57.5%	0.5%	34.6%				
HHs Free market	63.1%	25.1%	3.5%	12.6%	62.9%	29.1%	2.4%	9.5%
HHs Actual proportions	14.3%	78.5%	0.9%	10.7%	12.2%	85.5%	0.0%	11.9%
HHs Difference	-48.7%	53.4%	-2.6%	-1.8%	-50.7%	56.5%	-2.4%	2.4%
Census Tract 8629.01								
2010 Individuals	27.5%	27.2%	0.3%	66.2%				
HHs Free market	68.8%	19.5%	3.5%	12.6%				
HHs Actual proportions	39.2%	38.4%	0.0%	39.8%	Census tract did not exist in 1990			
HHs Difference	-29.6%	18.9%	-3.5%	27.2%				
Census Tract 8629.02								
2010 Individuals	22.8%	54.3%	0.7%	39.5%				
HHs Free market	64.8%	23.4%	3.3%	12.8%				
HHs Actual proportions	23.3%	69.0%	0.0%	17.5%	Census tract did not exist in 1990			
HHs Difference	-41.5%	45.5%	-3.3%	4.7%				
Census Tract 8630.01*								
2010 Individuals	Census tract does not exist in 2010							
HHs Free market	69.6%	18.6%	3.4%	13.1%				
HHs Actual proportions	66.0%	22.7%	3.6%	8.4%	Census tract did not exist in 1990			
HHs Difference	-3.5%	4.1%	0.2%	-4.7%				
Census Tract 8630.02* 9 households								
2010 Individuals	Census tract does not exist in 2010							
HHs Free market	79.5%	11.0%	4.1%	8.7%				
HHs Actual proportions	0.0%	100.0%	0.0%	0.0%	Census tract did not exist in 1990			
HHs Difference	-79.5%	89.0%	-4.1%	-8.7%				
Census Tract 8630.04								
2010 Individuals	55.9%	22.5%	7.8%	12.8%				
HHs Free market								
HHs Actual proportions	Census tract did not exist in 2000				Census tract did not exist in 1990			
HHs Difference								

— Continued on the next page

North Chicago table continued

North Chicago: Racial and Ethnic Household Composition 1990–2000 & Individuals 2010								
Geographic Area	2000 Census				1990 Census			
	White	Black	Asian	Hispanic, Any Race	White	Black	Asian	Hispanic, Any Race
Census Tract 8630.05								
2010 Individuals	70.4%	17.7%	3.5%	12.5%				
HHs Free market	Census tract did not exist in 2000				Census tract did not exist in 1990			
HHs Actual proportions								
HHs Difference								
Census Tract 8630.06								
2010 Individuals	No individuals in tract							
HHs Free market	Census tract did not exist in 2000				Census tract did not exist in 1990			
HHs Actual proportions								
HHs Difference								
Census Tract 8631.00								
2010 Individuals	19.7%	59.9%	1.1%	32.0%				
HHs Free market	68.3%	20.1%	3.4%	12.5%	73.6%	19.2%	2.4%	8.4%
HHs Actual proportions	17.3%	77.3%	0.0%	9.0%	25.8%	66.2%	2.4%	3.4%
HHs Difference	-51.0%	57.2%	-3.4%	-3.5%	-47.8%	47.0%	0.0%	-5.0%
Census Tract 8632.01**								
2010 Individuals	24.6%	44.8%	1.9%	44.4%				
HHs Free market	70.3%	18.3%	3.6%	12.0%	77.1%	16.0%	2.5%	7.7%
HHs Actual proportions	25.4%	66.5%	0.3%	15.1%	31.6%	61.6%	1.2%	10.0%
HHs Difference	-45.0%	48.2%	-3.3%	3.1%	-45.5%	45.6%	-1.3%	2.3%
Census Tract 8632.02*								
2010 Individuals	85.6%	2.8%	7.5%	4.9%				
HHs Free market	74.4%	15.4%	4.0%	9.7%	81.3%	12.7%	2.8%	5.9%
HHs Actual proportions	87.3%	3.7%	7.3%	2.8%	97.3%	0.0%	2.1%	0.4%
HHs Difference	12.9%	-11.7%	3.3%	-7.0%	15.9%	-12.7%	-0.7%	-5.6%
Census Tract 8637.02*								
2010 Individuals	80.3%	3.0%	12.2%	4.8%	Census tract did not exist in 1990			
HHs Free market	76.9%	13.1%	4.0%	9.5%				
HHs Actual proportions	89.7%	3.5%	6.5%	2.1%				
HHs Difference	12.8%	-9.6%	2.5%	-7.3%				
*Tract is in more than one jurisdiction. **Tract is in both North Chicago and Waukegan. HHs = Data for 1990 and 2000 are based on households. Data for 2010 are based on individuals. Source: 1990, 2000, 2010 U.S. Census.								

During the decade, the proportion of Asians living in North Chicago grew to what would have been expected in a free market without discrimination. The proportion of African Americans declined to 29.9 percent, closer to the 19.9 percent approximation that would have been expected in a free market devoid of discrimination. But while the concentration of African Americans in North Chicago declined, the concentration of Latinos approximately doubled from 14.6 percent in 2000 to 27.2 percent in 2010. In a free market, the proportion of Latinos would have been about 12.5 percent in 2000. The proportion of Caucasians

continues to be more than 20 percentage points lower than expected in a free housing market without discrimination.¹⁷

Tract 8630.03 houses the Great Lakes Naval Station where 7,749 military personnel live in military quarters.¹⁸ The military personnel are diverse: 71 percent Caucasian, 15 percent African American, 4.8 percent Asian, and 13.2 percent Hispanic of any race.

Tract 8630.06 is also part of the Great Lakes Naval Station but no individuals or households live in the tract.

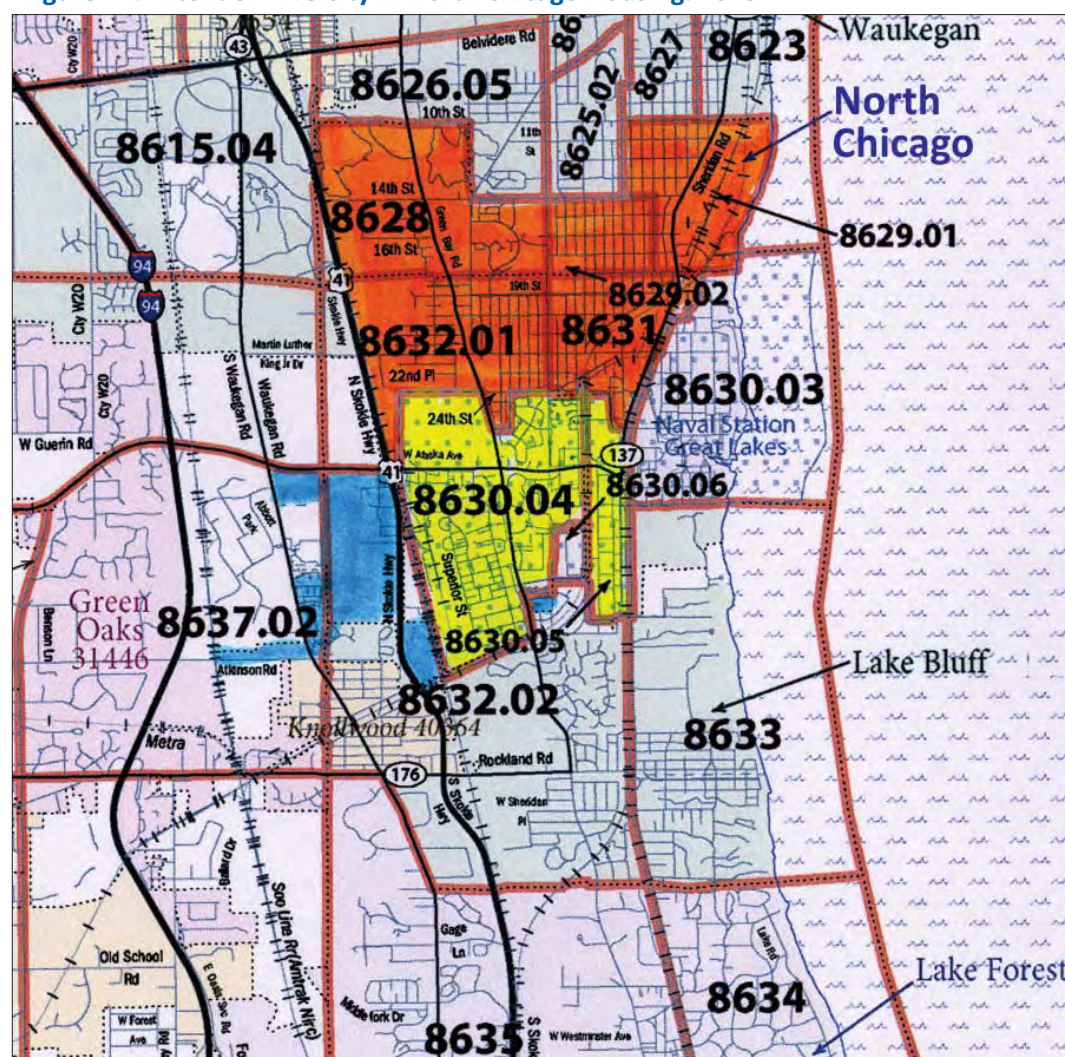
As illustrated by the map that follows, North Chicago itself exhibits characteristics of segregation with substantial concentrations of African Americans and Latinos living in the north end, a central area of racial and Latino diversity, and a south and a small segregated southwest end that is overwhelmingly Caucasian with minuscule proportions of Blacks and Hispanics well below what would be expected in a free market absent discrimination. Only a small portion of these two census tracts in the southwest corner are in North Chicago.

Figure 13: North Chicago Single-Family Homes



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17. As noted earlier in this chapter, some of the census tracts that comprise North Chicago are not entirely within North Chicago. The data in the above table for the *entire* city of North Chicago include *only* the portions of census tracts that are *within* North Chicago's boundaries. The data in the above table for census tracts that are partially within North Chicago include those parts of the tract not in North Chicago because the necessary data were available only for the entire census tract.
18. We were unable to approximate the racial composition in a free market without discrimination because that analysis is based on households and these military personnel live in group quarters, not households.

Figure 14: Extent of Diversity in North Chicago Housing: 2010



Legend

Orange = Concentrations of African Americans and Latinos

Yellow = Racially and ethnically integrated

Dark Blue = Segregated Caucasian

In the six orange tracts at the city's north end, the proportion of residents who are Hispanic soared during the decade while the proportion who are African American declined. Even with this decline, the proportion of residents who are Black still exceeded the proportion that would be expected in a free housing market not distorted by discrimination as noted in the above table. While the proportions of African Americans moved closer to what would be expected in a free housing market, the proportions of Latinos grew far beyond what would be expected. The proportions of whites continued to be far below what would have been expected.

The two central tracts in yellow were the sole integrated areas in the city. Since these tracts did not exist in 2000, we have no data to approximate what their racial and Hispanic composition was and would have been expected to be in

a free housing market. However, the 2010 data suggest that these are integrated areas, both by race and Latino ethnicity. Note that tract 8630.05 houses largely military personnel from the Great Lakes Naval Station.

While Asians bring some diversity to the southwest end of North Chicago which is highlighted in dark blue, these two wealthier census tracts — 8637.02 and 8632.02 — exhibit characteristics of hypersegregation. The proportions of Caucasians are well above what would be expected in a free market without discrimination while the proportions of African Americans and Hispanics are a fraction of what would be expected. Only small parts of these two tracts are in North Chicago.

While the proportion of African Americans living in North Chicago declined and got within 10 percentage points of what would have been expected in 2000 and the proportion of Asians was what would have been expected, the city continues to be largely segregated with the small southwest end populated overwhelmingly by Caucasians and the north end populated overwhelmingly by Blacks and Latinos.

Since 1990, racial segregation has been reduced in the four census tracts for which 1990 data were available while concentrations of Latinos have developed in all three tracts with a substantial proportion of African American residents. Even in tract 8632.02, the total exclusion of African Americans in 1990 has ended as the proportions of Blacks, Asians, and Hispanics have all increased slightly over the past 20 years. The proportion of African Americans, however, remains one-sixth of what would have been expected in a free market not distorted by discrimination.

As noted earlier in this chapter, these patterns are not due to differences in household income among the racial and ethnic groups. The methodology employed controls for household income. The extent of segregation in North Chicago is almost certainly the result of housing discrimination within North Chicago and throughout Lake County and the metropolitan area.

Figure 15: Kukla Towers Senior Public Housing in North Chicago



Waukegan

Table 8: Waukegan: Racial and Ethnic Household Composition 1990–2000 & Individuals 2010

Waukegan: Racial and Ethnic Household Composition 1990–2000 & Individuals 2010								
Geographic Area	2000 Census				1990 Census			
	White	Black	Asian	Hispanic, Any Race	White	Black	Asian	Hispanic, Any Race
Waukegan Citywide								
2010 Individuals	46.6%	19.2%	4.3%	53.4%				
HHs Free market	69.9%	18.8%	3.6%	12.0%	74.8%	18.2%	2.5%	8.2%
HHs Actual proportions	56.0%	20.4%	3.5%	31.4%	70.4%	18.4%	2.3%	15.2%
HHs Difference	-13.8%	1.6%	-0.1%	19.4%	-4.3%	0.2%	-0.1%	7.0%
Census Tract 8604.00*								
2010 Individuals	56.0%	21.9%	4.5%	30.7%				
HHs Free market	71.3%	17.6%	3.7%	11.5%	78.8%	14.7%	2.6%	7.0%
HHs Actual proportions	66.6%	18.5%	3.9%	13.4%	83.3%	9.3%	4.2%	8.6%
HHs Difference	-4.6%	0.9%	0.1%	1.9%	4.4%	-5.4%	1.6%	1.6%
Census Tract 8606.00*								
2010 Individuals	71.3%	12.9%	2.0%	22.3%				
HHs Free market	72.5%	16.4%	3.7%	11.5%	77.5%	15.8%	2.6%	7.5%
HHs Actual proportions	85.9%	8.4%	0.0%	6.3%	94.0%	3.7%	0.0%	2.6%
HHs Difference	13.3%	-8.0%	-3.7%	-5.2%	16.6%	-12.1%	-2.6%	-4.9%
Census Tract 8607.02*								
2010 Individuals	Census tract did not exist in 2010							
HHs Free market	77.0%	13.0%	4.2%	9.3%	Census tract did not exist in 1990			
HHs Actual proportions	95.1%	0.5%	1.8%	2.2%				
HHs Difference	18.2%	-12.5%	-2.3%	-7.0%				
Census Tract 8615.04*								
2010 Individuals	44.1%	8.6%	17.6%	44.7%				
HHs Free market	71.7%	17.1%	3.7%	11.7%	73.2%	19.5%	2.4%	8.6%
HHs Actual proportions	68.2%	9.1%	12.7%	16.9%	83.2%	5.0%	5.2%	11.9%
HHs Difference	-3.4%	-8.1%	9.0%	5.2%	10.0%	-14.4%	2.8%	3.3%
Census Tract 8615.06*								
2010 Individuals	59.8%	20.3%	7.7%	18.5%				
HHs Free market	72.9%	16.2%	3.8%	11.1%	Census tract did not exist in 1990			
HHs Actual proportions	78.0%	14.0%	3.2%	5.6%				
HHs Difference	5.0%	-2.1%	-0.6%	-5.5%				
Census Tract 8615.07*								
2010 Individuals	71.2%	9.5%	5.6%	25.0%				
HHs Free market	74.4%	15.0%	4.0%	10.3%	Census tract did not exist in 1990			
HHs Actual proportions	85.7%	4.7%	3.9%	8.0%				
HHs Difference	11.3%	-10.3%	-0.1%	-2.3%				
Census Tract 8615.10*								
2010 Individuals	67.0%	9.2%	6.4%	25.8%				
HHs Free market	72.7%	16.5%	3.9%	10.8%	Census tract did not exist in 1990			
HHs Actual proportions	71.9%	12.7%	9.2%	6.9%				
HHs Difference	-0.8%	-3.7%	5.3%	-3.9%				
Census Tract 8616.03*								
2010 Individuals	82.4%	3.1%	10.5%	5.3%				
HHs Free market	76.6%	13.3%	4.1%	9.6%	79.8%	13.9%	2.7%	6.7%
HHs Actual proportions	92.8%	2.8%	2.8%	2.4%	98.7%	0.0%	0.5%	1.4%
HHs Difference	16.2%	-10.5%	-1.3%	-7.1%	18.9%	-13.9%	-2.2%	-5.2%

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Waukegan table continued

Waukegan: Racial and Ethnic Household Composition 1990–2000 & Individuals 2010								
Geographic Area	2000 Census				1990 Census			
	White	Black	Asian	Hispanic, Any Race	White	Black	Asian	Hispanic, Any Race
Census Tract 8617.01*								
2010 Individuals	73.1%	8.0%	1.7%	28.7%	Census tract did not exist in 1990			
HHs Free market	74.8%	14.6%	3.9%	10.5%				
HHs Actual proportions	82.9%	4.2%	1.9%	15.5%				
HHs Difference	8.1%	-10.4%	-2.0%	5.0%				
Census Tract 8617.02								
2010 Individuals	61.1%	18.2%	2.0%	39.4%	Census tract did not exist in 1990			
HHs Free market	73.0%	16.2%	3.7%	11.1%				
HHs Actual proportions	74.1%	14.1%	1.8%	14.8%				
HHs Difference	1.1%	-2.0%	-1.9%	3.7%				
Census Tract 8618.03*								
2010 Individuals	52.7%	16.9%	3.8%	50.2%	Census tract did not exist in 1990			
HHs Free market	71.1%	17.6%	3.6%	12.1%				
HHs Actual proportions	65.6%	14.0%	2.5%	25.0%				
HHs Difference	-5.5%	-3.5%	-1.1%	13.0%				
Census Tract 8618.04								
2010 Individuals	49.8%	15.4%	3.0%	65.0%	Census tract did not exist in 1990			
HHs Free market	68.4%	20.1%	3.4%	12.6%				
HHs Actual proportions	54.0%	20.6%	1.0%	42.3%				
HHs Difference	-14.4%	0.5%	-2.4%	29.7%				
Census Tract 8618.05								
2010 Individuals	Census tract did not exist in 2010				Census tract did not exist in 1990			
HHs Free market	67.5%	20.7%	3.5%	12.9%				
HHs Actual proportions	45.5%	30.3%	0.5%	48.1%				
HHs Difference	-22.0%	9.6%	-2.9%	35.2%				
Census Tract 8618.15								
2010 Individuals	Census tract did not exist in 2010				Census tract did not exist in 1990			
HHs Free market	70.7%	17.8%	3.6%	12.4%				
HHs Actual proportions	26.6%	61.0%	0.0%	31.7%				
HHs Difference	-44.1%	43.2%	-3.6%	19.3%				
Census Tract 8619.01*								
2010 Individuals	59.4%	11.2%	4.4%	46.7%	79.6%	13.9%	2.6%	7.0%
HHs Free market	73.8%	15.4%	3.9%	10.8%	88.6%	4.8%	2.7%	8.7%
HHs Actual proportions	76.7%	8.4%	2.2%	17.9%	8.9%	-9.1%	0.1%	1.7%
HHs Difference	2.8%	-6.9%	-1.6%	7.1%				
Census Tract 8619.02*								
2010 Individuals	46.3%	20.1%	5.6%	49.6%	73.8%	19.0%	2.4%	8.4%
HHs Free market	68.6%	20.0%	3.5%	12.3%	78.7%	12.3%	4.5%	9.0%
HHs Actual proportions	59.1%	26.3%	5.6%	19.0%	4.9%	-6.7%	2.1%	0.6%
HHs Difference	-9.5%	6.3%	2.1%	6.8%				
Census Tract 8620.00								
2010 Individuals	44.8%	15.0%	2.0%	68.3%	75.7%	17.4%	2.5%	8.0%
HHs Free market	70.4%	18.3%	3.6%	11.8%	71.7%	21.5%	1.6%	11.6%
HHs Actual proportions	52.9%	17.1%	2.5%	39.2%	-3.9%	4.1%	-0.9%	3.6%
HHs Difference	-17.5%	-1.2%	-1.1%	27.4%				

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Waukegan table continued

Waukegan: Racial and Ethnic Household Composition 1990–2000 & Individuals 2010								
Geographic Area	2000 Census				1990 Census			
	White	Black	Asian	Hispanic, Any Race	White	Black	Asian	Hispanic, Any Race
Census Tract 8621.00								
2010 Individuals	49.1%	20.9%	0.9%	56.3%				
HHs Free market	70.3%	18.2%	3.5%	12.4%	76.5%	16.5%	2.5%	8.1%
HHs Actual proportions	59.6%	21.4%	0.0%	31.7%	80.3%	14.1%	1.1%	10.8%
HHs Difference	-10.7%	3.2%	-3.5%	19.3%	3.8%	-2.4%	-1.3%	2.7%
Census Tract 8622.00								
2010 Individuals	50.6%	24.4%	1.4%	44.8%				
HHs Free market	66.9%	21.4%	3.6%	12.4%	75.0%	17.8%	2.4%	8.5%
HHs Actual proportions	54.6%	24.3%	0.4%	30.3%	75.5%	12.5%	1.3%	20.2%
HHs Difference	-12.3%	2.9%	-3.2%	18.0%	0.5%	-5.3%	-1.1%	11.7%
Census Tract 8623.00								
2010 Individuals	24.0%	41.9%	0.4%	48.6%				
HHs Free market	63.8%	24.4%	3.4%	12.7%	66.3%	26.0%	2.3%	9.0%
HHs Actual proportions	19.2%	59.9%	0.9%	34.2%	28.2%	56.7%	1.0%	19.9%
HHs Difference	-44.7%	35.6%	-2.5%	21.5%	-38.1%	30.7%	-1.4%	10.8%
Census Tract 8624.01								
2010 Individuals	47.5%	14.6%	1.0%	68.6%				
HHs Free market	66.9%	21.4%	3.5%	12.5%	Census tract did not exist in 1990			
HHs Actual proportions	55.4%	10.1%	3.6%	40.7%				
HHs Difference	-11.5%	-11.4%	0.1%	28.2%				
Census Tract 8624.02								
2010 Individuals	42.1%	12.7%	0.4%	81.3%				
HHs Free market	67.5%	20.9%	3.5%	12.5%	Census tract did not exist in 1990			
HHs Actual proportions	33.0%	18.4%	1.8%	69.1%				
HHs Difference	-34.4%	-2.6%	-1.6%	56.7%				
Census Tract 8625.01								
2010 Individuals	48.4%	8.9%	0.7%	83.5%				
HHs Free market	69.9%	18.4%	3.5%	12.8%	Census tract did not exist in 1990			
HHs Actual proportions	50.1%	12.9%	0.0%	60.9%				
HHs Difference	-19.8%	-5.4%	-3.5%	48.1%				
Census Tract 8625.02								
2010 Individuals	44.1%	22.3%	0.7%	60.5%				
HHs Free market	71.2%	17.5%	3.6%	12.1%	Census tract did not exist in 1990			
HHs Actual proportions	49.2%	27.0%	2.1%	49.1%				
HHs Difference	-21.9%	9.5%	-1.5%	37.0%				
Census Tract 8626.03*								
2010 Individuals	43.7%	18.0%	5.8%	57.4%				
HHs Free market	69.9%	18.6%	3.5%	12.4%	Census tract did not exist in 1990			
HHs Actual proportions	61.3%	19.7%	6.1%	24.7%				
HHs Difference	-8.6%	1.1%	2.6%	12.4%				

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Waukegan table continued

Waukegan: Racial and Ethnic Household Composition 1990–2000 & Individuals 2010								
Geographic Area	2000 Census				1990 Census			
	White	Black	Asian	Hispanic, Any Race	White	Black	Asian	Hispanic, Any Race
Census Tract 8626.04*					Census tract did not exist in 1990			
2010 Individuals	48.1%	9.4%	3.0%	69.6%				
HHs Free market	69.8%	18.5%	3.5%	12.7%				
HHs Actual proportions	63.3%	12.3%	3.0%	33.1%				
HHs Difference	-6.5%	-6.2%	-0.5%	20.4%				
Census Tract 8626.05*					Census tract did not exist in 1990			
2010 Individuals	38.1%	37.6%	3.1%	37.0%				
HHs Free market	64.8%	23.4%	3.3%	13.1%				
HHs Actual proportions	56.6%	18.5%	4.9%	29.1%				
HHs Difference	-8.2%	-4.9%	1.6%	16.0%				
Census Tract 8627.00					Census tract did not exist in 1990			
2010 Individuals	29.0%	21.1%	0.5%	76.6%				
HHs Free market	67.8%	20.5%	3.4%	12.8%				
HHs Actual proportions	25.8%	30.5%	0.4%	60.5%				
HHs Difference	-41.9%	9.9%	-2.9%	47.7%				
Census Tract 8628.00**					Census tract did not exist in 1990			
2010 Individuals	21.2%	57.5%	0.5%	34.6%				
HHs Free market	63.1%	25.1%	3.5%	12.6%				
HHs Actual proportions	14.3%	78.5%	0.9%	10.7%				
HHs Difference	-48.7%	53.4%	-2.6%	-1.8%				
Census Tract 8632.01**					Census tract did not exist in 1990			
2010 Individuals	24.6%	44.8%	1.9%	44.4%				
HHs Free market	70.3%	18.3%	3.6%	12.0%				
HHs Actual proportions	25.4%	66.5%	0.3%	15.1%				
HHs Difference	-45.0%	48.2%	-3.3%	3.1%				
Census Tract 8636.01*					Census tract did not exist in 1990			
2010 Individuals	86.7%	1.1%	8.9%	3.9%				
HHs Free market	80.9%	10.3%	4.4%	7.1%				
HHs Actual proportions	89.9%	0.8%	7.8%	2.8%				
HHs Difference	9.0%	-9.6%	3.4%	-4.3%				
Census Tract 8660.00*					Census tract did not exist in 1990			
2010 Individuals	74.0%	8.9%	8.3%	13.9%				
HHs Actual proportions	Census tract did not exist in 2000							
HHs Free market								
HHs Difference								
Census Tract 8661.00*					Census tract did not exist in 1990			
2010 Individuals	36.3%	23.8%	1.6%	62.0%				
HHs Actual proportions	Census tract did not exist in 2000							
HHs Free market								
HHs Difference								

*Tract is in more than one jurisdiction. **Tract is in both North Chicago and Waukegan.
HHs = Data for 1990 and 2000 are based on households. Data for 2010 are based on individuals.
Source: 1990, 2000, 2010 *U.S. Census*.

While the proportions of African Americans and Asians living in Waukegan are what would have been expected in a free market absent discrimination, the proportion of Latinos of any race is now almost four and a half times greater than would have been expected without discrimination. The proportion of Caucasians in Waukegan continues to decline. However, as we have seen elsewhere when a large proportion of the residents identify themselves as Latino, the proportion also identifying themselves to the census as "some other race" is high. In Waukegan, it was 25.8 percent in 2010. This phenomenon likely accounts for

most, if not nearly all of the ten percentage point decline in the proportion of Waukegan residents identified as Caucasian.

Between 2000 and 2010, Waukegan became a predominantly Latino city. By the end of the decade, all but four Waukegan census tracts had substantial concentrations of Hispanics ranging from 22.3 percent to 83.5 percent of the tract's population.¹⁹

All four of those census tracts are on the western outskirts of the city and only partially in Waukegan. Tract 8615.06 in the city's northwest corner has been racially- and ethnically-integrated during the past decade with a racial and Latino composition very close to what would be expected in the absence of discrimination. Just north of it is tract 8660.00 which did not exist in 2000. It appears to be racially- and Latino-diverse in 2010.

The other two tracts, 8636.01 and 8616.03 located in Waukegan's southwest corner, lack the diversity characteristic of so much of Waukegan. The proportion of African Americans living in tract 8636.01 was almost one-tenth of what would have been expected while the proportion of Latinos was a little more than half. The proportion of African Americans was essentially unchanged from 2000. The proportion of Asians is about double what would have been expected in a discrimination-free housing market. In the tract immediately north of it, 8616.03, the proportions of African Americans and Hispanics remain significantly below what would have been expected in a free market devoid of discrimination while the proportion of Asians is more than twice what would be expected.

Figure 16: Waukegan House for Rent

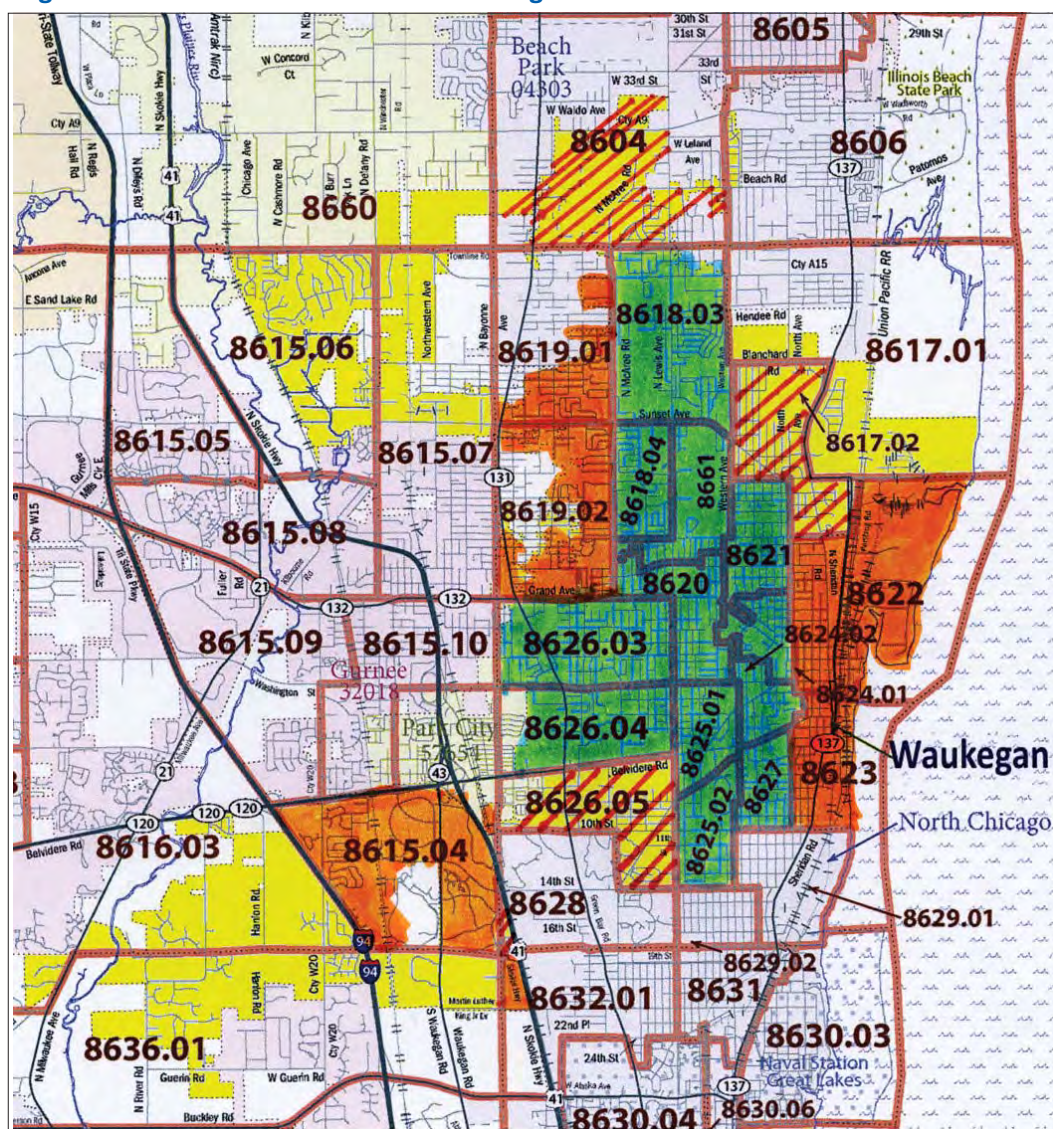


The proportion of African Americans was essentially unchanged from 2000. The proportion of Asians is about double what would have been expected in a discrimination-free housing market. In the tract immediately north of it, 8616.03, the proportions of African Americans and Hispanics remain significantly below what would have been expected in a free market devoid of discrimination while the proportion of Asians is more than twice what would be expected.

The following map shows that the most intense concentrations of Hispanic residents are in the center of Waukegan. With Latinos constituting over 81 percent of the population in tracts 8624.02 and 8625.01, these neighborhoods are verging on becoming hypersegregated. If trends continue unabated, these sections of Waukegan could segregate into virtually all-Latino neighborhoods.

19. As noted earlier in this chapter, some of the census tracts that comprise Waukegan are not entirely within Waukegan. The data in the above table for the *entire* city of Waukegan include *only* the portions of census tracts that are *within* Waukegan's boundaries. The data in the above table for census tracts that are partially within Waukegan include those parts of the tract not in Waukegan because the necessary data were available only for the entire census tract.

Figure 17: Latino Concentrations in Waukegan: 2010



Legend

Green = Over 50 percent Latino

Orange = 41 to 50 percent Latino

Orange Stripes = 30 to 40 percent Latino

Yellow = Less than 30 percent Latino

Other colors are not in Waukegan

With the exception of nine census tracts, the proportions of African American residents in each census tract in 2000 were roughly what would have been expected in a free market lacking discrimination. In four of the nine tracts — 8615.06 on the city’s west end, the small part of 8660 at the city’s northwest corner, and 8636.01 and 8616.03 in the southwest corner of Waukegan — the proportions of Black residents were much lower in 2000 than would have been expected if discrimination were not at play. All four of these tracts are only partially in Waukegan.

In the other four tracts, the proportions of African Americans were greater

than would have been expected. But over the decade, the disparity shrank in three of these tracts and grew only in tract 8626.05 where the proportion of African American residents doubled to 37.6 percent. The proportion of Caucasians fell from 56.6 percent to 38.1 percent in 2010 while the Hispanic population rose slightly from 29.1 to 37 percent in 2010. In a free market, the white population would have been about 64.8 percent and the Latino population about 13.1 percent.

The most intense concentration of African Americans within Waukegan continues to be in tract 8628.00, part of which is in North Chicago and is adjacent on the south and east to other North Chicago census tracts with substantial concentrations of Black and Hispanic residents. During the decade, the proportion of African Americans living in tract 8628.00 fell from 78.5 percent to 57.5 percent, still more than twice what would have been expected in a free market without discrimination. The proportion of Latinos, however, increased from 10.7 percent to 34.6 percent in 2010. In a free market, about 12.6 percent of the residents would have been expected to be Hispanic. The proportion of whites increased from 14.3 percent to 21.2 percent in 2010, still well below the 63.1 percent expected in a free market without discrimination.

Conclusions

Asians. The proportion of Lake County residents who are Asian (Pakistani, Indian, Japanese, Chinese, Korean, Filipino, etc.) nearly doubled from 3.3 percent in 2000 to 6.3 percent in 2010. The proportion of Asians in each Lake County jurisdiction was roughly what would have been expected in a free housing market devoid of discrimination. However, concentrations of Asian residents are developing in a number of jurisdictions: Buffalo Grove (4.1 percent free market; 16 percent actual in 2010), Gurnee (4 percent; 11.6 percent), Hainesville (4 percent; 11.8 percent), Indian Creek (4.1 percent; 18 percent), Kildeer (4.4 percent; 11.1 percent), Long Grove (4.4 percent; 11.9 percent), Round Lake (3.8 percent; 12.8 percent), and Vernon Hills (4 percent; 19.3 percent).

Testing is needed to determine the extent to which these concentrations of Asians are due to racial steering and other forms of housing discrimination or to the historical pattern of first and second generation immigrants deliberating seeking to live together when moving to America.

Latinos of any race. In most Lake County cities and villages, the proportion of Latinos was close to what would be expected in a free market undistorted by discrimination. The decade, however, witnessed a substantial in-migration of Hispanics during which the proportion more than doubled to almost 20 percent of the county.

The proportion of Latinos increased during the past decade in every Lake County jurisdiction except Volo where it declined from 17.3 percent in 2000 to 12.2 percent in 2010 which is the proportion that would have been expected in a free housing market without discrimination.

Nearly 40 percent of Lake County's cities and villages have developed concentration of Hispanics significantly greater than what would have been expected in a free housing market. The largest concentrations of Latinos are in Park City (65.2 percent in 2010, up from 23.3 percent in 2000; 12.7 percent expected), Highwood (56.9 percent in 2010, up from 23.3 percent in 2000; 11.7 percent expected), Waukegan (53.4 percent in 2010, up from 31.4 percent in 2000; 12 percent expected), Round Lake Beach (48 percent in 2010, up from 21.4 percent in 2000; 11.1 percent expected), Round Lake Park (38.6 percent in 2010, up from 16.1 percent in 2000; 12.3 percent expected), Round Lake Heights (36 percent in 2010, up from 12.9 percent in 2000; 11.5 percent expected), Mundelein (30.1 percent in 2010, up from 16.5 percent in 2000; 10 percent expected), Zion (27.7 percent in 2010, up from 9.6 percent in 2000; 11.9 percent expected), North Chicago (27.2 percent in 2010, up from 14.6 percent in 2000; 12.5 percent expected), Round Lake (25.3 percent in 2010, up from 16 percent in 2000; 11.1 percent expected), and Beach Park (25.1 percent in 2010, up from 8 percent in 2000; 11.1 percent expected).

Testing is needed to determine the extent to which these concentrations of Latinos are due to racial steering and other forms of housing discrimination or to the historical pattern of first and second generation immigrants deliberating seeking to live together when moving to America.

As shown pages 16 and 17, the county's Latino residents are more intensely concentrated than its Asian residents and less concentrated than its African American residents.

In 2010, Latinos of any race and African Americans constituted most of North Chicago's population. Latinos and Blacks are both concentrated in the five northernmost census tracts where they comprise 92.1 percent of the population in tract 8628.00, 93.4 percent in tract 8629.01, 93.8 percent in tract 8629.02, 91.1 percent in tract 8631.00, and 89.2 percent in tract 8632.01. These proportions are characteristic of hypersegregation.

The two census tracts in the center of North Chicago are integrated — 8630.04 (45.3 percent Black and Hispanic) and 8630.05 (40.2 percent African American and Latino). Black and Hispanics account for 7.7 percent and 7.8 percent of the population in the city's two white segregated census tracts 8632.02 and 8637.02 respectively.

African Americans. The table for Lake County starting on page 24 shows that at least 9 percent of the residents of every city and village in Lake County would be African American in a free market with no housing discrimination. As the table on page 23 shows, the entire county would be nearly 15 percent Black in a free market not distorted by discrimination, more than double what it has been all of this century.

The data strongly suggest that discrimination against African Americans is pervasive throughout Lake County. The proportions of African Americans in all but a handful of Lake County jurisdictions is a mere fraction of what would be expected in a free market that is not distorted by racial discrimination against

Blacks. Concomitantly, within Lake County, African Americans are concentrated in North Chicago, Waukegan, and Zion while they are beginning to move into Beach Park, Gurnee, Wadsworth in numbers bringing these three towns closer to a racial demographic that would be expected in a free market.

Table 9: Lake County Racial and Hispanic Composition: 1990–2010

Lake County Racial and Hispanic Composition: 1990–2010						
Year	White	African American	Asian	All Other Reported Races	Multiple Races	Hispanic of Any Race
1990	87.4%	6.7%	2.4%	3.4%	N/A	7.1%
2000	80.1%	6.9%	3.9%	7.0%	2.0%	14.4%
2010	75.1%	7.0%	6.3%	9.0%	2.6%	19.9%
The percentages for racial groups in a row do not add up to 100 percent due to rounding and people identifying themselves as both a race(s) and Hispanic. Sources: 1990, 2000, and 2010: U.S. Census.						

But the proportion of African American residents in the vast majority of Lake County cities and villages are typical of hypersegregation. In 2010, the proportion of African Americans living in 31 of the county's 51 municipalities (61 percent) was less than two percent. Fourteen of the other cities and villages housed Black populations of 2 to 5 percent. These figures represent a slight improvement over 2000 when 78 percent of Lake County's cities and villages were less than 2 percent Black and 12 percent were 2 to 5 percent Black. As noted earlier, *in a free market that is not distorted by discrimination in which household income is the prime determinant of where people live, at least 9.1 percent of the households in every Lake County village and city would have been African American.*²⁰

Overall Lake County exhibits the characteristics of hypersegregation of African Americans typical of pervasive racial discrimination in housing.

As the table below shows, North Chicago is not the predominantly African American city it's been reputed to be. The proportion of residents who are Black declined from 34.2 percent in 1990 to 29.9 percent in 2010 while the proportion of Latino residents of any race increased from 9.4 percent to 27.2 percent. Even though the proportion of Caucasians fell almost 10 percentage points, North Chicago is a very diverse, albeit largely segregated, city.

20. The data shown in the table "Lake County Racial and Hispanic Composition: 1990–2010" shows the racial and ethnic demographics for individuals, not households. These data include residents of group quarters which are not households. As noted earlier, the proportions of individuals are within 0.5 to 2 percent of the proportions of households.

Table 10: North Chicago Racial and Hispanic Composition: 1990–2000

North Chicago Racial and Hispanic Composition: 1990–2010						
Year	White	African American	Asian	All Other Reported Races	Multiple Races	Hispanic of Any Race
1990	56.6%	34.2%	3.9%	5.2%	N/A	9.4%
2000	47.7%	36.3%	3.6%	8.6%	3.8%	18.2%
2010	47.9%	29.9%	3.8%	14.1%	4.3%	27.2%
The percentages for racial groups in a row do not add up to 100 percent due to rounding and people identifying themselves both as a race(s) and Hispanic. Sources: 1990, 2000, and 2010: <i>U.S. Census</i> .						

Demographically, North Chicago is two very separate cities with African Americans and Latinos of any race living in the north end and Caucasians living in the south end of town. Two census tracts in the middle of the city are racially and ethnically integrated.²¹

As the table below suggests, Waukegan has been a diverse community for over 20 years. The total proportion that is African American has been stable and is roughly what would have been expected in a free market without discrimination. During this same time period the city's Latino population has more than doubled, from 22.7 percent in 1990 to 53.4 percent in 2010, a far greater percentage than would have been expected in a free market absent discrimination.²²

Table 11: Waukegan Racial and Hispanic Composition: 1990–2010

Waukegan Racial and Hispanic Composition: 1990–2010						
Year	White	African American	Asian	All Other Reported Races	Multiple Races	Hispanic of Any Race
1990	64.2%	20.1%	2.8%	12.8%	N/A	22.7%
2000	50.1%	19.2%	3.6%	23.6%	3.5%	44.8%
2010	46.6%	19.2%	4.3%	25.8%	4.1%	53.4%
The percentages for racial groups in a row do not add up to 100 percent due to rounding and people identifying themselves both as a race(s) and Hispanic. Sources: 1990, 2000, and 2010: <i>U.S. Census</i> .						

With the exception of nine census tracts, the proportions of African American residents in each census tract are roughly what would have been expected in a free market lacking discrimination. In five of these nine tracts, the proportions of African Americans are lower than would be expected and in the other four they are significantly higher. During the 2000–2010 decade, the concentrations of Blacks in three of these tracts declined while it doubled in one tract.

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21. The Census Bureau's counts for North Chicago do not include the 7,752 residents of the military quarters on the Great Lakes Naval Station in tract 3630.03. As noted earlier, these sailors are 71 percent Caucasian, 15 percent African American, 4.8 percent Asian and 13.2 percent Hispanic of any race.
22. The percentage that is categorized as "All Other Reported Races" has increased while the proportion of Hispanic residents has increased. There is a tendency among many Latinos to report themselves in the decennial census as "Some other race" rather than recognizing that Hispanic is a ethnicity, not a race.

The racial composition of several tracts on the outskirts of Waukegan are overwhelmingly Caucasian and exhibit the characteristics of hypersegregation typical of nearly 80 percent of Lake County's 51 municipalities.

Caucasians. The vast majority of white Lake County residents live in cities and villages that can only be characterized as hypersegregated regarding African Americans. As noted on page 57, at least 9.1 percent of the households in every Lake County village and city would have been African American in a free market that is not distorted by discrimination in which household income is the prime determinant of where people live.

The proportions of white residents in both North Chicago and Waukegan are lower than would have been expected in a free market undistorted by discrimination. There are census tracts on the edges of both cities with overwhelmingly Caucasian populations.

Our analysis has revealed that the racial and Latino composition of Lake County's cities and villages is *not* due to the sometimes sizeable differences in median incomes of different races and ethnicities. The methodology employed here controlled for household income and identified the approximate racial and Hispanic composition of each jurisdiction in a free market absent discrimination in which household income is the prime determinant of where people live.

In addition, the presence of numerous nearly all-white Lake County municipalities ranked in the lowest and low opportunity groups that are adjacent to integrated cities and villages also in the lowest and low opportunity groups suggests that something other than income is causing the substantial level of racial and ethnic segregation within Lake County.

As will be explained in Chapter 5, Lake County needs to begin a systematic and continuing program of real estate testing to identify the extent, if any, to which racial and ethnic steering or other discriminatory practices are occurring in Lake County and within North Chicago and Waukegan.

Employment

Once a collection of bedroom communities with little local employment, Lake County's employment base has mushroomed since the 1970s with an explosive growth rate of more than 49 percent during the 1990s.²³ Between 1970 and 2000, the employment grew in all major economic sectors except mining and agricultural services as the number of jobs in Lake County grew by 245 percent.

23. During the 1990s, Lake County's population grew by 25 percent. *Lake County Regional Framework Plan*, revised through February 13, 2007, 3-1.

Table 12: Lake County Work Force: 2005–2010

Lake County Work Force: 2005–2010				
Year	Size of Work Force	Number Employed	Number Unemployed	Unemployment Rate
2005	354,595	337,471	17,124	4.8%
2006	363,777	347,454	16,323	4.5%
2007	370,767	351,952	18,815	5.1%
2008	371,724	347,337	24,387	6.6%
2009	361,407	326,364	35,043	9.7%
2010	365,683	327,288	38,395	10.5%
Sources: U.S. Bureau of Labor Statistics, http://www.bls.gov/data .				

During the Great Recession, the size of the county's workforce fluctuated while unemployment rates rose with the largest increase coming between 2008 and 2009. Nationally the unemployment rate rose from 9.3 percent in 2008 to 9.6 percent in 2009. The unemployment rate for Illinois grew from 10 to 10.3 percent from 2008 to 2009.

Table 13: North Chicago Work Force: 2005–2010

North Chicago Work Force: 2005–2010				
Year	Size of Work Force	Number Employed	Number Unemployed	Unemployment Rate
2005	9,168	8,238	930	10.1%
2006	9,410	8,533	877	9.3%
2007	9,343	8,369	974	10.4%
2008	9,391	8,158	1,233	13.1%
2009	9,267	7,675	1,592	17.2%
2010	9,576	7,697	1,879	19.6%
Sources: U.S. Bureau of Labor Statistics, http://www.bls.gov/data .				

The unemployment rate in North Chicago has tended to be about twice the rate for Lake County. This disparity is no surprise because unemployment rates are highest among African Americans throughout the nation. North Chicago has borne the brunt of the recession with nearly one in five adults unemployed in 2010. Here, too, the unemployment rate soared between 2008 and 2009 as the recession took hold.

Table 14: Waukegan Work Force: 2005–2010

Waukegan Work Force: 2005–2010				
Year	Size of Work Force	Number Employed	Number Unemployed	Unemployment Rate
2005	42,672	39,710	2,962	6.9%
2006	43,430	40,585	2,845	6.6%
2007	43,928	40,811	3,117	7.1%
2008	43,893	39,980	3,913	8.9%
2009	43,133	37,492	5,641	13.1%
2010	43,830	37,598	6,232	14.2%

Sources: U.S. Bureau of Labor Statistics, <http://www.bls.gov/data>.

Throughout the study period, Waukegan's unemployment rate has consistently been a few percentage points higher than for the county as a whole with the rate skyrocketing between 2008 and 2009. Waukegan's African American population constitutes close to 20 percent of the city's population, two-thirds of the nearly 30 percent share in North Chicago.

Figure 18: Market Rate Rental Highrise in Waukegan



Table 15: Lake County Private Sector Businesses by Industry and Number of Employees: 2009

Lake County Private Sector Businesses by Industry and Number of Employees: 2009										
Industry	Total Number of Businesses	Number of Businesses in Lakes County by Number of Employees								
		1–4	5–9	10–19	20–49	50–99	100–249	250–499	500–999	1000+
Total all sectors	314,977	173,502	57,386	39,900	26,898	9,541	5,866	1,328	549	337
Forestry, fishing, hunting, and Agriculture Support	307	236	34	16	15	5	1	0	0	0
Mining, quarrying, and oil and gas extraction	569	314	102	80	44	15	7	6	1	0
Utilities	475	154	70	69	81	45	31	9	14	2
Construction	29,827	21,344	4,196	2,324	1,370	370	171	36	13	3
Manufacturing	14,722	5,065	2,489	2,334	2,360	1,245	857	250	90	32
Wholesale trade	19,407	9,915	3,700	2,753	1,971	638	300	81	35	14
Retail trade	40,856	17,757	10,243	6,754	3,713	1,271	940	156	18	4
Transportation and warehousing	11,906	7,700	1,432	1,078	916	381	280	80	26	13
Information	5,533	2,747	867	756	613	318	155	50	22	5
Finance and insurance	23,415	14,020	4,430	2,678	1,375	482	289	76	43	22
Real estate and rental and leasing	12,563	8,747	2,173	1,025	418	118	67	10	2	3
Professional, scientific, and technical services	38,372	27,345	5,005	3,287	1,724	552	298	86	49	26
Management of companies and enterprises	2,250	759	319	319	339	195	192	67	31	29
Administrative and Support and Waste Management and Remediation Services	16,559	10,026	2,225	1,607	1,333	618	462	166	73	49
Educational services	3,689	1,676	559	502	538	227	110	25	25	27
Health care and social assistance	31,696	14,820	7,187	4,789	2,779	1,008	805	140	71	97
Arts, entertainment, and recreation	4,499	2,548	655	488	467	192	112	23	12	2
Accommodation and food services	26,431	9,279	4,681	5,410	5,152	1,511	339	41	13	5
Other services (except public administration)	31,562	18,724	6,981	3,627	1,689	350	150	26	11	4
Industries not classified	339	326	8	4	1	0	0	0	0	0

Source: U.S. Census Bureau online at <http://censtats.census.gov/cbpnaic/cbpnaic.shtml>.

Over 55 percent of the private sector businesses in Lake County have just one to four employees. Almost 2.5 percent of the businesses have 100 or more employees. There are more retail trade businesses than any other.

Figure 19: Waukegan Apartments Above Shops



The following list of the largest employers in Lake County illustrates the diverse range of businesses in a variety of industries. These largest employers lean heavily toward higher-salaried professional positions.

Table 16: Largest Lake County Employers: 2012

Largest Lake County Employers: 2012		
Employer	Nature of Employer	Number of Employees
Abbott Laboratories	Drug manufacturer	Over 10,000
Walgreen Company	Pharmacies	5,000–9,999
Abbott Laboratories	Hospital and equipment supplies	1,000–4,999
Aon Hewitt	Human resource consulting	1,000–4,999
Baxter Healthcare Corporation	Medical equipment & supplies manufacturing	1,000–4,999
Walgreens Health Services	Home health services	1,000–4,999
Discover Financial Services	Credit cards	1,000–4,999
Hospira Inc.	Drug manufacturer	1,000–4,999
Six Flags Great American	Amusement park	1,000–4,999
Advocate Condell Medical Center	Hospital	1,000–4,999
HSBC Finance Corporation	Management services	1,000–4,999
VA Medical Center–North Chicago	Hospital	1,000–4,999
CDW (Computer Discount Warehouse)	Computer and equipment dealer	1,000–4,999
Lake Forest Hospital	Hospital	1,000–4,999
Advocate Good Shepard Hospital	Hospital	1,000–4,999
Takeda Pharmaceuticals North	Pharmaceutical products wholesale	1,000–4,999
Trustmark Insurance Company	Insurance	1,000–4,999
Lacosta Inc.	Federal government contractor	1,000–4,999
Allstate	Insurance	1,000–4,999
Highland Park Hospital	Hospital	1,000–4,999
Motorola Mobility Holdings Inc.	Telephone equipment & systems manufacturer	1,000–4,999
Motorola Mobility Inc.	Telephone equipment & systems manufacturer	1,000–4,999
W W Grainger	Industrial equipment & supplies wholesale	1,000–4,999
Klein Tools Inc.	Tool manufacturer	1,000–4,999

Source: Illinois Department of Employment Security. <http://illinois.virtuallmi.com/faqinfo.asp?session=faq&geo=17>. Citing confidentiality, the staff at the Department of Employment Security declined to provide the actual number of employees.

Overall, Lake County appears to have a robust economy and diverse range of businesses in wide variety of industries. But that economic health does not extend to North Chicago.

As the table that follows shows, the racial and Latino composition of who worked in Lake County was nearly identical to the racial and Latino composition of the county's residents.

Table 17: Racial and Ethnic Composition of Who Worked in Lake County: 2000

Racial and Ethnic Composition of Who Worked in Lake County: 2000						
Occupational Group	All Groups	White Non-Hispanic	Hispanic of Any Race	Black Non-Hispanic	Asian Non-Hispanic	Others and Multi-Racial Non-Hispanic
Lake County Residents Who Work*	100%	76.4%	12.6%	5.8%	4.0%	1.2%
Total Employed in Lake County	312,776	234,976	41,021	18,771	13,859	4,149
Management, Business, and Financial Workers	100%	88.0%	3.6%	4.1%	3.3%	1.0%
Science, Engineering, and Computer Professionals	100%	76.8%	2.7%	3.4%	16.0%	1.1%
Healthcare Practitioner Professionals	100%	76.3%	2.1%	5.0%	14.8%	1.8%
Other Professional Workers	100%	88.2%	4.2%	4.1%	2.7%	0.8%
Technicians	100%	80.0%	5.8%	6.4%	6.4%	1.4%
Sales Workers	100%	83.8%	7.6%	4.5%	3.0%	1.1%
Administrative Support Workers	100%	77.6%	10.2%	8.2%	2.9%	1.1%
Construction and Extractive Craft Workers	100%	81.5%	13.0%	2.6%	0.5%	2.4%
Installation, Maintenance, and Repair Craft Workers	100%	75.5%	14.9%	5.1%	2.6%	1.9%
Production Operative Workers	100%	43.4%	41.9%	7.4%	6.0%	1.3%
Transportation and Material Moving Operative Workers	100%	58.0%	25.4%	10.8%	4.0%	1.8%
Laborers and Helpers	100%	43.5%	47.5%	6.6%	1.4%	1.0%
Protective Service Workers	100%	75.2%	7.0%	15.3%	1.2%	1.3%
Service Workers, except Protective	100%	58.1%	26.5%	9.4%	3.6%	2.4%

* = The Lake County* row is the total civilian employed workforce that lives in Lake County.
Source: 2000 Census EEO Data Tool at http://www.census.gov/hhes/www/eeoindex/page_c.html.

Non-Latino Caucasians tended to be concentrated in the high-paying management and professional positions and “protective services” while Latinos of any race comprise nearly half the “laborers and helpers” workers and are concentrated in lower-paying manual jobs as are non-Hispanic African Americans. Non-Latino Asians are concentrated in the “science, engineering, and computer professional” and “healthcare practitioner professional” occupational groups. There are no concentrations for “Others and Multi-Racial Non-Hispanics.”

North Chicago

It's a totally different economic picture in North Chicago. The largest number of businesses is in the accommodation and food services industry. That there are 135.8 residents per business in North Chicago compared to 2.2 residents per business in Lake County vividly illustrates the difference in economic health of the two jurisdictions.

Table 18: North Chicago Private Sector Businesses by Industry and Number of Employees: 2009

North Chicago Private Sector Businesses by Industry and Number of Employees: 2009										
Industry	Total Number of Businesses	Number of Businesses in North Chicago by Number of Employees								
		1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000+
Total all sectors	240	104	49	41	28	6	5	3	1	3
Forestry, fishing, hunting, and Agriculture Support	0	0	0	0	0	0	0	0	0	0
Mining, quarrying, and oil and gas extraction	0	0	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0	0	0
Construction	9	9	0	0	0	0	0	0	0	0
Manufacturing	18	4	4	3	4	0	2	0	0	1
Wholesale trade	13	4	0	3	3	1	0	2	0	0
Retail trade	31	14	10	6	1	0	0	0	0	0
Transportation and warehousing	10	7	1	1	1	0	0	0	0	0
Information	1	1	0	0	0	0	0	0	0	0
Finance and insurance	14	2	4	7	0	0	1	0	0	0
Real estate and rental and leasing	6	4	2	0	0	0	0	0	0	0
Professional, scientific, and technical services	20	13	3	1	2	1	0	0	0	0
Management of companies and enterprises	2	0	0	0	0	0	1	1	0	0
Administrative and Support and Waste Management and Remediation Services	23	16	2	2	2	1	0	0	0	0
Educational services	2	0	0	0	1	0	0	0	1	0
Health care and social assistance	23	3	7	4	6	0	1	0	0	2
Arts, entertainment, and recreation	1	1	0	0	0	0	0	0	0	0
Accommodation and food services	39	9	9	11	7	3	0	0	0	0
Other services (except public administration)	28	17	7	3	1	0	0	0	0	0
Industries not classified	0	0	0	0	0	0	0	0	0	0

Source: U.S. Census Bureau online at <http://censtats.census.gov/cbpaic/cbpaic.shtml>.

Large employers with more than 100 employees account for 5 percent of the businesses in North Chicago. The loss of any of these large employers would have a seriously adverse impact on North Chicago.

Due to North Chicago's smaller population, data are not available on the racial and Hispanic composition of who worked in North Chicago.

Waukegan

Waukegan enjoys a much more robust economy than North Chicago albeit not nearly as thriving as Lake County as a whole. Waukegan has 56.3 residents per business compared to the 135.8 residents per business in North Chicago and the 2.2 residents per business in Lake County as a whole. Like the county, the largest

number of businesses are in retail trade. Companies with 100 or more employers constitute 3.6 percent of the employers.

Table 19: Waukegan Private Sector Businesses by Industry and Number of Employees: 2009

Waukegan Private Sector Businesses by Industry and Number of Employees: 2009										
Industry	Total Number of Businesses	Number of Businesses in Waukegan by Number of Employees								
		1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000+
Total all sectors	1,583	830	304	189	181	42	40	7	6	4
Forestry, fishing, hunting, and Agriculture Support	1	1	0	0	0	0	0	0	0	0
Mining, quarrying, and oil and gas extraction	0	0	0	0	0	0	0	0	0	0
Utilities	3	1	0	0	0	0	2	0	0	0
Construction	120	77	19	14	10	0	0	0	0	0
Manufacturing	87	30	9	12	13	9	9	4	0	1
Wholesale trade	90	32	18	13	11	5	9	0	2	0
Retail trade	246	140	43	30	19	7	5	0	1	1
Transportation and warehousing	65	42	4	4	10	2	2	0	1	0
Information	13	6	1	1	4	0	1	0	0	0
Finance and insurance	87	43	27	10	5	2	0	0	0	0
Real estate and rental and leasing	52	32	14	4	2	0	0	0	0	0
Professional, scientific, and technical services	168	111	32	16	7	0	2	0	0	0
Management of companies and enterprises	14	4	3	0	4	0	1	2	0	0
Administrative and Support and Waste Management and Remediation Services	145	99	14	12	8	4	3	1	2	1
Educational services	16	7	1	3	4	2	0	0	0	0
Health care and social assistance	150	59	41	29	11	5	4	0	0	1
Arts, entertainment, and recreation	15	3	2	2	6	1	1	0	0	0
Accommodation and food services	150	47	32	33	32	5	1	0	0	0
Other services (except public administration)	159	95	44	15	5	0	0	0	0	0
Industries not classified	2	1	0	1	0	0	0	0	0	0

Source: U.S. Census Bureau online at <http://censtats.census.gov/cbpnaic/cbpnaic.shtml>.

Figure 20: Waukegan Single-Family House



Lake County is the largest employer in Waukegan which is the county seat. About 28 percent of county jobs, however, are located elsewhere in the county.

Table 20: Largest Waukegan Employers: 2009

Largest Waukegan Employers: 2009			
Employer	Nature of Employer	Number of Employees	Percentage of All Jobs
Lake County *	Local government	2,000	5.06%
Unit School District 60	Education	1,900	4.81%
Cardinal Health	Medical	1,500	3.80%
Vista Health	Medical	1,350	3.42%
Uline	Packaging/shipping supplies	1,200	3.04%
Coleman Cable	Retail	1,000	2.53%
Medline	Medical	850	2.15%
Illinois Department of Human Services	State government	725	1.84%
City of Waukegan	Local government	508	1.29%
WMS Industries	Retail/video games	500	1.27%

* Of Lake County's 2,800 employees, about 2,000 work in Waukegan, the county seat.
Source: *City of Waukegan Financial Statements for Year Ended April 30, 2010*, 174.

The county and Unit School District 60 account for nearly one of every ten jobs located in Waukegan.

The racial and Latino composition of who actually worked in Waukegan in 2000 was significantly different than the city's resident workforce. More than 60 percent of those who worked in Waukegan were non-Latino Caucasians compared to about 35 percent of the city's resident workforce. While nearly 41 percent of the city's resident workforce was Hispanic, just 22 percent of those who worked in Waukegan were. The proportion of non-Hispanic African Americans who worked in Waukegan was one-third lower than the 18 percent of the city's resident workforce who were non-Hispanic African American. The proportions of non-Latino Asians and other classifications were very close.

Latinos of any race constituted more than half of "laborers and helpers," almost half of all "production workers," nearly 40 percent of "service workers, except protective," more than a third of "transportation and material moving operative workers," and more than a fourth of "installation, maintenance, and repair craft workers." This concentration in the manual and low-skilled trades likely is typical of first and second generation Americans who have recently immigrated to the United States.

African Americans are not dominant in any occupational group. Blacks constitute almost a quarter of the "protective services workers" and almost one in five "service workers, except protective." Over 17 of every 100 "administrative support workers" and 15 of every 100 "laborers and helpers" in Waukegan are African American. The proportions of white collar workers who are Black are well below the proportion of all workers who are African Americans. Similarly, the proportions of white collar Latino workers are significantly below the proportion of all workers in Waukegan who are Hispanic.

Asian workers are concentrated in the "science, engineering, and computer professional" and "healthcare practitioner professional" occupational groups.

Table 21: Racial and Ethnic Composition of Who Worked in Waukegan: 2000

Racial and Ethnic Composition of Who Worked in Waukegan: 2000						
Occupational Group	All Groups	White Non-Hispanic	Hispanic of Any Race	Black Non-Hispanic	Asian Non-Hispanic	Others and Multi-Racial Non-Hispanic
Waukegan Residents Who Work*	100%	35.2%	40.8%	18.0%	3.7%	2.3%
Total Employed in Waukegan	100%	60.5%	22.2%	12.1%	3.8%	1.4%
	33,217	20,092	7,371	4,011	1,275	468
Management, Business, and Financial Workers	100%	81.9%	5.6%	7.8%	2.9%	1.8%
Science, Engineering, and Computer Professionals	100%	81.8%	1.4%	2.1%	14.4%	0.3%
Healthcare Practitioner Professionals	100%	72.4%	4.2%	8.1%	14.6%	0.7%
Other Professional Workers	100%	75.7%	13.4%	9.0%	0.7%	1.2%
Technicians	100%	76.4%	8.7%	13.1%	1.8%	0.0%
Sales Workers	100%	63.2%	17.2%	13.2%	5.6%	0.8%
Administrative Support Workers	100%	61.8%	17.2%	17.4%	2.0%	1.6%
Construction and Extractive Craft Workers	100%	79.2%	15.3%	2.3%	0.9%	2.3%
Installation, Maintenance, and Repair Craft Workers	100%	63.5%	26.8%	6.4%	0.9%	2.4%
Production Operative Workers	100%	33.2%	49.6%	10.7%	5.4%	1.1%
Transportation and Material Moving Operative Workers	100%	47.2%	34.7%	11.2%	4.9%	2.0%
Laborers and Helpers	100%	31.3%	50.9%	15.0%	1.4%	1.4%
Protective Service Workers	100%	62.8%	11.9%	24.3%	0.0%	1.0%
Service Workers, except Protective	100%	39.6%	37.4%	18.0%	3.0%	2.0%

* = The "Waukegan" row is the total civilian employed workforce that lives in Waukegan.
Source: 2000 Census EEO Data Tool at http://www.census.gov/hhes/www/eeoindex/page_c.html.

Non-Latino Caucasians, who made up six of ten workers in Waukegan, held the lion's share of high-paying management and professional jobs in the City as well as "protective services" positions.

There are no concentrations for "Others and Multi-Racial Non-Hispanics."

Transportation

Reducing the time spent commuting increases the desirability of living in a community. A well-regarded 2004 study arrived at the "unambiguous conclusion" that, "The length of their commute to work holds a dominant place in Americans' decisions about where to live. Americans place a high value on limiting their commute times and they are more likely to see improved public trans-

portation and changing patterns of housing development as the solutions to longer commutes than increasing road capacities.”²⁴

More specifically, this random-sample national survey found:

“A limited commute time is, for most Americans, an important factor in deciding where to live. Being within a 45-minute commute to work is rated highest among a list of fourteen priorities in thinking about where to live (79% “very” or “somewhat” important), followed by easy access to highways (75%) and having sidewalks and places to walk (72%).

“A short commute is particularly important to people who plan to buy a home in the next three years (87%) and women and African Americans place high importance on sidewalks and places to walk (76% and 85%, respectively).”²⁵

Figure 21: Multiple Transportation Modes at the Downtown Highland Park Metra Station



While it is widely believed that “traffic congestion on the highways and roads in Lake County poses a threat to the local economy and quality of life,” commuting by motor vehicle takes less time than commuting via public transportation as shown in the table below.²⁶

24. Belden Russonello & Stewart Research and Communications, *2004 American Community Survey National Survey on Communities* (October 2004), 1. Available online as a PDF file at <http://smart-growthamerica.org/narsgareport.html>

25. *Ibid.* 7, 9.

26. Traffic congestion was among the issues most frequently mentioned by participants at Regional Framework Plan Public Forums. “Less traffic congestion” was identified as the second most important quality of

Table 22: Community Time By Jurisdiction

Commuting Time by Jurisdiction: 2010			
Commuting Time	Lake County	North Chicago	Waukegan
Public Transportation			
Less than 30 minutes	6.6%	23.1%	29.8%
30 to 44 minutes	8.0%	12.4%	31.6%
45 to 59 minutes	12.1%	3.5%	5.8%
60 or more minutes	73.2%	61.0%	32.8%
Private Transportation (Car, van, truck, motorcycle, walking)			
Less than 30 minutes	56.6%	72.3%	61.7%
30 to 44 minutes	23.4%	16.9%	24.5%
45 to 59 minutes	10.2%	6.5%	7.1%
60 or more minutes	9.7%	4.3%	6.7%

Source: Lake County and Waukegan, 2010 American Community Survey 1-Year Estimates, B08134 and North Chicago, 2006-2010 American Community Survey 5-Year Estimates, C08134.

As the above table shows, the desirable 45-minute or less commute eludes workers in Lake County and North Chicago who use public transportation while more than six in ten Waukegan workers enjoy the shorter commute via public transportation.

In all three jurisdictions, the vast majority of workers who commute by motor vehicle or walk enjoy sub-45 minute commute. The county-wide percentage who travel for more than 45 minutes is nearly twice that of North Chicago and Waukegan.

Relatively few residents do not have access to at least one motor vehicle. Only 4.8 percent of Lake County households do not have access to a vehicle while 8.9 percent of North Chicago residents and 12.1 percent of Waukegan residents lack access. Nationally, 9.1 percent of households lack access to a motor vehicle.²⁷

life factor in a Lake County Resident Transportation Survey conducted by the Department of Communications in 2000. Eighty percent of respondents to the *Lake County Resident Transportation Survey* reported that traffic has gotten worse in the last few years while 52 percent claim that traffic in Lake County limits their activities. *Lake County Regional Framework Plan*, revised through February 13, 2007, 7-1, 7-2.

27. Lake County, Waukegan, and United States: "Selected Housing Characteristics," 2010 American Community Survey 1-Year Estimates, DP04. North Chicago: "Selected Housing Characteristics," 2008-2010 American Community Survey 3-Year Estimates, DP04.

Table 23: Commuting Modes By Jurisdiction

Commuting Modes By Jurisdiction						
Mode of Transportation	Lake County: 2010		North Chicago: 2008–2010		Waukegan: 2010	
	Number of Workers	Percentage	Number of Workers	Percentage	Number of Workers	Percentage
Workers 16 years and over	329,888	100.0%	18,403	100.0%	37,524	100.0%
Car, truck, or van — drove alone	257,275	78.0%	7,052	38.3%	25,079	66.8%
Car, truck, or van — carpools	27,160	8.2%	1,720	9.3%	8,429	22.5%
Public transportation (excluding taxicab)	13,051	4.0%	435	2.4%	858	2.3%
Walked	5,667	1.7%	7,102	38.6%	245	0.7%
Other means	5,135	1.6%	291	1.6%	436	1.2%
Worked at home	21,600	6.5%	1,803	9.8%	2,477	6.6%

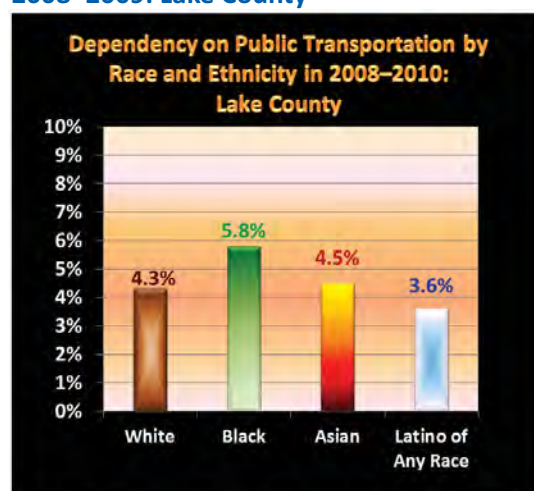
Source: Lake County and Waukegan — “Selected Economic Characteristics,” 2010 American Community Survey 1–Year Estimate; North Chicago — “Selected Economic Characteristics,” 2008–2010 American Community Survey 3–Year Estimates.

More than 38 percent of North Chicago’s commuters walked to work, 18 times more than those in Lake County and Waukegan. This unusually high proportion of “walkers” is probably due to the presence of the Great Lakes Naval Station in North Chicago and its more than 7,000 “employees” who live on base or very close to it.

Nationally, 4.9 percent of commuters take public transportation, just a little higher than Lake County and twice the rate in North Chicago and Waukegan. It is highly likely that North Chicago residents, and to a lesser extent Waukegan residents, work outside their home city.

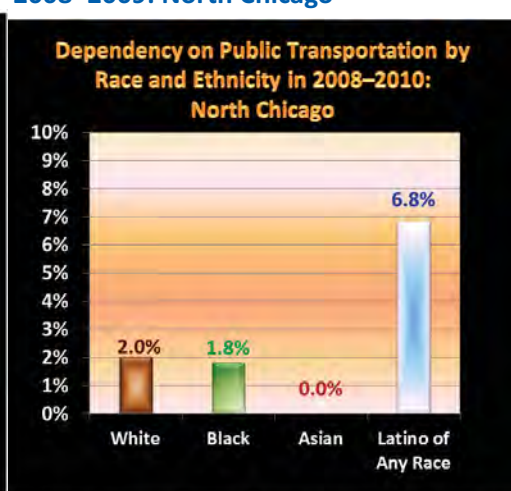
Figure 22: Grayslake Townhouses Affordable to Households With Modest Incomes

Figure 23: Dependency on Public Transportation by Race and Ethnicity in 2008–2009: Lake County



Source: 2008-2010 American Community Survey 3-Year Estimates, tables B08105A, B08105B, B08105D, B08105I

Figure 24: Dependency on Public Transportation by Race and Ethnicity in 2008–2009: North Chicago



Source: 2008-2010 American Community Survey 3-Year Estimates, tables B08105A, B08105B, B08105D, B08105I

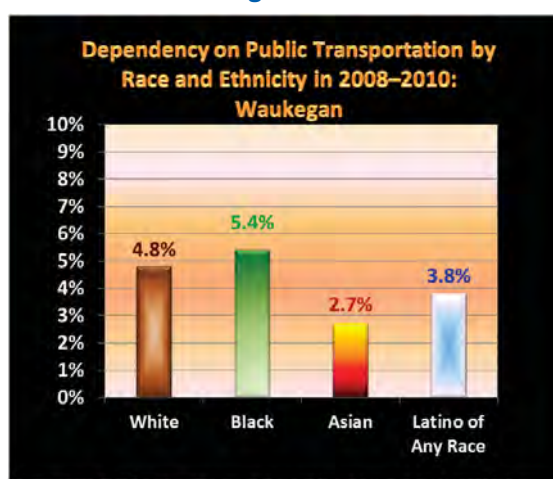
While there are not huge differences in dependency on public transportation in Lake County as a whole, African Americans are more dependent on public transportation than any other racial or ethnic group. Latinos of any race are the least dependent.

In North Chicago, Latinos of any race are far and away the most dependent on public transportation. The proportion of Hispanic residents dependent on public transportation is almost twice as much as it is for Latinos in the entire county. Dependency on public transportation is much lower for the three primary racial groups.

Dependency on public transportation among Waukegan's Caucasian, African American, and Latino populations is almost identical to this dependency countywide. Only Asian residents of Waukegan are significantly less dependent on public transportation than for the entire county.

Like most of the nation, a relatively small but significant proportion of each jurisdiction's population is dependent on public transportation. In a county like Lake with its employment centers scattered widely, it seems highly unlikely that Metra and PACE can meet the need

Figure 25: Dependency on Public Transportation by Race and Ethnicity in 2008–2009: Waukegan



Source: 2008-2010 American Community Survey 3-Year Estimates, tables B08105A, B08105B, B08105D, B08105I

for public transportation that would enable these workers to reach most of the county's employment centers in a reasonable amount of traveling time. *The key would be amending county and local zoning codes to allow for the as of right construction of housing affordable to these households and marketing it to people of all races and ethnicities.*

Figure 26: Higher Density Housing Near Metra Station in Downtown Highland Park



Chapter 4

Status of Fair Housing in Lake County

Private Sector Compliance Issues

Fair Housing Complaints and Studies

Information on fair housing complaints for Lake County, North Chicago, and Waukegan is based on data provided by the regional office of the U.S. Department of Housing and Urban Development (HUD). HUD does *not* routinely identify whether the property involved was rental or ownership housing. In the tables that follow, the type of housing involved is categorized based on HUD's description of each complaint. In some instances, it was impossible to identify whether the housing was rental or ownership. So the total number of complaints under "Rental Housing" and "For Sale Housing" often does *not* equal the number of "All Complaints" for each protected class. A single complaint may allege multiple bases of discrimination.

Table 24: All Lake County Fair Housing Complaints Filed With HUD: 2005–2011

All Lake County Fair Housing Complaints Filed With HUD: 2005 – 2011								
Basis of Complaint	All Complaints		Rental		Sales		Zoning/Land Use	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Race	71	38%	37	20%	12	6%	1	1%
National origin	26	14%	10	5%	2	1%	1	1%
Color	1	1%	1	1%	0	0%	0	0%
Religion	1	1%	0	0%	0	0%	0	0%
Sex	6	3%	4	2%	2	1%	0	0%
Familial Status	21	11%	12	6%	1	1%	1	1%
Disability	58	31%	29	16%	0	0%	0	0%
Retaliation	2	1%	0	0%	0	0%	0	0%
TOTAL	186	100%	93	50%	17	9%	3	2%

Some complaints include more than one category. Percentages are of the total number of complaints.
Source: U.S. Department of Housing and Urban Development.

While discrimination due to disability has become the most frequently named ba-

sis for a fair housing complaint in 54.9 percent of the complaints filed with HUD nationally,¹ race continues to be the most frequent basis in all of Lake County with 38 percent of the complaints. Discrimination based on disability was the second most frequent basis with 31 percent of the complaints during the study period.

Half of the housing discrimination complaints could be identified as involving rental housing while just 9 percent clearly involved ownership housing. As noted earlier, it was impossible to tell from the descriptions HUD provides whether the other complaints were for rental or ownership housing. Given the huge disparity of those complaints where the type of housing could be identified, it is highly likely that the vast majority of fair housing complaints in Lake County were for rental housing.

When the fair housing complaints for properties in North Chicago and Waukegan are removed from the county totals, the percentage of complaints based on race rises to 45 percent and the proportion involving disability declines to 28 percent. The proportion of complaints based on national origin was 22 percent in both North Chicago and Waukegan and just 11 percent in the rest of the county.

Table 25: Lake County Excluding North Chicago and Waukegan Fair Housing Complaints Filed With HUD: 2005–2011

Lake County Excluding North Chicago and Waukegan Fair Housing Complaints Filed With HUD: 2005 – 2011								
Basis of Complaint	All Complaints		Rental		Sales		Zoning/Land Use	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Race	59	45%	32	24%	10	8%	1	1%
National Origin	14	11%	4	3%	1	1%	1	1%
Color	1	1%	1	1%	0	0%	0	0%
Religion	1	1%	0	0%	0	0%	0	0%
Sex	5	4%	3	2%	2	2%	0	0%
Familial Status	14	11%	6	5%	1	1%	1	1%
Disability	37	28%	19	14%	0	0%	0	0%
Retaliation	1	1%	0	0%	0	0%	0	0%
TOTAL	132	100%	65	49%	14	11%	3	2%

Some complaints include more than one category. Percentages are of the total number of complaints.

Source: U.S. Department of Housing and Urban Development.

Lake County has not adopted a fair housing ordinance. Of the county's cities and villages, only Barrington, Deerfield, and Highland Park have adopted a fair housing ordinance. At least one fair housing complaint was filed with HUD for properties in each of these three municipalities. These ordinances appear to be "stealth" fair housing laws since possible victims of housing discrimination are extremely unlikely to know that any of these three jurisdictions even has a fair housing ordinance as evidenced by zero complaints being filed under them during 2005 through 2011, and the websites of each of these municipalities not even mentioning their fair housing ordinances nor how to file a fair housing complaint.

1. National Fair Housing Alliance, *Fair Housing in a Changing Nation: 2012 Fair Housing Trends Report* (Washington, D.C.: National Fair Housing Alliance, April 30, 2012) 8. Race was cited in 31.6 percent of the complaints filed with HUD in fiscal year 2011.

Barrington's fair housing ordinance extends protection to race, color, religion, creed, ancestry, national origin, age, gender, marital status, mental or physical handicap, or military status or unfavorable discharge from military service.² The ordinance exempts owner-occupied apartment buildings of three or fewer units and renting three or fewer rooms in an owner-occupied house. Complaints are supposed to be filed with the village's Human Relations Commission. No complaints were filed from 2005 through 2011.³ The village's website has nothing about the fair housing ordinance or how to file a housing discrimination complaint.

Deerfield's ordinance forbids discrimination due to race, color, religion, natural origin, or ancestry.⁴ The two exemptions to the ordinance are for (1) religious organizations to allow them to limit living accommodations or give preference to persons of their religion or denomination, and (2) owner-occupied boarding or lodging houses in single-family dwellings.⁵ The ordinance is administered through the village's Human Relations Commission. No complaints were filed from 2005 through 2011.⁶ The village's website does not mention the fair housing ordinance nor how to file a housing discrimination complaint.

Highland Park's Fair Housing Ordinance bans discrimination in housing based on race, color, religion or national origin.⁷ Complaints are addressed to the city's Human Relations Commission. No complaints were filed from 2005 through 2011⁸. The city's website does not mention fair housing nor how to file a fair housing complaint.

Fair housing complaints involving property in Lake County included:

➡ A lawsuit filed by HUD on behalf of the Interfaith Housing Center of the Northern Suburbs resulted in an initial decision and consent order by an administrative law judge for discrimination based on familial status. The landlord of the property in Highwood refused to even show a one-bedroom apartment to a single mother with a child. Interfaith Housing sent four testers to the property, two of whom posed as a single parent with a child and two of whom posed as married couples with no children. The landlord refused to show the apartment to the testers posing as a single parent with a child. They were told that the unit was "really just for one person" and that the unit was "a small, little apartment" and "only suitable for one person." The landlord showed the apartment to both tester couples and offered both of them a rental application. In addition to issuing an injunction to prohibit discriminatory practices, the court required the landlord to pay \$8,000. The landlords also were required to attend a program of educational training concerning their responsibilities under

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2. Fair Housing Ordinance of Barrington, (1973 Code § 9-1), §5-5-2.
 3. Telephone interview with Peg Blanchard, Director of Economic & Community Development, Village of Barrington, Illinois (May 9, 2012).
 4. *Deerfield Municipal Code*, §2-159(C).
 5. *Ibid.* §2-162.
 6. Telephone interview with Andrew Lichterman, Management Analyst, Office of the Village Manager, Village of Deerfield, Illinois (May 14, 2012).
 7. The Highland Park City Code of 1968, Sec. 153.001(B).
 8. Telephone interview with Don Miner, Staff Liaison to the Human Relations Commission, City of Highland Park, Illinois (May 14, 2012).

federal, state, and local fair housing laws, regulations, or ordinances conducted by the Interfaith Housing Center.⁹

➡ The owners of Fort Sheridan Place Luxury Rentals (formerly “Fort Sheridan Place”) were using “qualification criteria” that appeared to discriminate based on national origin. Among the remedies agreed to in the consent agreement was that the owners would not require otherwise eligible tenant households to show proof of citizenship, proof of immigration status, proof of disability status nor possession of a Social Security number. However, all adults living in the unit may be required to provide the landlord with proof of a government-issued photo identification card, although the card does not have to be a U.S. government-issued photo identification card. In addition to paying an undisclosed amount, the landlord agreed to conduct annual fair housing training for all staff in contact with tenants and applicants; and make an interpreter available in person or by phone to applicants and tenants. In addition, the landlord agreed to engage in affirmative marketing to tenants of all minority and non-minority groups and include the statement “Habla Espanol” in all printed advertisements and promotional materials it issues, except for classified ads. The landlord also agreed to not hold tenants to occupancy standards more restrictive than the City of Highwood’s occupancy codes.¹⁰

North Chicago

Half of the fair housing complaints for properties in North Chicago alleged discrimination due to disability. Eighteen fair housing complaints over seven years is a relatively small number.

Table 26: North Chicago Fair Housing Complaints Filed With HUD: 2005–2011

North Chicago Fair Housing Complaints Filed With HUD: 2005 – 2011								
Basis of Complaint	All Complaints		Rental		Sales		Zoning/Land Use	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Race	2	11%	0	0%	0	0%	0	0%
National Origin	4	22%	2	11%	0	0%	0	0%
Color	0	0%	0	0%	0	0%	0	0%
Religion	0	0%	0	0%	0	0%	0	0%
Sex	0	0%	0	0%	0	0%	0	0%
Familial Status	2	11%	2	11%	0	0%	0	0%
Disability	9	50%	6	33%	0	0%	0	0%
Retaliation	1	6%	0	0%	0	0%	0	0%
TOTAL	18	100%	10	56%	0	0%	0	0%

Some complaints include more than one category. Percentages are of the total number of complaints.

Source: U.S. Department of Housing and Urban Development.

9. Consent Order, *Secretary, U.S. Department of Housing and Urban Development, on behalf of Interfaith Housing Center of the Northern Suburbs v. Martin Giarelli and Mary Giarelli*, HUD ALJ No.: 08-028-FH, FHEO No.: 05-07-0669-8 (2008).
10. Settlement Agreement and Release, *Interfaith Housing Center of the Northern Suburbs v. Morningside Highwood LLC*, FEHO Case Number 05-10-0058-8 (2011).

More than one in five complaints were based on national origin. National origin accounted for just 11 percent of the complaints countywide outside of North Chicago and Waukegan. With a much more diverse population than the vast bulk of Lake County, it is not surprising that a greater percentage of housing discrimination allegations would be based on national origin.

The City of North Chicago has not adopted its own fair housing ordinance.

One fair housing complaint was filed in 2007 against the North Chicago Housing Authority for alleged retaliation against a resident of the Kukla Tower public housing development. The complaint was filed under both federal and Illinois fair housing laws. The resident asserted that the authority harassed him in retaliation for filing a fair housing complaint in 2005 which was dismissed for lack of substantial evidence. HUD's investigation determined that there was a lack of substantial evidence.¹¹

Waukegan

The number of fair housing complaints filed with HUD for properties in Waukegan is fairly typical of similar sized cities we have seen.

Table 27: Waukegan Fair Housing Complaints Filed With HUD: 2005–2011

Waukegan Fair Housing Complaints Filed With HUD: 2005 – 2011								
Basis of Complaint	All Complaints		Rental		Sales		Zoning/Land Use	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Race	10	28%	5	14%	2	6%	0	0%
National Origin	8	22%	4	11%	1	3%	0	0%
Color	0	0%	0	0%	0	0%	0	0%
Religion	0	0%	0	0%	0	0%	0	0%
Sex	1	3%	1	3%	0	0%	0	0%
Familial Status	5	14%	4	11%	0	0%	0	0%
Disability	12	33%	4	11%	0	0%	0	0%
Retaliation	0	0%	0	0%	0	0%	0	0%
TOTAL	36	100%	18	50%	3	8%	0	0%

Some complaints include more than one category. Percentages are of the total number of complaints.

Source: U.S. Department of Housing and Urban Development.

Discrimination based on disability is the most frequently cited basis for a housing discrimination complaint in Waukegan with race a close second at 28 percent of the complaints. As in North Chicago, 22 percent of the fair housing complaints filed with HUD were based on national origin. Like North Chicago, Waukegan's very diverse population makes it likely that a greater percentage of housing discrimination allegations would be based on national origin in Waukegan than countywide.

Waukegan has not adopted a fair housing ordinance.

11. "Determination of Lack of Substantial Evidence," HUD No.: 05-07-0784-8 and IDHR Charge No.: 2007CH2762, issued April 30, 2008.

Several fair housing complaints were filed against the Waukegan Housing Authority. On October 2005 an African American women who was a Section 8 tenant filed a complaint alleging that the housing authority discriminated against her based on race when it did not transfer her to another rental building during her first year of tenancy under Section 8. She said that the landlord was sexually harassing her. Even though HUD rules prohibit transferring to another unit during the first year with a housing choice voucher, the housing authority started the process. The complainant changed her mind several times asking for her voucher to be “ported” first to Kenosha, WI; then to Lake County, IL; and then to the Cook County Housing Authority. The complainant chose to remain in the property in Waukegan past her lease extension and stopped paying rent. The private landlord went to court to evict her, resulting in a settlement under which she agreed to voluntarily vacate the premises. HUD concluded that the housing authority had taken all possible steps to accommodate the complainant’s requests and that racial discrimination had not occurred. “No cause” was found.

In a November 2010 complaint to HUD, an African American landlord alleged that the housing authority discriminated against her due to her race and the location of her rental property in a minority neighborhood. She claimed that white landlords were paid more than she was. This complaint is pending.

Housing Discrimination Complaints under the Illinois Human Rights Act

The Illinois Human Rights Act extends protected class status based on age (being 40 years old and older), ancestry, marital status, sexual orientation and identity, order of protection status for victims of domestic abuse, military status, and unfavorable discharge from military service.¹² Fair housing complaints are filed with the Illinois Department of Human Rights.

Only four fair housing complaints were filed during 2005–2011 for property in Lake County for members of any of the protected classes added by the Illinois statute. No complaints were filed for property in North Chicago or Waukegan. No complaints involving zoning were filed under the Illinois act.

Figure 27: Mundelein Houses



12. Illinois Human Rights Act, ILCS Chapter 68, Sec. 1–102.

Table 28: Lake County Fair Housing Complaints Filed With the Illinois Department of Human Rights: 2005–2011

Lake County Fair Housing Complaints Filed With the Illinois Department of Human Rights: 2005 – 2011						
Basis of Complaint	All Complaints		Rental		Sales	
	Number	Percent	Number	Percent	Number	Percent
Race	41	32%	31	24%	4	3%
National origin	13	10%	8	6%	1	1%
Color	2	2%	2	2%	0	0%
Religion	1	1%	1	1%	0	0%
Sex	4	3%	3	2%	0	0%
Familial Status	16	13%	15	12%	0	0%
Disability	48	38%	41	32%	2	2%
Retaliation	3	2%	2	2%	0	0%
Age (40+)	2	2%	2	2%	0	0%
Marital Status	2	2%	0	0%	0	0%
TOTAL	128	100%	105	82%	7	5%
No complaints were filed for the classes not listed here that are protected by the Illinois Human Rights Act. Some complaints include more than one category. Percentages are of the total number of complaints. Source: Illinois Department of Human Rights.						

Unlike the complaints filed with the U.S. Department of Housing and Urban Development (HUD), the greatest number were based on disabilities rather than race. As with complaints filed with HUD, the overwhelming majority of complaints involved rental property.¹³ Roughly 45 percent more complaints were filed with HUD than with the State of Illinois.

The number of housing discrimination complaints filed with the State of Illinois for properties in North Chicago was less than one fourth the number filed with HUD. This smaller number suggests that people seeking housing in North Chicago are unaware of the option to file a fair housing complaint with the Illinois Department of Human Rights and that home seekers may be unaware of the additional classes protected under the Illinois Human Rights Act.

All North Chicago complaints involved rental property.

13. Unlike HUD, the Illinois Department of Human Rights clearly identifies the tenure of the housing (rental or ownership) for nearly every complaint filed.

Table 29: North Chicago Fair Housing Complaints Filed With the Illinois Department of Human Rights: 2005–2011

North Chicago Fair Housing Complaints Filed With the Illinois Department of Human Rights: 2005 – 2011						
Basis of Complaint	All Complaints		Rental		Sales	
	Number	Percent	Number	Percent	Number	Percent
Race	1	25%	1	25%	0	0%
National Origin	0	0%	0	0%	0	0%
Color	0	0%	0	0%	0	0%
Religion	0	0%	0	0%	0	0%
Sex	0	0%	0	0%	0	0%
Familial Status	1	25%	1	25%	0	0%
Disability	1	25%	0	0%	0	0%
Retaliation	1	25%	1	25%	0	0%
TOTAL	4	100%	3	75%	0	0%
No complaints were filed for the classes protected by the Illinois Human Rights Act. Some complaints include more than one category. Percentages are of the total number of complaints.						
Source: Illinois Department of Human Rights.						

The number of fair housing complaints lodged for properties in Waukegan under the Illinois Human Rights Act was one-third less than those filed with HUD. The most frequently-cited basis of discrimination was disability, closely followed by race and national origin. All complaints involved rental property.

Figure 28: Lindenhurst House



Table 30: Waukegan Fair Housing Complaints Filed With the Illinois Department of Human Rights: 2005–2011

Waukegan Fair Housing Complaints Filed With the Illinois Department of Human Rights: 2005 – 2011						
Basis of Complaint	All Complaints		Rental		Sales	
	Number	Percent	Number	Percent	Number	Percent
Race	7	29%	7	29%	0	0%
National Origin	2	8%	2	8%	0	0%
Color	0	0%	0	0%	0	0%
Religion	0	0%	0	0%	0	0%
Sex	2	8%	1	4%	0	0%
Familial Status	4	17%	4	17%	0	0%
Disability	9	38%	8	33%	0	0%
Retaliation	0	0%	0	0%	0	0%
TOTAL	24	100%	22	92%	0	0%
No complaints were filed for the classes protected by the Illinois Human Rights Act. Some complaints include more than one category. Percentages are of the total number of complaints.						
Source: Illinois Department of Human Rights.						

Local Fair Housing Organizations

Until 2011, Lake County received fair housing services from the Fair Housing Center of SER Jobs for Progress. After SER closed its doors in early 2011, the county contracted with Prairie State Legal Services to administer the county's Fair Housing Program.

Prairie State has established a dedicated hotline for its fair housing program and has recruited bilingual volunteer attorneys to help complete fair housing complaints and possibly provide legal representation. In 2011, Prairie State made at least a dozen presentations on fair housing to local organizations and agencies. It has served at least 40 clients with housing issues, about half of which involved alleged discrimination.¹⁴

The Interfaith Housing Center of the Northern Suburbs took in 23 fair housing complaints for Lake County properties during 2010 and 2011. Unlike the complaints filed with HUD and the Illinois Department of Human Rights, almost 40 percent involved “for sale” housing. Nearly 40 percent of the complaints were based on national origin; 30 percent were based on familial status. Just 17 percent were based on race. Interfaith’s match-pair testing and other follow up on each complaint concluded that eight of the 23 complaints actually involved possible discrimination.¹⁵

14. Prairie State Legal Services Fair Housing Program for Lake County, *CDBG-PS Quarterly Progress Reports*, first, second, and third quarters, 2011–2012.

15. Data provided by Viki Rivkin, Director of Fair Housing, Interfaith Housing Center of the Northern Sub-

It is strongly believed that housing discrimination based on national origin is far more common than the number of national origin complaints filed due to a fear of immigration issues on the part of victims of national origin discrimination. The proportion of national origin complaints received by the Interfaith Housing Center of the Northern Suburbs is nearly twice that of those HUD received involving properties in North Chicago and Waukegan and nearly four times the rate for the rest of Lake County. It is four times the proportion of national origin complaints filed with the Illinois Department of Human Rights.

Suggestion Lake County should identify the policies and practices that the Interfaith Housing Center of the Northern Suburbs uses to identify fair housing complaints due to national origin.

Housing Discrimination Complaints, Lawsuit, and the Housing Authorities

Seven of the fair housing complaints lodged with the Illinois Department of Human Rights were against the Lake County Housing Authority. Six were based on mental or physical disability and one was based race.

A housing discrimination lawsuit was filed against the Lake County Housing Authority for its efforts to terminate the housing choice voucher issued to “Pia Bernardi, a qualified individual with a disability,” after denying her request to allow her sister and legal guardian to be her live-in aide. Ms. Bernardi had sought a reasonable accommodation to allow her sister to be her live-in aide. The Lake County Housing Authority insisted on counting Ms. Burnardi’s sister’s income when computing the household’s portion of the rent.¹⁶

In addition to paying \$60,000 and agreeing to no longer attempt to recover \$3,186 in additional rent due to the sister’s income, the housing authority agreed to not count the income of a relative who is live-in aide towards the household income.

Four of the fair housing complaints placed with the Illinois Department of Human Rights were against the North Chicago Housing Authority. Two alleged discrimination due to physical disability, one due to race, and one for retaliation.

Testing for Housing Discrimination

Aside from the testing conducted in support of litigation, we are unaware of any systemic testing for housing discrimination being conducted in Lake County from 2005 through 2011.

Prairie State Legal Services, which now runs the county’s Fair Housing Program, has contracted with the Fair Housing Clinic at The John Marshall Law

urbs. Matched-pair testing involves sending two pairs of testers to see the advertised home. The characteristics — income, household composition, credit rating etc. — of the matched pairs are identical except for the characteristic being tested. So if the test is for possible discrimination based on race, one test pair will be Caucasian and the other African American (or other race being tested).

16. The lawsuit also alleged violation of Section 504 of the Rehabilitation Act of 1973 on the basis of disability. *Title VIII/Section 504 Conciliation/Compliance Agreement between Giovanna Bernardi, On Behalf Of, And As Legal Guardian For, Pia Bernardi v. Lake County Housing Authority*, FEHO Case Numbers 05-09-0214-8 & 05-09-214-4 (December 2009).

School to implement a program to test specific sites and conduct matched tests in response to fair housing complaints filed.

As noted on page 82, the Interfaith Housing Center of the Northern Suburbs has conducted a number of matched-pair tests in Lake County related to the fair housing complaints it has received.

Incidents of Hate Crimes

A hate crime, or “bias crime,” is a criminal offense committed against a person, property, or society that is partially or wholly motivated by the offender’s bias against the victim’s race, religion, disability, sexual orientation, and/or ethnicity or national origin. Data on hate crimes are supposed to be reported by law enforcement departments to the Federal Bureau of Investigation. But the FBI had no information on hate crimes for Lake County, North Chicago, or Waukegan.

Table 31: Reported Hate Crimes in Lake County: 2005–2011

Reported Hate Crimes in Lake County: 2005–2011						
Year	Motivation	Victim	Suspect	Underlying Crime	Resolution of Hate Crime	Location
2005	Victim spoke with an African American student	African American juvenile	Caucasian juvenile male	Battery	Insufficient evidence	Fox Lake
2005	Religion	Caucasian	Unknown	Criminal damage to property	Insufficient evidence	Grayslake
2006	Race / African American	African American	Female Caucasian	Disorderly conduct	Disorderly conduct/ Terminated satisfied	Lake Bluff
2007	Religion / Jewish	Russian-Jewish	Unknown	Criminal damage to property	Insufficient evidence	Deerfield
2009	Religion	Caucasian	Juvenile Caucasian	Criminal damage to property	Insufficient evidence	Mundelein

Source: Lake County Sheriff, March 2012. No hate crimes reported in 2008, 2010, and 2011.

Information on these hate crimes is sketchy at best.

North Chicago

Despite numerous requests by phone and email over several months, the City of North Chicago did not provide any information on hate crimes within its borders.

Waukegan

The victim in over two-thirds of the hate crimes reported in Waukegan was an African American. The Waukegan Police Department was unable to report how each hate crime accusation was resolved.

Table 32: Reported Hate Crimes in Waukegan: 2005–2011

Reported Hate Crimes in Waukegan: 2005–2011					
Year	Motivation	Victim	Suspect	Underlying Crime	Resolution of Hate Crime
2006	Religion	White	Unknown	Criminal damage	Not available
2006	Race	African American	Unknown	Criminal damage	Not available
2006	Race	African American	Unknown	Criminal damage	Not available
2006	Race	African American	Latino	Battery	Not available
2006	Race	African American	White	Harrassment	Not available
2007	Race	African American	White	Assault	Not available
2008	Sexual Orientation	African American	African American	Battery	Not available
2009	Race	Latino	White	Harrassment	Not available
2010	Race	African American	White	Disorderly Conduct	Not available

Source: Waukegan Police Department, March 2012. No hate crimes reported in 2005 and 2011.

Home Mortgage Lending Practices

Issuance of Home Mortgage Loans

Discrimination by private sector lenders based largely on race has been one of the barriers to fair housing choice throughout the nation for more than half a century. These practices have led to minorities, especially African Americans and, usually to a lesser extent, Latinos, being denied home loans much more frequently than Caucasians, and being approved at significantly lower rates.

The Home Mortgage Disclosure Act requires lenders to report the race, ethnicity, and income of applicants for mortgage loans and how the applications were resolved: whether a mortgage was issued or denied as well as whether the applicant did not accept an approved mortgage, withdrew his application, or the application was closed as incomplete.

As the next two tables show, the number of applications for conventional home mortgages declined substantially from 2008 to 2009. However, the decline in the number of applications for homes in Lake County — 31 percent — was significantly lower than in the entire metropolitan statistical area (MSA) — 45 percent. The number of applications from African Americans fell the most in both Lake County — 64 percent — and the MSA — 71 percent. The fall was less for Latinos, 53 percent in the county and 57 percent in the MSA. The decline in applications from non-Latino whites was just 28 percent in Lake County compared to 44 percent in the MSA. The smallest reductions were for Asians, 13 percent in Lake County and 27 percent in the MSA. In both years, the number of applications from other races are too small to arrive at any conclusions.

Table 33: Results of Applications for Conventional Home Mortgages in Lake County: 2008–2009

Results of Applications for Conventional Home Mortgages in Lake County: 2008–2009								
Reporting Year: 2009								
Race/Ethnicity	Total Applications	Number Issued	Percent Issued	Approved Not Accepted	Number Denied	Percent Denied	Withdrawn	Closed Incomplete
Latino of Any Race	318	161	50.6%	18	109	34.3%	19	11
American Indian or Alaskan Eskimo	17	6	35.3%	1	4	23.5%	5	1
Asian	477	333	69.8%	33	56	11.7%	42	13
African American	60	38	63.3%	4	13	21.7%	4	1
Native Hawaiian/Pacific	15	12	80.0%	2	0	0.0%	1	0
White (non-Latino)	3,488	2,529	72.5%	245	404	11.6%	242	68
Multiple Races	61	48	78.7%	4	4	6.6%	5	8
Race Unknown	443	259	58.5%	67	64	14.4%	37	16
Total	4,561	3,225	70.7%	356	545	11.9%	336	107
Reporting Year: 2008								
Race/Ethnicity	Total Applications	Number Issued	Percent Issued	Approved Not Accepted	Number Denied	Percent Denied	Withdrawn	Closed Incomplete
Latino of Any Race	673	296	44.0%	59	225	33.4%	62	31
American Indian or Alaskan	18	9	50.0%	2	5	27.8%	1	1
Asian	551	348	63.2%	62	75	13.6%	50	16
African American	168	79	47.0%	18	43	25.6%	23	5
Native Hawaiian/Pacific	24	14	58.3%	4	4	16.7%	1	1
White (non-Latino)	4,873	3,341	68.6%	442	617	12.7%	356	117
Multiple Races	91	54	59.3%	11	10	11.0%	14	2
Race Unknown	739	478	64.7%	72	103	13.9%	63	23
Total	6,464	4,323	66.9%	611	857	13.3%	508	165

Source: Home Mortgage Disclosure Act Table 4–2 for Lake County, Illinois.

Within Lake County, applications from non-Hispanic whites in both 2008 and 2009 were consistently approved at a higher rate than any other group. The gaps between mortgage issuance rates for “minorities” and Caucasians were narrower in 2009 than in 2008.

We could find no significant differences in the reasons for denial based on race or Latino ethnicity. For every identifiable group, the most frequent reason for denial was debt-to-income ratio. Income differences do not explain the differences in approval rates.

These differences strongly suggest that discrimination against Latino and African American applicants is an ongoing practice as we have seen in every jurisdiction for which we have analyzed HMDA data.

Table 34: Results of Applications for Conventional Home Mortgages in the Chicago–Naperville–Joliet MSA: 2008–2009

Results of Applications for Conventional Home Mortgages in the Chicago–Naperville–Joliet MSA: 2008–2009								
Reporting Year: 2009								
Race/Ethnicity	Total Applications	Number Issued	Percent Issued	Approved Not Accepted	Number Denied	Percent Denied	Withdrawn	Closed Incomplete
Latino of Any Race	3,533	1,875	53.1%	226	1,028	29.1%	215	189
American Indian or Alaskan	197	106	53.8%	11	47	23.9%	23	10
Asian	5,179	3,462	66.8%	381	794	15.3%	396	146
African American	2,761	1,179	42.9%	216	965	35.1%	230	161
Native Hawaiian/Pacific	153	83	54.2%	11	38	24.8%	14	7
White (non-Latino)	31,659	22,953	72.5%	2,155	3,897	12.3%	2,033	621
Multiple Races	695	489	70.4%	51	87	12.5%	52	16
Race Unknown	4,912	3,144	64.0%	369	803	16.3%	441	155
Total	45,546	31,416	69.0%	3,194	6,631	14.6%	3,189	1,116
Reporting Year: 2008								
Race/Ethnicity	Total Applications	Number Issued	Percent Issued	Approved Not Accepted	Number Denied	Percent Denied	Withdrawn	Closed Incomplete
Latino of Any Race	8,165	3,909	47.9%	641	2,496	30.6%	709	410
American Indian or Alaskan	302	147	48.7%	19	89	29.5%	29	18
Asian	7,122	4,310	60.5%	630	1,333	18.7%	646	203
African American	9,329	3,521	37.7%	870	3,560	38.2%	869	509
Native Hawaiian/Pacific	316	163	51.6%	28	76	24.1%	34	15
White (non-Latino)	55,726	38,085	68.3%	4,613	7,764	13.9%	3,928	1,336
Multiple Races	1,022	701	68.6%	87	138	13.5%	76	20
Race Unknown	8,203	5,024	61.2%	731	1,371	16.7%	771	306
Total	82,020	51,951	63.3%	6,978	14,331	17.5%	6,353	2,407

Source: Home Mortgage Disclosure Act Table 4–2 for Chicago–Naperville–Joliet Metropolitan Statistical Area.

North Chicago

The overall reduction in the number of applications between 2008 and 2009 was 39 percent, less than for the MSA but higher than for Lake County. Most dramatic, though, were the 88 and 84 percent declines in applications by African Americans and Latinos respectively. In 2009, just two applications for conventional home loans were submitted by African Americans, down from 17 in 2008. They were both approved. Only nine Hispanics submitted applications in 2009, down from 55 in 2008.

In 2008, the differences in issuance rates were startling. Seventy percent of the non-Latino Caucasian applicants received a mortgage while just 29 percent of the African American and 27 percent of the Hispanic applicants were issued a mortgage. Sixty-seven percent of the Asian applications received a mortgage.

With the extremely small number of applications for mortgages in 2009, it would be irresponsible to attempt to arrive at any conclusions about issuance rates in 2009.

Table 35: Results of Applications for Conventional Home Mortgages in North Chicago: 2008–2009

Results of Applications for Conventional Home Mortgages in North Chicago: 2008–2009								
Reporting Year: 2009								
Race/Ethnicity	Total Applications	Number Issued	Percent Issued	Approved Not Accepted	Number Denied	Percent Denied	Withdrawn	Closed Incomplete
Latino of Any Race	9	3	33.3%	2	3	33.3%	1	0
American Indian or Alaskan Eskimo	0	0	—	0	0	—	0	0
Asian	10	9	90.0%	1	0	0.0%	0	0
African American	2	2	100.0%	0	0	0.0%	0	0
Native Hawaiian/Pacific	0	0	—	0	0	—	0	0
White (non-Latino)	50	35	70.0%	3	4	8.0%	6	2
Multiple Races	1	1	100.0%	0	0	0.0%	0	0
Race Unknown	17	10	58.8%	0	5	29.4%	0	2
Total	80	57	71.3%	4	9	11.3%	6	4
Reporting Year: 2008								
Race/Ethnicity	Total Applications	Number Issued	Percent Issued	Approved Not Accepted	Number Denied	Percent Denied	Withdrawn	Closed Incomplete
Latino of Any Race	55	15	27.3%	4	22	40.0%	11	3
American Indian or Alaskan	0	0	—	0	0	—	0	0
Asian	15	10	66.7%	1	2	13.3%	2	0
Black or African American	17	5	29.4%	2	6	35.3%	1	3
Native Hawaiian/Pacific	0	0	—	0	0	—	0	0
White (non-Latino)	80	56	70.0%	6	12	15.0%	5	1
Multiple Races	2	1	50.0%	1	0	0.0%	0	0
Race Unknown	18	11	61.1%	2	5	27.8%	0	0
Total	132	83	62.9%	12	25	18.9%	8	4

Source: Home Mortgage Disclosure Act Table 4–2 for North Chicago, Illinois.

We could not identify any patterns in the reasons lenders gave for denials between races and ethnicities in 2008 or 2009. Given the issuance and denial rates for 2008, it would appear that lenders are discriminating against Hispanic and African American applicants, but not against Asian applicants. There is nothing in the 2009 data to suggest anything has changed.

Waukegan

The number of applications for conventional home mortgages for properties in Waukegan declined 48 percent from 2008 to 2009, even more than in North Chicago. Applications from Black households plummeted by 86 percent, 22 percentage points more than for the county as a whole. The dip in applications by Latinos — 46 percent — was slightly less than for the entire county's Hispanic applicants — 53 percent. The fall in applications by Asians — 37 percent — was almost three time greater than in the county as a whole — 13 percent. And the decline from Caucasian applicants — 48 percent — was significantly greater than the 28 percent drop for the entire county.

Table 36: Results of Applications for Conventional Home Mortgages in Waukegan: 2008–2009

Results of Applications for Conventional Home Mortgages in Waukegan: 2008–2009								
Reporting Year: 2009								
Race/Ethnicity	Total Applications	Number Issued	Percent Issued	Approved Not Accepted	Number Denied	Percent Denied	Withdrawn	Closed Incomplete
Latino of Any Race	134	64	47.8%	5	57	42.5%	6	2
American Indian or Alaskan Eskimo	7	2	28.6%	1	1	14.3%	3	0
Asian	31	24	77.4%	0	3	9.7%	4	0
African American	19	11	57.9%	1	6	31.6%	1	0
Native Hawaiian/Pacific	2	2	100.0%	0	0	0.0%	0	0
White (non-Latino)	186	121	65.1%	19	22	11.8%	17	7
Multiple Races	4	4	100.0%	0	0	0.0%	0	0
Race Unknown	45	26	57.8%	2	9	20.0%	5	3
Total	294	190	64.6%	23	41	13.9%	30	10
Reporting Year: 2008								
Race/Ethnicity	Total Applications	Number Issued	Percent Issued	Approved Not Accepted	Number Denied	Percent Denied	Withdrawn	Closed Incomplete
Latino of Any Race	246	112	45.5%	14	90	36.6%	20	10
American Indian or Alaskan	5	1	20.0%	0	2	40.0%	1	1
Asian	49	28	57.1%	4	12	24.5%	4	1
Black or African American	79	31	39.2%	4	27	34.2%	15	2
Native Hawaiian/Pacific	5	3	60.0%	0	2	40.0%	0	0
White (non-Latino)	335	229	68.4%	26	48	14.3%	23	9
Multiple Races	15	6	40.0%	1	4	26.7%	3	0
Race Unknown	75	37	49.3%	3	27	36.0%	4	4
Total	563	335	59.5%	38	122	21.7%	50	17

Source: Home Mortgage Disclosure Act Table 4–2 for Waukegan, Illinois.

Controlling for income, minorities were denied a mortgage more frequently, and approved less often, than Caucasians. Generally, the greater the percentage of minorities in a census tract, the lower the approval rate.

Again the data strongly suggest that a substantial proportion of lenders discriminate against Latinos and African Americans in Waukegan.

“High Cost” Mortgages and Refinancings

The term “high cost” includes the sort of mortgage and refinancing loans typically labeled “subprime” and/or “predatory.” They include loans based on higher rates, typically three percentage points or more above the yield on a comparable term treasury security. These include home loans with variable interest rates that can skyrocket in the years after the loan is issued.

The widespread use of these high cost mortgages is part of the increase in abusive lending practices that generated today’s nationwide crisis for homeowners. Their use accelerated significantly after the turn of the 21st century as lenders

sought to extend credit to home purchasers with poor credit histories and a poor understanding of home loans. These lenders frequently targeted people with minimal understanding of the terms that constitute a prime mortgage, usually seniors and minorities and poor families buying for the first time. The mortgages to which they steered these folks have abusive terms that can lead to a loss of home equity and loss of the home. These include loans with the moniker “exploding ARMs” under which an adjustable interest rate can soar substantially after two or three years unlike in the prime market where adjustable rate mortgages usually have a cap on annual increases of one or two percent and a lifetime cap of six percent.

According to research by the Center for Responsible Lending, 20 percent of high cost mortgages result in foreclosure, over eight times the rate for mortgages in the prime market. Subprime prepayment penalties and balloon payments only exacerbate the problem.¹⁷

In the graphs that follow, data are reported for full years except for 2009 where the data are for the first three quarters. A loan is considered high cost based on the “rate spread.” Prior to the fourth quarter of 2009, the Federal Financial Institutions Examination Council, which administers the Home Mortgage Disclosure Act, calculated the rate spread on a loan

as the difference between the Annual Percentage Rate (APR) on the loan and the treasury security yields on the date the loan was issued. A loan was considered to be “high cost” when the rate spread was at least three percentage points.

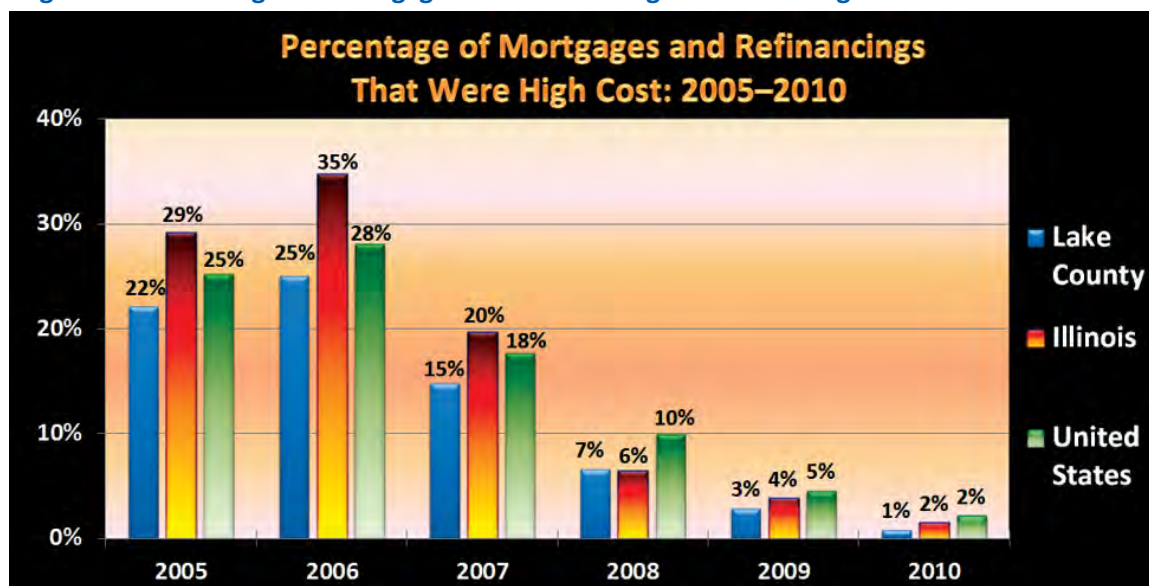
Beginning with the fourth quarter of 2009, a loan has been considered “high cost” when there is at least a three point difference between the Annual Percentage Rate of the loan and the estimated prime offer rate (APOR). Due to this change in how “high cost” loans are determined, it is not possible to directly compare the frequency of high cost loans issued before the fourth quarter of 2009 and those issued since then. However, the rates for each race and ethnicity can still be compared with each other within a specific year.

Figure 29: Abandoned House in Waukegan



17. Detailed information on the signs of a predatory loan are explained in detail online at <http://www.responsiblelending.org/mortgage-lending/tools-resources/8-signs-of-predatory-lending.html>.

Figure 30: Percentages of Mortgages and Refinancings That Were High Cost: 2005–2010



Data for 2009 are for the first three quarters. The definition of “high cost loan” was changed in late 2009. See the narrative for details.

Source: Home Mortgage Disclosure Act data reported by PolicyMap.com

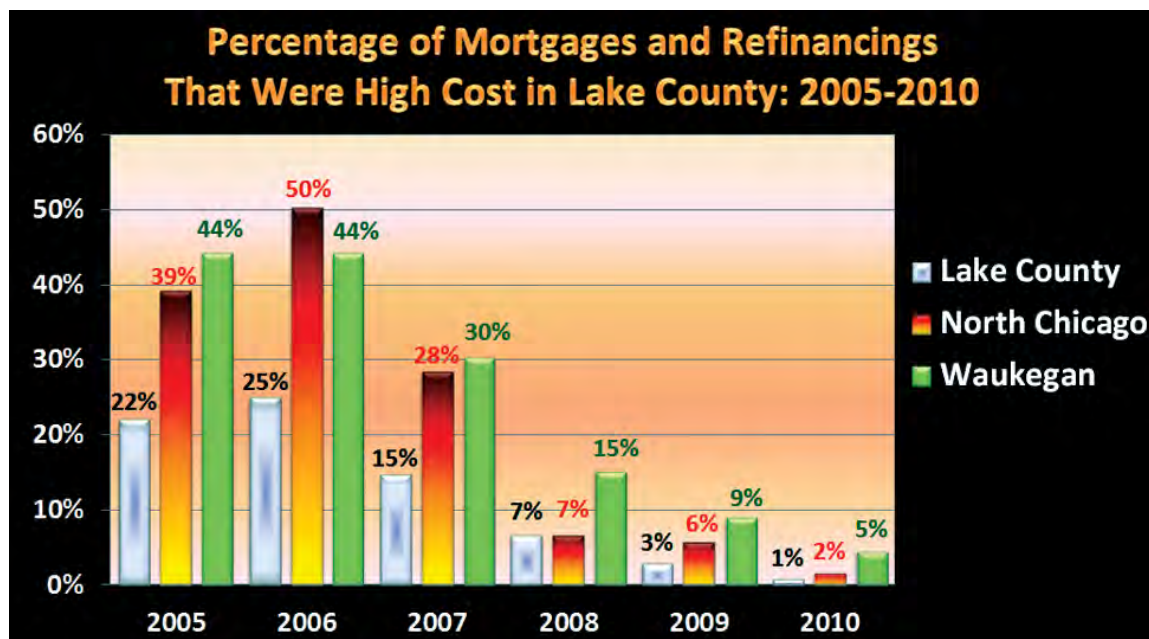
Collectively, Lake County borrowers received high cost mortgages and refinancings less frequently than borrowers throughout Illinois and the nation throughout the study period except in 2008.

As the figure that follows shows, the rates of high cost home loans was far higher in both North Chicago and Waukegan than in Lake County as a whole — often twice as high. After the rates at which high cost homes loans were issued declined in 2008, the rate at which such loans were issued in the two cities was two to five times greater than the rate for the entire county.

Figure 31: Boarded Up Housing in Zion



Figure 32: Percentages of High Cost Mortgages and Refinancings in Lake County: 2005–2010



Data for 2009 are for the first three quarters. The definition of “high cost loan” was changed in late 2009. See the narrative for details.

Source: Home Mortgage Disclosure Act data reported by PolicyMap.com

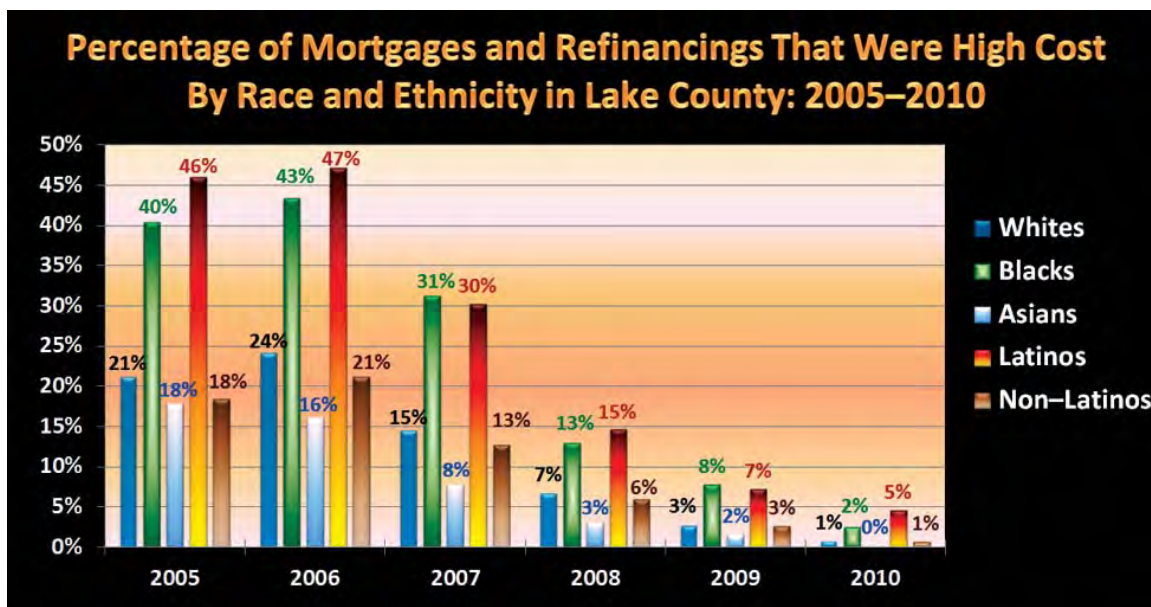
High cost mortgage and refinancing loans become a fair housing issue when lenders treat members of a protected class differently and steer them to these loans. While lenders have placed Lake County, North Chicago, and Waukegan home buyers of all races into high cost mortgages, the data in the three figures that follow strongly suggest that lenders have been steering African Americans and Hispanics to high cost loans far more frequently than they have Caucasians or Asians.

Countywide, a far greater proportion of African Americans and Latinos received high cost home loans than whites or Asians. Except for 2007 and 2009, the proportion of Hispanic applicants issued high cost home loans was slightly higher than Blacks. This phenomenon does not happen purely by chance.

Figure 33: Modest Highwood Houses



Figure 34: Percent of Mortgages and Refinancings That Were High Cost By Race and Ethnicity in Lake County: 2005–2010



Data for 2009 are for the first three quarters. The definition of “high cost loan” was changed in late 2009. See the narrative for details.

Source: Home Mortgage Disclosure Act data reported by PolicyMap.com

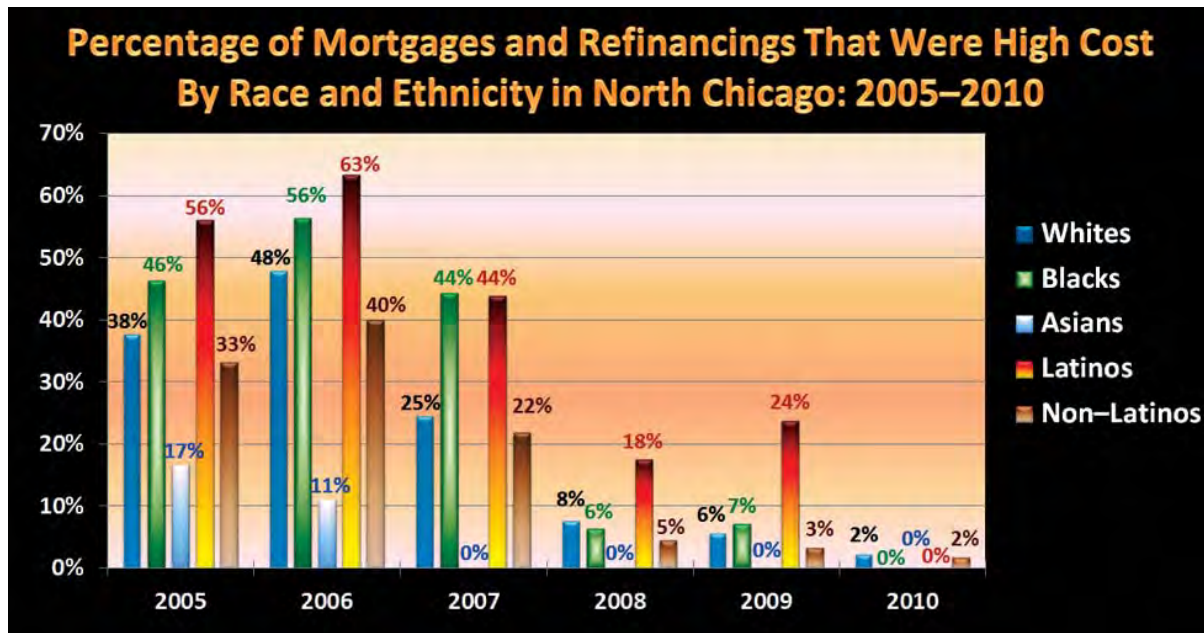
In North Chicago the proportion of Latino applicants issued high cost loans was greater than for African Americans except in 2007. Asians, Caucasians, and non-Latinos received far fewer higher cost mortgages.

A far greater percentage of North Chicago’s white applicants were issued high cost home loans than for Lake County as a whole. With just as handful of exceptions, high cost loans were issued to North Chicago applicants in each racial or ethnic category far more frequently than in the county as a whole.

Figure 35: Libertyville “McMansion”



Figure 36: Percent of Mortgages and Refinancings That Were High Cost By Race and Ethnicity in North Chicago: 2005–2010



Data for 2009 are for the first three quarters. The definition of “high cost loan” was changed in late 2009. See the narrative for details.

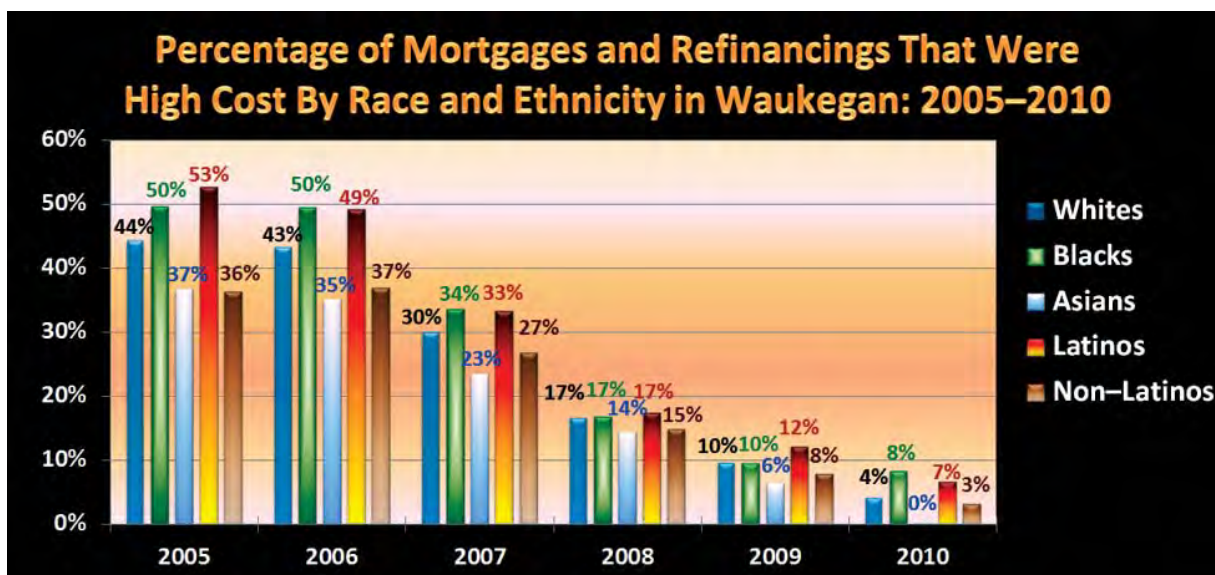
Source: Home Mortgage Disclosure Act data reported by PolicyMap.com

In Waukegan the issuance of high cost home loans is even more of an equal opportunity scourge. While the rates of high cost loans continue to be greatest for Latinos and African Americans, the rates for white, Asian, and non-Hispanic applicants are much higher than in Lake County as a whole.

Figure 37: Perhaps the Funkiest House in Highland Park



Figure 38: Percent of Mortgages and Refinancings That Were High Cost By Race and Ethnicity in Waukegan: 2005–2010



Data for 2009 are for the first three quarters. The definition of “high cost loan” was changed in late 2009. See the narrative for details.

Source: Home Mortgage Disclosure Act data reported by PolicyMap.com

Foreclosures

These high cost mortgages most likely contributed to the increase in foreclosures in Lake County, North Chicago, and Waukegan, as well as throughout the nation.

In 2009, the U. S. Department of Housing and Urban Development estimated the percentage of mortgages for which the foreclosure process started or were “seriously delinquent” in the previous two years.¹⁷ Of Lake County’s 152 census tracts in 2010, 27 of the 30 with the highest percentages of these mortgages were mostly African American and Latino, the groups with the most high cost mortgages in Lake County, North Chicago, and Waukegan.¹⁸ Twenty-three of the tracts were in North Chicago or Waukegan. Every North Chicago tract was in this group of tracts with the highest rates. Rates ranged from 14.7 percent to 20.6 percent — that’s one in every five mortgages. All but four tracts in Waukegan were in this group.¹⁹

More than 13 percent of the mortgages in each of the 30 census tracts with the highest foreclosure rates had entered the foreclosure process or were “seriously delinquent” during the previous two years. These extremely high rates of fore-

17. National Stabilization Program 2 data available at <http://www.huduser.org/portal/NSP2datadesc.html>

18. Three of the census tracts no longer existed in 2010 and we had to use their racial and Latino compositions from 2000. Of these only one was not majority-minority; it was 31 percent minority in 2000.

19. The other four were ranked 34, 38, 41, and 48.

closure are devastating to any neighborhood because of their side effect of depressing property values for all homes in the neighborhood.

To place these rates in perspective, the lowest rate for foreclosures and serious delinquency in the past two years in Lake County was 4.1 percent. In 55 census tracts, the rate was 10 percent or more. Thirty-one census tracts had a rate of 7 to 9.9 percent. Twenty-four were in the 6 to 6.9 percent range and 33 in the 4.1 to 5.9 percent range.

We could not find any reports of evidence that foreclosures have been conducted in a discriminatory manner in Lake County. While it appears very likely that high cost mortgages and refinancings were issued based on race or Hispanic ethnicity, additional original research far beyond the scope of this study would be needed to determine whether foreclosures are being filed in a discriminatory manner. It is impossible to tell without knowing the race, ethnicity, and income of each homeowner who received a foreclosure filing as well as the circumstances of each foreclosure filing.

At a bare minimum, it is clear that the concentrations of foreclosures and delinquencies is almost certainly due to the widespread racial and Hispanic segregation throughout Lake County and the greater frequency at which high cost mortgages were issued to Blacks and Latinos.

Home Appraisal Practices

No studies of appraisal practices were conducted or published during the time period covered by this study.

Real Estate Advertising

Since no studies of real estate advertising in Lake County were conducted by local fair housing organizations from 2005 through 2011, we conducted our own sampling for this Analysis of Impediments.

Print Advertising

Lake County staff provided the advertising sections of *The News-Sun* for review. All of the display and classified ads were for rentals of apartments, houses, townhouses, or condominium units. Three of the five display advertisements included the fair housing logo. One offered a phone number to call if you speak Spanish. One display ad said that Section 8 was welcome.

There were ads for rentals in Lake Forest, Highland Park, Lake Bluff, Zion, Beach Park, North Chicago, Waukegan, Round Lake Beach, Deerfield, Libertyville, Round Lake, Barrington, and Gurnee. The largest number of ads were for rentals in Waukegan and then Zion. There were only a handful of ads for rentals in the high and highest opportunity group villages as well as for North Chicago. Fourteen classified ads noted that Section 8 was welcome (two in North Chicago, one in Round Lake Beach, six in Waukegan, and five in Zion). One classified ad was in both English and Spanish. Several of the ads for Waukegan rentals emphasizes their North Waukegan location.

Our review of over 120 print ads found no examples of improper or discriminatory advertisements.

Online Advertising

Advertising for housing in Lake County appears to have shifted largely to the Internet. Online advertising gives real estate and rental firms a greater opportunity to present themselves and the properties they represent to potential customers. It gives them greater opportunities to use subtle and not-so-subtle techniques through the use of photographs, videos, links, fair housing logos, and language to indicate whether potential buyers and renters of all races and ethnicities and familial status or disability are welcome.

We examined the websites of 24 real estate and rental companies that serve all or portions of Lake County. Fifteen of the 24 displayed the fair housing logo on their home page. The Baird & Warner offices displayed the logo at the bottom of every page. Ludwig and Company, which handles market rate rentals, luxury apartments, affordable housing, senior housing, housing for victims of domestic violence, and single adult independent apartments, also posts the “handicapped” logo on its home page. Ludwig represents apartments in Buffalo Grove, Deerfield, Highland Park, North Chicago, Vernon Hills, Waukegan, and Zion.

Maki Realty, a Century 21 office in Waukegan, has a “Fair Housing” link at the bottom of every page that takes viewers to a statement in which the company expresses its commitment to the Fair Housing Act and that it and its parent company will “actively promote, and are committed to, creating and fostering an environment of diversity.” Maki Realty’s website is available in both English and Spanish.

Jupiter Communities, which manages the Reserve at Eagle Ridge in Waukegan, posts a statement that it does not discriminate and that the company fully supports and complies with the Fair Housing Act and all local and state laws regarding fair housing.

Remax Showcase and The Woodlands on Green Bay include the words “Equal Housing Opportunity.”

Judging by the photographs of each real estate firm’s staff, the real estate industry in Lake County is *largely* racially- and ethnically-segregated outside of North Chicago and Waukegan, just like most of the housing. The website for Baird & Warner’s Barrington office displayed photographs of 74 Caucasian agents, one Latino (based on surnames), and six Asians. The site noted that some agents speak German or Serb-Croatian. There is no mention of speaking Spanish. Baird & Warner’s Highland Park office showed photos of 32 agents — one Black and 31 white. Its Libertyville office, which covers all of Lake County, displayed photos of about 48 white agents, six Hispanic, and one Asian. Its Lake Forest office showed photos of 18 white agents and one Latina.

All of the Baird & Warner websites had the same photos under “Join Our Team” depicting a diverse mix by race, ethnicity, and gender, although not age. The sites also have a “Neighborhood” banner with a list of “North Shore” communities under it. North Chicago and Waukegan were conspicuously absent from the list which consisted solely of the wealthier North Shore communities in

Lake and Cook counties. However, the banner also has a “Search” button on it with links to “Open House Search” and “Rental Open House Search.” We did an Open House Search and found homes in North Chicago and Waukegan/Park City under the North Shore lists. A rental search found house rentals for North Chicago and Waukegan/Park City.

Coldwell Banker’s Libertyville office shows photos of 60 Caucasian agents, six African Americans, six Latinos, and three Asians. The site’s list of areas served included Waukegan, but not North Chicago even though listings for North Chicago properties were on the site. The firm’s Barrington office had photos of 59 white, two African American, and one Latina agent. Its Highland Park office displayed photos of 66 white agents.

The Debbie Richards Realty Group, located in North Chicago, showed photos of 11 agents, at least ten of whom were African American as is owner Debbie Richards.

Located in Lincolnshire, Keller Williams Realty’s website displayed photos of 45 Caucasian agents, three Blacks, one Asian, and eight Hispanics. Although the web page for Keller Williams USA has a link to view its national site in Spanish, the local Lincolnshire site does not.

While the Key Realty Group based in Waukegan does not show photos of its agents, its home page includes photos of a racially-diverse group of clients.

The photographs on the home page of the aforementioned Ludwig and Company depict a racially-diverse group of clients of all ages, some of whom are clearly single and others obviously families. The only staff photos are those of its president, who is white, and its director of “compliance” who is African American.

The site for Fort Sheridan Place Rentals in Waukegan includes videos of residents talking about how much they like their apartments. One person was white, another Latina, and a couple was Black. Among other things, the African American couple spoke about how much they liked the diversity of their neighbors.

The aforementioned Maki Realty shows photographs of 21 white agents, nine Black agents, 15 Latino agents. There are no photographs of seven agents.

North Chicago and Waukegan are conspicuously absent from the list of cities served on the website of Century 21 in Lake Zurich. The site says that the company serves Lake, McHenry, Kane, and Cook counties. Agent photos show 22 Caucasian agents and one Latina or Asian agent.

Midwest American Realty serves Grayslake, Gurnee, Lake Villa, Libertyville, Lindenhurst, North Chicago, Round Lake, Wadsworth, Waukegan, Winthrop Harbor, and Zion. The home page features photos of five people, three of whom are clearly Caucasian. The race or ethnicity of the other two could not be determined. The only staff photo is of the owner who appears to be Filipino.

The home page of the Remax Showcase site has a link to a video which tells viewers that Remax provides services in both English and Spanish. The video includes whites and Latinos. The Waukegan office shows photos of 11 agents, four or five of whom are minorities. The videos about buying and selling homes depicted clients of all races and ages. The agents in the videos were mostly white with a few Latinos and African Americans.

The Affordability of Housing

The data presented in Chapter 3 showed that in a free housing market not distorted by discrimination, the proportion of African American residents would be significantly higher in all of the county's cities and villages with very low proportions of African American residents in 2000 and 2010. Without discrimination, these proportions would be greater — even with no change in household incomes and without adding lower-cost housing to any of those municipalities.

But housing discrimination isn't the only obstacle to fair housing choice in Lake County. The data analyzed below show that the high cost of housing in most Lake County cities and villages generates an additional barrier to socioeconomic diversity by excluding housing affordable to households with more modest incomes, primarily Lake County's African American and Hispanic residents who have a much lower median income than Caucasians and Asians. By prohibiting such affordable housing through exclusionary zoning practices, these communities restrict the pool of potential African Americans and Latinos who could afford to live in these municipalities.

Economists and housing experts have long used the rule of thumb that a home is affordable when its purchase price is no more than two and a half or three times the buyer's gross annual income.²⁰ Their other test that applies to both owner and tenant households is that housing is affordable if the household spends less than 30 percent of its gross monthly income on housing. Housing that costs 30 percent or more of a household's gross income is called "cost burdened."

Households that spend 30 percent or more of their gross monthly income on housing costs (rent, or mortgage, property tax, and condominium or home owner association assessments) are considered to be "cost burdened."

These are not arbitrary figures. Spending more than 30 percent on housing, leaves a typical household less money for essentials such as food, clothing, furniture, transportation, health care, savings, and health insurance. Local businesses suffer the most from this reduction in discretionary spending money due to high housing costs. Spending more than 30 percent on housing denies monies to other sectors of the economy unless households strapped for cash go into serious debt.

Cost Burdened Housing

As the two tables below show, substantial proportions of home owners and

20. For purposes of this analysis, we will err on the cautious side and use three times the median income to establish the price of an affordable house rather than two and a half times.

tenants alike are cost burdened in the county, North Chicago and Waukegan.

Among home owners, relatively few are just barely cost-burdened, namely spending 30 to 34.9 percent of their gross income on their homes. In all three jurisdiction, the overwhelming majority of home owner and tenant households that are cost burdened, spent more than 35 percent of their gross income on housing. It is no surprise that much smaller proportions of home owners *without* a mortgage are cost burdened because the mortgage is usually the single largest cost component of home ownership.

Table 37: Cost-Burdened Home Owners by Jurisdiction: 2010

Cost-Burdened Home Owners By Jurisdiction: 2010								
Jurisdiction	Home Owners With a Mortgage				Home Owners Without a Mortgage			
	Percentage of Owners With a Mortgage Who Spent 30 to 34.9% of Their Gross Income on Housing	Percentage of Owners With a Mortgage Who Spent 35% or More of Their Gross Income on Housing	Total Percentage of Cost-Burdened Home Owners With a Mortgage	Median Monthly Cost	Percentage of Owners Without a Mortgage Who Spent 30 to 34.9% of Their Gross Income on Housing	Percentage of Owners Without a Mortgage Who Spent 35% or More of Their Gross Income on Housing	Total Percentage of Cost-Burdened Home Owners Without a Mortgage	Median Monthly Cost
Lake County	9.9%	33.0%	42.9%	\$2,117	4.0%	17.5%	21.5%	\$815
North Chicago	12.7%	55.1%	67.8%	\$1,563	0.0%	11.5%	11.5%	\$566
Waukegan	10.7%	40.0%	50.7%	\$1,620	8.8%	13.9%	22.7%	\$644

Source: Lake County and Waukegan from "Selected Housing Characteristics," 2010 American Community Survey 1-Year Estimates, Table DP04; "Selected Housing Characteristics," North Chicago from 2008–2010 American Community Survey 3-Year Estimates, Table DP04.

While *relatively* few home owners without a mortgage are cost burdened, much larger proportions of home owners with a mortgage are cost burdened in all three jurisdictions. A greater percentage of households in all three jurisdictions are cost burdened than for the nation as a whole. Nationally, 8.9 percent of home owners with a mortgage spent 30 to 34.9 percent of their gross income on housing and 29.1 percent spent 35 or more percent. While Lake County home owners were just a bit more cost burdened than the nation, two-thirds of North Chicago home owners with a mortgage were cost burdened as were half of Waukegan's. The median monthly cost of ownership was greater in all three jurisdictions than the \$1,496 national median. Nationally, the median ownership costs for households *without* a mortgage was \$431. The proportions of owners *without* a mortgage in Lake County and Waukegan who were cost burdened were higher than nationally.²²

The picture is better for North Chicago tenants and worse for Lake County and Waukegan renters. In all three jurisdictions, the vast majority of cost burdened tenant households spend 35 percent or more of their gross income on rent. Nationally, with a median rent of \$855, 9.2 percent of tenant households spend 30 to 34.9 percent on rent while 43.8 percent spent 35 percent or more.²³ Both Lake County and Waukegan are close to the national medians with North Chi-

22. "Selected Housing Characteristics," 2010 American Community Survey 1-Year Estimates, Table DP04.

23. Ibid.

cago six percentage points below. However, relatively few of the large proportion of cost burdened tenant households are likely to be able to save enough for a down payment to purchase a home since they have to spend more of their income on rent than is economically healthy.

Table 38: Cost–Burdened Tenants by Jurisdiction: 2010

Cost–Burdened Tenants By Jurisdiction: 2010				
Jurisdiction	Percentage of Tenant Households That Spent 30 to 34.9% of Their Gross Income on Rent	Percentage of Tenant Households That Spent 35% or More of Their Gross Income on Rent	Total Percentage of Cost–Burdened Tenant Households	Median Rent
Lake County	9.6%	42.7%	52.2%	\$957
North Chicago	5.9%	41.2%	47.1%	\$988
Waukegan	11.9%	43.1%	55.0%	\$822

Source: Lake County and Waukegan from "Selected Housing Characteristics," 2010 American Community Survey 1–Year Estimates, Table DP04; "Selected Housing Characteristics," North Chicago from 2008–2010 American Community Survey 3–Year Estimates, Table DP04.

The proportions of cost burdened tenants and of cost burdened home owners with a mortgage certainly constitute a housing crisis that drains the county's entire economy.

Determining the Affordability of Housing

The two key components for determining the affordability of housing are median household income and median price of the housing.

To make sense of housing cost data, researchers report on median household incomes and median home values. The median is the middle. For example, half of the county's households have incomes above the median and half below it. Half of the homes sold were priced above the median sale price and half sold of those sold are priced below it. The rents of half of the rental units are above the median rent and the other half rent for less the median.

Median Household Income

As the table below shows, North Chicago and Waukegan households collectively have lower incomes than Lake County as a whole.

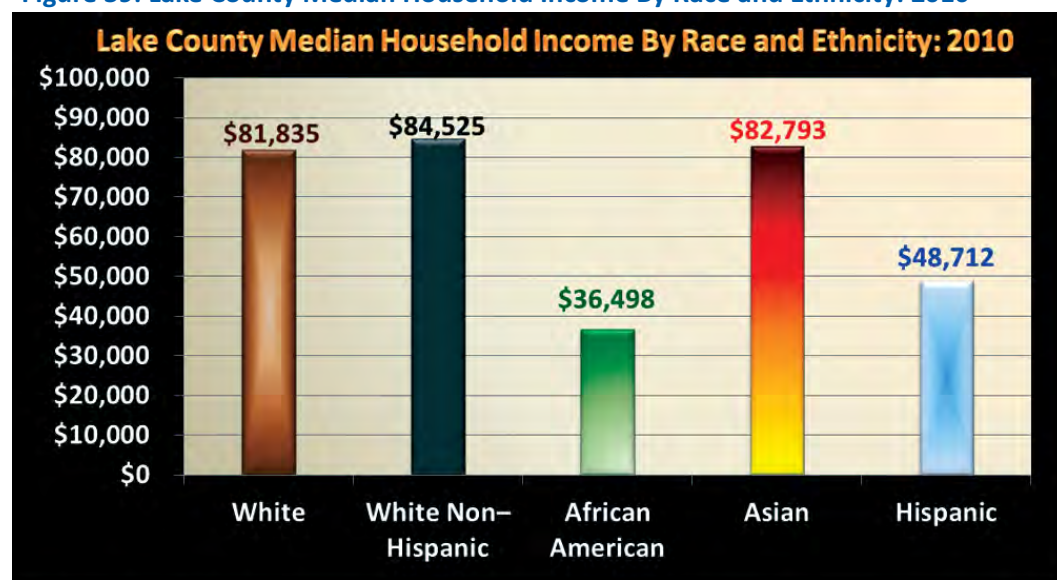
Table 39: Median Household Income By Race and Ethnicity For Each Jurisdiction

Median Household Income By Race and Ethnicity For Each Jurisdiction						
Jurisdiction	All Households	White	White Non-Latino	African American	Asian	Latino of Any Race
Lake County: 2010	\$74,705	\$81,835	\$84,525	\$36,498	\$82,793	\$48,712
North Chicago: 2008–2010	\$46,051	\$60,924	\$58,672	\$37,705	\$28,592	\$46,767
Waukegan: 2010	\$43,955	\$56,538	\$57,656	\$35,375	\$54,234	\$43,750

Source: Lake County and Waukegan: 2010 American Community Survey 1–Year Estimates, Table S1903. North Chicago: 2008–2010 American Community Survey 3–Year Estimates, Table S1903.

The degree to which median incomes in Lake County vary by race and Latino ethnicity becomes clearer in the figure below.

Figure 39: Lake County Median Household Income By Race and Ethnicity: 2010



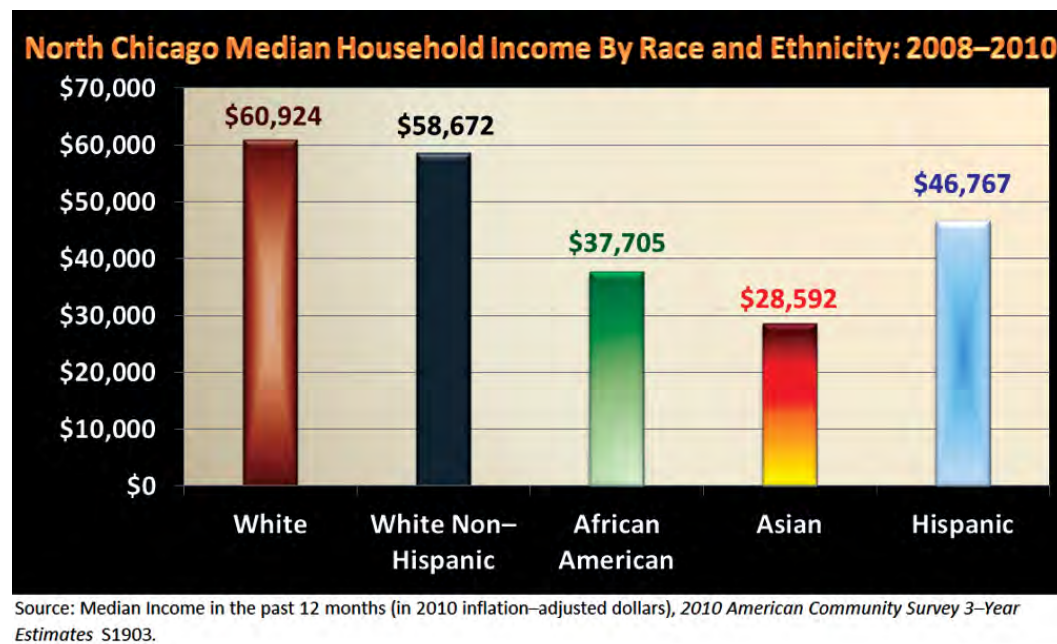
Source: Median Income in the past 12 Months (in 2010 inflation-adjusted dollars), 2010 American Community Survey 1–Year Estimates S1903.

While Chapter 3 showed that the proportion of African Americans would be greater in many Lake County cities and villages in a free housing market undistorted by discrimination, the huge difference in median household income between Caucasians and Blacks also contributes to the levels of racial segregation throughout most of Lake County. With a median income that is 57 percent less than the median for white non-Hispanics, a huge proportion of the county's African American households cannot afford existing housing in much of Lake County. With a median household income of 43 percent lower than Caucasian non-Latinos, a large proportion of Hispanics face a similar lack of housing they can afford in much of Lake County. Asians, on the other hand, can afford the same housing as

non-Latino whites since their median household income is very close.

Median household incomes are generally lower in both North Chicago and Waukegan. In North Chicago, the median household incomes for whites and non-Latino whites are about three-quarters of Caucasians countywide. The median income for North Chicago Asian households is only 34.5 percent of Asian households countywide. The median households incomes of North Chicago's African American and Latino populations are very close to the countywide medians.

Figure 40: North Chicago Median Household Income By Race and Ethnicity: 2008–

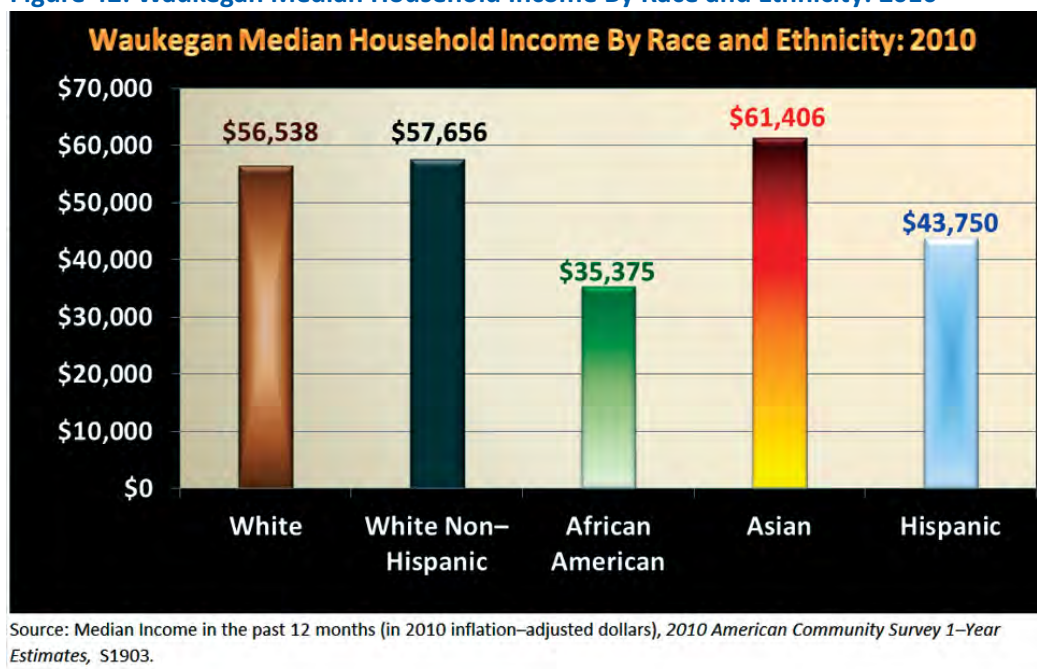


As the following figure shows, median household income is even lower in Waukegan than in North Chicago except for Asians. Asians have the highest median of all five groups in Waukegan.

Figure 41: North Chicago Homes



Figure 42: Waukegan Median Household Income By Race and Ethnicity: 2010



As we'll see in the following pages, these substantial differences in median household income affect residential mobility throughout the county and contribute to the racial, ethnic, and economic stratification throughout Lake County.

Median Housing Costs

Ownership Housing

The median costs of the different types of ownership housing in the table that follows are not based on the Census Bureau's American Community Survey. The medians in the American Community Survey are based on the home value reported by those households, not on actual sale prices. Because relatively few home owners know the actual current value of their homes, they make very subjective "guesstimates" when responding to the American Community Survey that are not nearly as reliable as the actual price at which a home is sold.

So in the interest of accuracy, we use medians of home prices *based on actual home sales* in 2010 from the Multiple Listing Service that serves Lake County. This service's figures of actual sale prices are much more reliable than the very subjective median home values reported by American Community Survey. Even though these figures do not include the relatively small number of homes sold by owner, they offer the most accurate sales figures available in the form that could be used in this analysis of impediments.

Rental Housing

On the other hand, there's no guesswork when it comes to tenants reporting their monthly rent in the American Community Survey. Tenants tend to know exactly what they pay in rent each month.

Affordability of Ownership Housing

The table that follows provides a plethora of data in one place. For each city and village in Lake County, it shows:

- ◆ The actual median price of single-family detached homes sold in 2010
- ◆ The actual median price of single-family attached homes sold in 2010. These include duplexes; townhouses including ranch-townhouses, two-story ranch townhouses, tri-level townhouses, and three-plus story townhouses; quad-ranch houses, quads, quad-split level homes, quad-two story homes, quad-penthouses.
- ◆ The actual median price of condominiums sold in 2010
- ◆ Whether each type of housing is affordable to the median-income household in Lake County, North Chicago, and Waukegan. Cells are colored green when a household with the median-income of Lake County, North Chicago, or Waukegan can afford the median-priced home of each of the three types of homes. The cell is colored red when a household with the median income cannot afford the type of home. “N/S” means that no homes of that type were sold in 2010.

As discussed earlier, a home is considered affordable when the price is no more than two and a half to three times the household’s annual income. To err on the conservative side, the table that follows treats affordability as *three* times the household’s annual income: \$224,115 for Lake County households, \$138,153 for North Chicago households, and \$131,865 for Waukegan households.

Figure 43: Modest Highland Park House Bought for \$369,000 in 2006 and Sold in 2011 for \$309,000 After Extensive Remodeling



Table 40: Affordability of Home Ownership By Lake County Municipality: 2010

Affordability of Home Ownership By Lake County Municipality: 2010												
City or Village	Actual Median Sale Price in 2010			Types of Housing Affordable to Household With:								
	Single-Family Detached Houses (SF)	Single-Family Attached Home (Townhouse, Duplex) (SFA)	Condominiums (C)	Lake County Median Income of \$74,705			North Chicago Median Income of \$46,051			Waukegan Median Income of \$43,955		
				SF	SFA	C	SF	SFA	C	SF	SFA	C
Antioch	\$190,000	\$135,000	\$87,900									
Bannockburn	\$1,025,000	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Barrington	\$470,000	\$224,900	\$148,000									
Barrington Hills	\$759,500	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Beach Park	\$131,000	\$105,000	\$111,000									
Buffalo Grove	\$322,500	\$200,000	\$125,000									
Deer Park	\$485,000	\$352,000	None sold			N/S			N/S			N/S
Deerfield	\$472,000	\$183,250	\$215,000									
Fox Lake	\$130,000	\$110,000	\$76,750									
Fox River Grove	\$212,000	\$137,000	\$99,900									
Grayslake	\$201,500	\$146,500	\$70,500									
Green Oaks	\$515,000	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Gurnee	\$266,375	\$140,000	\$93,700									
Hainesville	\$178,103	\$90,000	\$84,500									
Hawthorne Woods	\$462,941	\$400,000	None sold			N/S			N/S			N/S
Highland Park	\$445,000	\$224,500	\$210,250									
Highwood	\$305,000	\$511,750	\$203,500									
Indian Creek	\$310,000	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Island Lake	\$150,500	\$152,000	None sold			N/S			N/S			N/S
Kildeer	\$599,750	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Lake Barrington	\$535,000	\$280,000	\$180,000									
Lake Bluff	\$510,000	\$200,000	\$134,500									
Lake Forest	\$810,000	\$630,000	\$375,000									
Lake Villa	\$219,225	\$134,000	\$73,000									
Lake Zurich	\$286,000	\$194,500	\$138,750									
Lakemoor	\$170,000	\$114,250	\$97,000									
Libertyville	\$460,820	\$226,500	\$185,500									
Lincolnshire	\$471,250	\$265,000	\$310,000									
Lindenhurst	\$200,000	\$137,000	\$170,000									
Long Grove	\$633,500	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Mettawa	\$710,000	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Mundelein	\$193,700	\$154,000	\$55,000									
North Barrington	\$531,000	\$550,000	None sold			N/S			N/S			N/S
North Chicago	\$38,608	\$35,000	\$34,375									
Old Mill Creek	None sold	None sold	None sold	N/S	N/S	N/S	N/S	N/S	N/S	N/S	N/S	N/S

A red cell means that the housing is not affordable to the median income household. A green cell means the housing is affordable. N/S = None sold.

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City or Village	Actual Median Sale Price in 2010			Types of Housing Affordable to Household With:								
	Single-Family Detached Houses (SF)	Single-Family Attached Home (Townhouse, Duplex) (SFA)	Condominiums (C)	Lake County Median Income of \$74,705			North Chicago Median Income of \$46,051			Waukegan Median Income of \$43,955		
				SF	SFA	C	SF	SFA	C	SF	SFA	C
Park City	\$138,000	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Port Barrington	None Sold	None sold	None sold	N/S	N/S	N/S	N/S	N/S	N/S	N/S	N/S	N/S
Riverwoods	\$546,000	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Round Lake	\$118,000	\$104,300	\$70,000									
Round Lake Beach	\$87,000	\$80,250	\$69,000									
Round Lake Heights	\$125,000	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Round Lake Park	\$58,000	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Third Lake	\$259,675	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Tower Lakes	\$398,500	None sold	None sold		N/S	N/S		N/S	N/S		N/S	N/S
Vernon Hills	\$415,000	\$240,000	\$124,125									
Volo	\$242,500	\$133,550	\$127,000									
Wadsworth	\$290,000	\$138,700	\$114,000									
Wauconda	\$203,000	\$138,450	\$92,400									
Waukegan	\$74,000	\$100,250	\$32,500									
Winthrop Harbor	\$149,500	None sold	\$245,000		N/S			N/S			N/S	
Zion	\$81,375	\$28,000	\$109,000									

A red cell means that the housing is not affordable to the median income household. A green cell means the housing is affordable. N/S = None sold. Sources: Median sale prices were compiled from the Multiple Listing Service. Median household incomes for Lake County and Waukegan are from "Selected Economic Characteristics," 2010 American Community Survey 1-Year Estimates, Table CP03; North Chicago data are from "Selected Economic Characteristics," 2008–2010 American Community Survey 3-Year Estimates, Table CP03.

In 2010, a household with the Lake County median income of \$74,705 could afford to buy a home costing as much as \$224,115. A median-income household could afford to buy half of the single-family detached homes in 43 percent of the county's cities and villages. It could afford half of the attached single-family homes in 69 percent of the municipalities and half of the condominiums in 88 percent of them. Current Lake County households at the median income could not afford to buy the median-priced single-family detached home in 57 percent of the county's towns.

North Chicago

As the table below suggests, the price of ownership housing was severely depressed in North Chicago — and getting worse in 2011 with the median price of all ownership housing falling 32 percent. Prices are so depressed that a household with an income that was just 28 percent of the 2010 median household income could afford to purchase the median-priced single-family detached home in North Chicago in 2010. A year later, housing prices had fallen enough that a household with income that was 21 percent of the median household income could afford the median-priced single-family detached home in North Chicago in

2011.²⁴ Income needed to purchase the median-priced attached single-family home or a condominium was even lower, especially in 2011.

Table 41: Affordability of Home Ownership in North Chicago: 2010–2011

Affordability of Home Ownership in North Chicago: 2010–2011					
Year	Estimated Median Household (HH) Income for 2008–2010	Median Price of Single-Family Homes	Minimum HH Income to Afford Median Priced Single-Family Home	Median Price of Condominiums	Minimum HH Income to Afford Median Priced Condominium
2011	\$46,051	\$29,000	\$9,667	\$23,500	\$7,833
2010	\$46,051	\$38,608	\$12,869	\$34,375	\$11,458
Year	Maximum Home Price Affordable to Median Income Household	Median Price of Attached Single-Family Housing (Townhouse, Duplex, Etc.)	Minimum HH Income to Afford Median Priced Attached Single-Family Housing	Median Price of All Ownership Housing	Minimum HH Income to Afford Median Priced All Ownership Housing
2011	\$138,153	\$20,250	\$6,750	\$26,000	\$8,667
2010	\$138,153	\$35,000	\$11,667	\$38,215	\$12,738

Source: Median sale prices: Multiple Listing Service. Median household income: "Selected Economic Characteristics," *American Community Survey 2008–2010 3-Year Estimates*, Table CP03.

At first glance this decline in housing prices may appear to be a boon for home buyers in North Chicago. But while the income needed to purchase a home has declined so much that low- and moderate-income households have enough income to qualify to buy a home, it is extremely unlikely that they have amassed enough savings to make the required down payment.

This decline in home prices has been an unmitigated disaster for North Chicago home owners who have seen much, if not all, of their equity wiped out as the values of their homes sink "under water."

The ability of North Chicago residents to move to most of the other Lake County cities and villages is severely limited by the much higher cost of ownership housing in the vast majority of Lake County municipalities. In 2010, a household with the North Chicago median income of \$46,051 could afford to buy a home costing as much as \$138,153. A median-income North Chicago household could afford half of the single-family detached homes in only 22 percent of the county's municipalities. It could afford half of the attached single-family homes in 54 percent of the county's cities and villages and half of the condominiums in 66 percent of them. Current North Chicago households at the median income could not afford to buy the median-priced single-family detached home in

24. Income data for 2011 were not available at the time of this writing. Consequently, we had to apply the *American Community Survey's* estimate of North Chicago's median income for 2008–2010.

78 percent of the county's municipalities.

Waukegan

The picture is a bit different in Waukegan where the median household income is lower than in North Chicago, but the median prices of homes sold in 2010 and 2011 is much higher. A household with the median income can afford the median-priced home of any kind. The median price of all three types of ownership housing plummeted 36 percent from 2010 to 2011.

Table 42: Affordability of Home Ownership in Waukegan: 2010–2011

Affordability of Home Ownership in Waukegan: 2010–2011					
Year	Estimated Median Household (HH) Income for 2010	Median Price of Single-Family Homes	Minimum HH Income to Afford Median Priced Single-Family Home	Median Price of Condominiums	Minimum HH Income to Afford Median Priced Condominium
2011	\$43,955	\$49,450	\$16,483	\$22,000	\$7,333
2010	\$43,955	\$74,000	\$24,667	\$32,500	\$10,833
Year	Maximum Home Price Affordable to Median Income Household	Median Price of Attached Single-Family Housing (Townhouse, Duplex)	Minimum HH Income to Afford Median Priced Attached Single-Family Housing	Median Price of All Ownership Housing	Minimum HH Income to Afford Median Priced All Ownership Housing
2011	\$131,865	\$55,000	\$18,333	\$48,000	\$16,000
2010	\$131,865	\$100,250	\$33,417	\$75,000	\$25,000

Source: Median sale prices: Multiple Listing Service. Median household income: "Selected Economic Characteristics," *American Community Survey 2008–2010 3-Year Estimates*, Table CP03.

This decline in home prices has been a total disaster for Waukegan home owners who have seen much, if not all, of their equity wiped out as the values of their homes sink "under water."

The ability of Waukegan residents to move to most of the other Lake County cities and villages is severely limited by the much higher cost of ownership housing in the vast majority of Lake County municipalities. In 2010, a household with the Waukegan median income of \$43,955 could afford to buy a home costing as much as \$131,865. A median-income Waukegan household could afford half of the single-family detached homes in just 18 percent of the county's cities and villages. It could afford half of the attached single-family homes in 26 percent of the county's municipalities and half of the condominiums in 62 percent of them. Current Waukegan households at the median income could not afford to buy the median-priced single-family detached home in 82 percent of the county's towns and could not afford the median-priced attached single-family home in 74 percent of the county's towns.

Rental Housing

Of Lake County's 260,363 housing units in 2010, 23.8 percent were rental. Nearly a third of those are concentrated in North Chicago and Waukegan where only 15.8 percent of the county's dwelling units are located.²⁵

The 7.9 percent vacancy rate falls within the 5 to 10 percent range characteristic of a healthy rental market.

Three out of four tenant households pay at least \$750 a month in rent. Over 45 percent spend \$1,000 or more.

As shown in the table on page 101, more than 52 percent of the county's renters are cost burdened, spending over 30 percent of their gross income on rent. More than four out of five of the cost burdened tenants spend 35 percent or more on rent. A greater percentage of Lake County tenants — 52.2 percent — are cost burdened than home owners — 42.9 percent. A household with the median Lake County income of \$74,705 could easily afford the median rent in Lake County. However, households with greater wealth tend to own rather than rent in this country.

North Chicago

Unlike the county, 62.4 percent of North Chicago dwelling units are rentals. Renting in North Chicago is more expensive than in Lake County as a whole. The median monthly rent in North Chicago is \$988, \$31 higher than the county and \$166 higher than in Waukegan.

The 6 percent vacancy rate falls within the 5 to 10 percent range characteristic of a healthy rental market.

While more than two thirds of North Chicago tenants spend \$750 or more in rent, nearly half pay \$1,000 or more in rent.

Table 43: Lake County Rents in 2010

Lake County Rents in 2010		
Gross Rent	Percentage of Tenant Households	Minimum Annual Household Income to Afford Rent
Under \$200	2.1%	\$8,000
\$200 to \$299	1.7%	\$8,000 to \$11,960
\$300 to \$499	4.4%	\$12,000 to \$19,960
\$500 to \$749	17.1%	\$20,000 to \$29,960
\$750 to \$999	29.5%	\$30,000 to \$31,960
\$1,000 to \$1,499	27.8%	\$40,000 to \$59,960
\$1,500 or more	17.3%	\$60,000
Median Rent	\$957	\$38,280

Source: "Selected Housing Characteristics," 2010 American Community Survey 1-Year Estimates, Table DP04.

Table 44: North Chicago Rents in 2008–2010

North Chicago Rents in 2008–2010		
Gross Rent	Percentage of Tenant Households	Minimum Annual Household Income to Afford Rent
Under \$200	2.1%	\$8,000
\$200 to \$299	3.2%	\$8,000 to \$11,960
\$300 to \$499	5.3%	\$12,000 to \$19,960
\$500 to \$749	20.8%	\$20,000 to \$29,960
\$750 to \$999	19.8%	\$30,000 to \$31,960
\$1,000 to \$1,499	33.8%	\$40,000 to \$59,960
\$1,500 or more	15.1%	\$60,000
Median Rent	\$988	\$39,520

Source: "Selected Housing Characteristics," 2008–2010 American Community Survey 3-Year Estimates, Table DP04.

25. "Selected Housing Characteristics," 2010 American Community Survey 1-Year Estimates, Table DP04 and 2008–2010 American Community Survey 3-Year Estimates, Table DP04.

It takes a median household income of \$39,500 to afford the median North Chicago rent. As noted on page 101, North Chicago has the lowest proportion of cost-burdened tenants of the three jurisdictions: 47.12 percent. While the proportion of North Chicago tenants spending 30 to 34.9 percent of their gross income on rent is about half that of the county, the proportion spending 35 percent or more is 41.2 percent, less than two percentage points lower than in the county and Waukegan.

The median income North Chicago household can easily afford the median rent in North Chicago, Waukegan, and Lake County. While the cost of ownership housing has fallen substantially in North Chicago, the cost of renting continues to be higher in North Chicago than in Waukegan and the rest of Lake County.

Waukegan

A little over 48 percent of Waukegan's housing units are rental. The median monthly rent of \$822 sits substantially below the \$988 median in North Chicago and the county median of \$957.

The 9.6 percent vacancy rate falls at the high end of the 5 to 10 percent range characteristic of a healthy rental market.

More than three of five tenant households are spending \$750 or more in rent. Less than a third spend \$1,000 or more — significantly smaller percentages than in North Chicago.

Similarly, the median household income to afford the median Waukegan rent is 17 percentage points lower than in North Chicago. However, the median household income in Waukegan is only 5 percentage points lower than in North Chicago — which further reflects the greater affordability of rental housing in Waukegan compared to North Chicago.

A household at Waukegan's median income in 2010 — \$43,955 — can easily afford the median-priced rental in Waukegan, North Chicago, and Lake County.

Table 45: Waukegan Rents in 2010

Waukegan Rents in 2010		
Gross Rent	Percentage of Tenant Households	Minimum Annual Household Income to Afford Rent
Under \$200	4.1%	\$8,000
\$200 to \$299	0.3%	\$8,000 to \$11,960
\$300 to \$499	1.8%	\$12,000 to \$19,960
\$500 to \$749	30.3%	\$20,000 to \$29,960
\$750 to \$999	32.1%	\$30,000 to \$31,960
\$1,000 to \$1,499	23.9%	\$40,000 to \$59,960
\$1,500 or more	7.6%	\$60,000
Median Rent	\$822	\$32,880

Source: "Selected Housing Characteristics," 2010 American Community Survey 1-Year Estimates, Table DP04.

Conclusions on Affordable Housing

The exclusion of housing that is affordable to households with modest incomes produces a barrier to socioeconomic diversity and fair housing in Lake County's mostly high and highest opportunity municipalities. Even though North Chicago and Waukegan offer a substantial amount of housing affordable to households with modest incomes, far too many residents are cost-burdened to support a healthy economy.

The concentration of affordable housing in North Chicago, Waukegan, and a

handful of other Lake County communities only exacerbates the racial and Latino segregation in the county. While the research reported upon in Chapter 3 establishes that most Lake County municipalities would have a greater proportion of African American and Hispanic residents if discrimination were not occurring, the paucity of lower-cost housing in those communities only intensifies the segregation and exclusion of minorities — while contributing to the concentrations of minorities in a handful of Lake County communities.

Even as the cost of ownership housing has fallen due to the collapse of the housing market beginning in 2007, Lake County faces an affordable housing crisis that needs to be addressed directly both at the county and municipal levels.

Public Sector Compliance Issues

Efforts to Build and Preserve Affordable Housing

During the 2005–2011 study period, Lake County and its municipalities have not received many proposals to build housing affordable to households with modest incomes that required action by the Lake County Board or a municipality's governing body.

The Lake County Residential Development Corporation is a nonprofit that seeks to provide affordable housing in communities where little or no affordable housing is usually available. It has developed both ownership and rental properties including 110 new construction rental dwellings for seniors in Zion; 26 townhomes sold to low-income buyers in Gurnee; and 19 scattered site rental units in communities such as Barrington, Fox Lake, Mundelein, and Libertyville. It also has preserved more than 725 rental units in North Chicago, Park City, and Gurnee through the Federal Low-Income Tax Program. The corporation also owns a nine-unit building called Mary Pat Maddex Place which provides transitional apartments for mothers in recovery from drug and/or alcohol addiction who are reuniting with their children.

In 2009 and 2010, the Lake County Residential Development Corporation worked with officials from the City of Lake Forest and its Housing Trust Committee to develop a plan to develop new rental housing for modest income households who live or work in Lake Forest. Residents from the surrounding neighborhood consistently opposed the development at public hearings. Election of a new mayor lost the corporation one of its most influential supporters.

Under the new mayor, city council support for the development lessened and the city soon sought a very different development than originally proposed, one which would not be eligible for a tax credit from the Illinois Housing Development Authority. In late 2010, the Lake Forest Housing Trust Fund asked the corporation to submit a new proposal for ownership housing which the corporation declined to do due to depressed market conditions.

In January 2011, the new mayor got the city council to amend the Housing Trust Ordinance that reduced the authority of the trust and enlarged membership of the trust's committee. Five new members were appointed to the trust committee in February 2011. The Housing Trust still says it is looking for the

“right” proposal for the site.

Community Partners for Affordable Housing seeks to create public-private partnerships to preserve, maintain, and develop permanently affordable ownership and rental housing for low- and moderate-income households. The target population consists of current residents of Highland Park and Lake Forest with modest incomes and people with modest incomes who work in these cities. Initiated by the City of Highland Park, Community Partners manages the first community land trust in Illinois to build new homes and acquire and rehabilitate existing homes to sell at a price households with modest incomes can afford. The trust retains ownership of the underlying land which it leases to the homeowner for a nominal fee. This approach enables the purchase price to be set at 20 to 65 percent below market value. The resale price of the home is set by a formula to give the homeowner a fair share of its appreciation while keeping it affordable to another household with modest income. Some of the trust’s homes are available to rent.

So far Community Partners has produced 38 affordable units in Highland Park and two in Lake Forest. In Highland Park, four units are rental and one is a “lease to own.” The other dwellings were all sold under the land trust. All but seven of the households served have household incomes from 50 to 80 percent of the area’s median income, roughly in the high thirties to low forties. Half of the dwellings in the 14-unit Hyacinth Place development were sold to “work force” households with incomes up to 120 percent of the area’s median income.

The two homes in Lake Forest were priced at \$180,000, approximately \$1,200 per month in mortgage, property tax, and insurance. To be eligible, household income could not exceed 80 percent of the area median income, \$60,000 for a four-person household.²⁶

In large part because the program serves existing residents of these cities as well as people who work in them, 69 percent of the participants have been Caucasian, 4 percent African American, 9 percent Asian, and 18 percent Latino of any race.²⁷ Stronger efforts to affirmatively market the units to employees in these cities is necessary to make the program more pro-integrative.

In 2001 Highland Park adopted an affordable housing plan that recommended establishing a land trust and adopting mandatory inclusionary zoning.²⁸ The land trust is administered by the Community Partners for Affordable Housing as described above. The city adopted mandatory inclusionary zoning in 2003. Since then it has generated four units of housing affordable to households with modest incomes. Another 15 to 20 affordable units were in developments approved, but not yet built due to the recession.²⁹

26. “Two Affordable Homes Available Through Community Partners for Affordable Housing – City of Lake Forest Partnership,” available online at <http://cpahousing.org/resources>. The link is “Lake Forest Pilot Program.”

27. Telephone interview with Robert Anthony, Executive Director, Community Partners for Affordable Housing (June 1, 2012).

28. The Natalie P. Voorhees Center for Neighborhood and Community Improvement, The University of Illinois at Chicago, *Highland Park Affordable Housing Plan* (January, 2001) 30–32, 39.

29. Telephone interview with Robert Anthony, Executive Director, Community Partners for Affordable Housing (June 1, 2012).

The Affordable Housing Corporation of Lake County is a nonprofit that seeks to increase and preserve affordable ownership housing throughout Lake County. It has been acquiring foreclosed homes, making improvements to them, and selling them to eligible households. It maintains a roster of participating lenders. It also provides counseling and assistance to prevent foreclosure including a foreclosure loan program that can offer loans up to \$25,000 to bring a household's mortgage current and prevent foreclosure. The corporation also offers educational classes for homeowners and home buyers.

In 2011, the corporation acquired, rehabilitated, and resold 15 foreclosed homes, helping to shore up two distressed neighborhoods. Of the 92 home owners it counseled, 89 percent were able to avoid foreclosure.

Figure 44: New Urbanist Homes in the Prairie Crossing Development



Zoning and Availability of Land for Residential Development

All three jurisdictions suffered huge declines in new residential construction between 2005 and 2010, with new construction plummeting beginning in 2008 as the nation's housing crisis spread. Most likely economic conditions will continue to curtail the ability of any of the jurisdictions in Lake County to get new housing built that is affordable to households with modest incomes.

But even when the economy rebounds more vigorously, the exclusionary provisions in Lake County's own zoning — and the zoning of most of the county's cities and villages — will continue to prevent construction of housing affordable to households of modest means.

Unincorporated Lake County

While the annual number of single-family dwelling units for which building permits were issued in 2010 was nearly 84 percent lower than in 2005, the decline was “just” 60 percent for all multi-family units. As the table below shows, the nadir for multifamily came in 2009 and for single family in 2010.

Table 46: Number of Housing Units for Which Building Permits Were Issued By Lake County: 2005–2010

Number of Housing Units for Which Building Permits Were Issued By Lake County: 2005–2010						
	2005	2006	2007	2008	2009	2010
Total Units	4,206	2,505	2,225	710	517	698
Units in Single-Family Structures	3,527	2,261	1,859	632	475	427
Units in All Multi-Family Structures	679	244	366	78	42	271
Units in 2-unit Multi-Family Structures	12	4	0	4	6	10
Units in 3- and 4-unit Multi-Family Structures	84	42	4	4	0	0
Units in 5+ Unit Multi-Family Structures	583	198	362	70	36	261

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

The table below shows the amount of land in each of the county's zoning districts that allows residential uses. The "Agricultural District" (AG) is largely a holding zone until specific development proposals are made.

Table 47: Land Zoned for Residential Use in Lake County As of September 1, 2011

Land Zoned for Residential Use in Lake County As of September 1, 2011						
Zoning Districts That Allow Residential Uses		Maximum Density in Units Per Acre	Minimum Lot Area in Square Feet	Total Acres	Percentage of All Land Zoned Residential	Land Available to Develop in Acres
AG	Agricultural District	0.20	200,000	27,767	41.8%	Unknown
RE	Rural Estate District	0.20	200,000	5,522	8.3%	Unknown
E	Estate District	0.45	80,000	10,191	15.4%	Unknown
R-1	R-1 Residential District	0.80	40,000	15,877	23.9%	Unknown
R-2	R-2 Residential District	1.33	20,000	1,128	1.7%	Unknown
R-3	R-3 Residential District	2.00	12,000	3,414	5.1%	Unknown
R-4	R-4 Residential District	2.50	8,500	2,112	3.2%	Unknown
R-4A	R-4A Residential District	5.00	Detached House: 8,500 Duplex: 12,500 Lot Line: 8,500 Twinhouse: 6,250 Multi-Dwelling, Multiplex, Townhouse: 8,500 first dwelling unit + 5,000 second unit + 3,000 each additional unit	0	0.0%	0
R-5	R-5 Residential District	8.00		49	0.1%	0
R-6	R-6 Residential District	12.00		260	0.4%	0
RR	RR Resort Residential District	12.00		58	0.1%	0
					0.0%	
Total Land Zoned for Residential Use				66,378	100.0%	Unknown
Source: Lake County Community Development Division						

Source: Lake County Community Development Division

For a variety of reasons, the county is unable to estimate the amount of land available for development in any of these districts. However, it is abundantly clear that nearly 90 percent of the land zoned for residential use is allocated to zoning districts that impose a very large minimum lot size of nearly an acre or

more. Another 1.7 per cent are in the R-2 district where the minimum lot size is 20,000 square feet, nearly half an acre. Less than 8.5 percent of the land is available in the R-3 and R-4 districts where the minimum lot size would allow for construction of smaller houses that households with more modest incomes could possibly afford. Less than one percent of the residentially-zoned land is in districts that allow multi-family as of right — housing that could be affordable to households with modest incomes as well as young households for whom ownership is not appropriate.

The zoning ordinance says that the R-2, R-3, and R-4 districts are intended to accommodate “moderate density” residential development.³⁰ However, there is nothing “moderate” about zoning districts that require minimum lot sizes of 20,000, 12,000, and 8,500 square feet. It would be more accurate to describe these districts as allowing “low density” development. Even though the *Unified Development Ordinance of Lake County* maps 10 percent of the residentially-zoned land to these three districts, the *Regional Framework Plan* projects that a “large percentage” of projected residential growth during the next 20 years to be in these three districts. Remember that the AG district serves as a holding zone until specific development proposals are set forth.

The R-4A, R-5 and R-6 zoning districts are intended to accommodate many residential development options “from detached houses on “medium-size” lots to “moderate” density, multi-story apartments.”³¹ Maximum density in R-4A is five dwellings per acre, in R-5 is eight dwellings per acre, and 12 dwellings per acre in R-6. The *Regional Framework Plan* expects a “substantial portion” of Lake County’s residential growth over the plan’s 20-year planning horizon to occur within these zoning districts.³²

While it would be highly desirable to know the amount of land in each district that is available for development, it is clear that the county’s residential districts and the allocation of land to them are characteristic of the sort of exclusionary zoning that distorts the free market by making land available to build more modestly-priced housing very scarce. While it may not be the intent of the county’s *Unified Development Ordinance* to disadvantage lower-income households, small households, the elderly, people with disabilities, or others, these provisions make it more difficult for classes protected by fair housing laws to afford housing and effectively exclude them from wide swatches of Lake County. This sort of zoning contributes to Latinos and African Americans largely being segregated in a handful of Lake County cities and villages as noted in Chapter 3.

Several other provisions of the county’s *Unified Development Ordinance* contribute to the *de facto* exclusion of affordable housing from much of Lake County.

The absence of any mixed-use zoning districts (outside of the possibility of a mixed-use planned unit development), and office and commercial zoning districts that do not permit residential development (except as a dwelling attached to and subordinate in area to the principal non-residential use of the same building) make it more likely that residential development will be segregated from

30. *Unified Development Ordinance of Lake County*, Sec. 5.5.1.

31. *Ibid.* Sec. 5.6.1.

32. *Ibid.* Sec. 5.6.1.

employment and shopping opportunities.

Suggestion Lake County should look into refining its zoning to allow mixed-use districts as of right.

All residential developments located in the R-1, R-2, R-3, R-4, R-5, and R-6 zoning districts are required to provide Recreation Land Area at the rate of .055 acres (2,396 square feet) per dwelling unit.³³ Section 11.2 requires developers to provide land, cash, or a combination of the two as a park contribution, with two exceptions:

- ◆ Subdivisions comprised of single-family detached houses with a net density up to 1.25 dwelling units per acre
- ◆ Subdivisions which would be required to provide less than a quarter acre of recreation land³⁴

Park contributions add costs of land acquisition, landscaping, maintenance, and other improvements. It is most puzzling that the ordinance grants these exceptions but does not grant full or even partial exceptions for low- and moderate-income housing or age-restricted developments for seniors.

Suggestion Lake County should revise its provisions for park contributions to better reflect the demand age-restricted housing generates and to allow a partial or full waiver of park contributions for housing affordable to households with modest incomes coupled with reducing the minimum lot size to offset the value of a park contribution.

By limiting accessory dwellings to the large lot AG, RE, E, and R-1 districts with a minimum area of 80,000 square feet, the *Unified Development Ordinance* imposes a barrier to providing affordable housing via accessory dwellings in the R-2 through R-6 residential districts.

The *Unified Development Ordinance* provisions on affordable housing are puzzling. Under “Density and Dimensional Standards,” the ordinance discusses “Affordable Housing.” The following is the entire content of that section:

“Commentary
“The Lake County Board supports Affordable Housing where infrastructure, including water, sewer, roads and schools can support it.”³⁵

The definition of “Affordable Housing” is:

“Decent, safe and sanitary housing that can be secured at a cost not exceeding 30 percent of the owner’s or renter’s household income. For renters, the 30 percent is comprised of rent and utili-

33. Ibid. Sec. 4.1.4.3.b.2.

34. Note the apparent contradiction between this threshold and the one-half acre threshold in Section 4.1.4.3.b.2.

35. Ibid. Sec. 7.5.

ties. For owners, the 30 percent is comprised of mortgage principal, interest, real estate taxes and insurance (PITI).”³⁶

That is the full extent of the *Land Development Ordinance* provisions regarding affordable housing. The ordinance provides no guidance that would clarify when infrastructure would support affordable housing.

The ordinance does offer an opportunity to ease lot size and setback requirements to allow for the construction of housing that could be more affordable to households of modest means. In all residential zoning districts, sites larger than five acres can be approved as “Conservation Residential Developments” where the minimum lot size and setback standards of Table 7.1–1 are replaced by the maximum density and minimum open space ratios of Table 7.1–2 and the conservation residential housing standards of section 7.6. Section 7.6 permits detached houses, lot–line detached houses, village houses, twinhouses, duplexes, patio houses, atrium houses, townhouses, multiplexes, and multi–family dwellings. Cluster development, however, is allowed only in the AG, E, R-1, R-2 and R-3 districts. Section 7.6 also offers reductions in lot size and setbacks below that required by conventional development.³⁷

Suggestion Lake County should offer incentives for developers to use conservation residential development to build housing more affordable to households with modest incomes.

Section 7.8 lists several purposes for planned unit developments including innovative land planning and design to achieve environmental protection, energy efficiency, aesthetics, and high–quality development. Nowhere does it mention affordable housing.

Suggestion Lake County should expand the purposes of planned unit developments to include “housing affordable to households with a full range of incomes, including modest incomes” and provide additional incentives such as density bonuses to include affordable housing.

Lake County requires all residential uses to provide two parking spaces per dwelling.³⁸ Sound zoning principles and practices, however, vary the number of spaces required by the size of each dwelling because different sized households generate different numbers of cars. The number of bedrooms can be used for determining the likely number of cars a dwelling would generate. For example, a one–bedroom apartment may be required to provide one parking space and a three–bedroom house may be required to provide two parking spaces. In addition, proximity to public transportation can reduce the number of cars a household is likely to have and off–street parking requirements can be reduced for such transit oriented development. Lake County’s flat rate of two parking spaces per dwelling can unnecessarily increase the cost of small dwelling units and disadvantage small households, low-income households, and elderly or disabled res-

36. Ibid. Sec. 14.2.

37. Ibid. Sec. 7.6.

38. Ibid. Sec. 9.1.

idents who do not have cars or have few cars.

Suggestion Lake County should revise its off-street parking standards for residential uses to accurately reflect the number of cars likely to be generated by different sized residences and by proximity to public transportation.

The *Land Development Ordinance* §11.1 requires developers to pay school contributions to provide land for additional student population based upon current “Tables of Estimated Ultimate Population” per type of dwelling unit. School contributions may be required in land, cash, or a combination of land and cash. For developments that are age-restricted, such as an exclusively active adult, independent living, or assisted living facility, the cash contribution is multiplied by 0.25 to account for the reduced likelihood of generating students.³⁹ In contrast, the ordinance has no provisions to waive of any part of the school contribution for dwellings for low-income households, and no provision to waive the entire fee for age-restricted households that would generate no school children. Requiring school contributions for age-restricted developments, even at a reduced rate, can raise the cost of development and discourage the inclusion of housing affordable to low- and moderate-income households.

Suggestion Lake County should add provisions to its *Unified Land Development Ordinance* to waive school contributions for residential uses that do not generate school children due to age restrictions or the other characteristics of their residents.

Figure 45: Townhomes in Unincorporated Gurnee Lost Value



North Chicago

As the table below suggests, new construction was nearly nonexistent in North Chicago even before the nation’s housing bubble burst.

39. Ibid. Sec. 11.1.

Table 48: Number of Housing Units for Which Building Permits Were Issued By North Chicago: 2005–2010

Number of Housing Units for Which Building Permits Were Issued By North Chicago: 2005–2010						
	2005	2006	2007	2008	2009	2010
Total Units	18	13	4	2	1	0
Units in Single-Family Structures	18	13	4	2	1	0
Units in All Multi-Family Structures	0	0	0	0	0	0
Units in 2-unit Multi-Family Structures	0	0	0	0	0	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0	0

Source: SOCDs Building Permits Database at <http://socds.huduser.org/permits/index.html>

As the table that follows shows, the city is fully developed. At best, in-fill development opportunities may exist.

In contrast to Lake County's zoning, North Chicago's does not feature provisions characteristic of exclusionary zoning. The minimum lot sizes and other density regulations for each of the city's residential zoning districts enable the construction of housing that would be affordable to households with modest incomes.

Table 49: Land Zoned for Residential Use in North Chicago As of September 1, 2011

Land Zoned for Residential Use in North Chicago As of the End of 2011				
Zoning Districts That Allow Residential Uses	Minimum Lot Area in Square Feet	Total Acres	Percentage of All Land Zoned Residential	Land Available to Develop in Acres
R1 R1 Single Family Residential	8,000	255.4	28.8%	0
R2 R2 Single Family Residential	7,000	21.0	2.4%	0
R3 R3 Single Family Residential	Single family: 6,000; Attached dwellings, 5,000 first unit, 3,000 each additional unit up to four; 8,000 duplex	472.8	53.3%	0
R4 Limited Multi-Family Residential	Single family: 7,500; Attached dwellings, 5,000 first unit, 3,000 each additional unit up to eight; Apartments: 5,000 first unit + 3,000 second unit each additional up to 12 maximum, 1 bedroom or efficiency: 1,500; Two bedroom: 2,000; 3 bedroom 2,500	16.8	1.9%	0
R5 General Residential	Attached dwellings, 5,000 first unit + 2,500 second unit up to eight; Apartments: 5,000 first unit + 2,000 each additional up to 50 maximum, 1 bedroom or efficiency: 1,000; Two bedroom: 1,500; 3 bedroom 2,000	120.3	13.6%	0
Total Land Zoned for Residential Use		886	100.0%	0

Source: North Chicago Department of Economic Development.

Waukegan

While Waukegan enjoyed a modest amount of new development prior to the housing crash, a very small number of single-family and two-dwelling homes continue to be built. No building permits have been issued for buildings with more than two dwelling units since 2006.

Table 50: Number of Housing Units for Which Building Permits Were Issued By Waukegan: 2005–2010

Number of Housing Units for Which Building Permits Were Issued By Waukegan: 2005–2010						
	2005	2006	2007	2008	2009	2010
Total Units	297	66	51	22	21	27
Units in Single-Family Structures	217	66	51	18	15	17
Units in All Multi-Family Structures	80	0	0	4	6	10
Units in 2-unit Multi-Family Structures	4	0	0	4	6	10
Units in 3- and 4-unit Multi-Family Structures	4	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	72	0	0	0	0	0

Source: SOCDS Building Permits Database at <http://socds.huduser.org/permits/index.html>

As the table below suggests, Waukegan has land available to develop in nearly all of its residential zoning districts.

Figure 46: Woodstone Village Rentals in Zion



Table 51: Land Zoned for Residential Use in Waukegan As of October 2011

Land Zoned for Residential Use in Waukegan As of October 2011					
Zoning Districts That Allow Residential Uses		Minimum Lot Area in Square Feet	Total Acres	Land Available to Develop in Acres	Percentage of Land Available to Develop
ER-1	Estate Residence	80,000	0	0	0.0%
ER-2	Estate Residence	40,000	742	208	28.0%
R1	Single-Family Residence	10,000	2,028	1,196	59.0%
R1A	Single-Family Residence	20,000	0	0	0.0%
R2	Single-Family Residence	7,200	1,478	320	21.7%
R3	Single-Family Residence	6,000	1,556	102	6.5%
R4	Two-Family Residence	Single-family detached: 6,000 Two-family detached: 7,200	684	72	10.5%
R5	Limited General Residence	Single-family and two-family detached: 6,000 Two-family attached and multi-family (no smaller than 6,000): 2,000 per unit efficiency and 1 bedroom 2,500 per unit two or more bedrooms	367	70	19.1%
R6	General Residence	Single-family and two-family detached: 6,000 Two-family attached and multi-family (no smaller than 6,000): 1,000 per unit efficiency and 1 bedroom 1,250 per unit two bedrooms 1,500 per unit three bedrooms 2,000 per unit four or more bedrooms	443	89	20.0%
R7	General Residence		6	2	33.5%
R8	General Residence	Single-family and two-family detached: 6,000 Two-family attached and multi-family (no smaller than 6,000): 250 per unit efficiency and 1 bedroom 400 per unit two or more bedrooms 550 per unit 3 bedrooms 700 per unit four or more bedrooms	51	24	48.0%
Total Land Zoned for Residential Use			7,354	2,082	28.3%

Source: Waukegan Department of Planning and Zoning.

Waukegan's zoning ordinance does not appear to exhibit characteristics typical of exclusionary zoning.

Land-Use Controls and Building Codes

Community Residences for People With Disabilities

Twenty-four years ago the Fair Housing Amendments Act of 1988 (FHAA) added people with disabilities to the classes protected by the nation's Fair Housing Act (FHA). The amendments recognized that many people with disabilities need a community residence (group home, halfway house, recovery community) in order to live in the community in a family-like environment rather than being forced into an inappropriate institution. The FHAA's legislative history stated that:

"The Act is intended to prohibit the application of special requirements through land-use regulations, restrictive covenants, and conditional or special use permits that have the effect of limiting the ability of such individuals to live in the residence of their

choice with in the community.”⁴⁰

While some suggest the FHAA prohibits all zoning regulation of community residences, the FHAA’s legislative history suggests otherwise:

“Another method of making housing unavailable has been the application or enforcement of otherwise neutral rules and regulations on health, safety, and land–use in a manner which discriminates against people with disabilities. Such discrimination often results from false or over–protective assumptions about the needs of hand–icapped people, as well as unfounded fears of difficulties about the problems that their tenancies may pose. These and similar practices would be prohibited.”⁴¹

Many states, counties, and cities across the nation continue to base their zoning regulations for community residences on these “unfounded fears.” The 1988 amendments require all levels of government to make a *reasonable accommodation* in their zoning rules and regulations to enable community residences for people with disabilities to locate in the same residential districts as any other residential use.⁴²

It is well settled that a community residence is a residential use, not a business. The Fair Housing Amendments Act of 1988 specifically invalidates restrictive covenants that would exclude community residences from a residential area. The Fair Housing Act renders them unenforceable against community residences for people with disabilities.⁴³

Typically, a city’s zoning ordinance places a cap on the maximum number of unrelated people allowed to live together in a single dwelling unit.⁴⁴ For example, many zoning codes set four as the cap on the number of unrelated people who can reside together. In this example, community residences for more than four unrelated individuals are excluded from the residential districts where they belong.⁴⁵

If a proposed community residence complies with the cap in a zoning code’s definition of “family,” any community residence that abides with that cap must be allowed as of right as a permitted use.⁴⁶ The courts have made it abundantly clear that imposing any additional zoning requirements on a community residence that complies with the cap in the definition of “family” would clearly constitute illegal discrimination under the Fair Housing Act. When a definition of

40. H.R. Report No. 711, 100th Cong., 2d Sess. 311 (1988), reprinted in 1988 U.S.C.C.A.N. 2173.

41. Ibid.

42. 42 U.S.C. §3604(f)(B) (1988).

43. H.R. Report No. 711, 100th Cong., 2d Sess. 311 (1988), reprinted in 1988 U.S.C.C.A.N. 2173, 2184.

44. The U.S. Supreme Court sanctioned this type of restriction in *Village of Belle Terre v. Boraas*, 416 U.S. 1 (1974) and later modified its ruling in *Moore v. City of East Cleveland, Ohio*, 431 U.S. 494 (1977).

45. The vast majority of community residences for people with disabilities house more than four people. While the trend for people with developmental disabilities is towards smaller group home households, valid therapeutic and financial reasons result in community residences for people with mental illness and for people in recovery from drug and/or alcohol addiction housing eight to 12 residents.

46. The phrases “as of right” and “permitted use” are synonyms that can be used interchangeably. An application to establish a permitted use does *not* require a public hearing. City or county staff handle applications for permitted uses administratively. A special use or conditional use requires a public hearing and approval by the jurisdiction’s hearing body (zoning board of appeals or plan commission) and by the jurisdiction’s legislative body (city council, county board of commissioners, village board).

“family” places no limit on the number of unrelated individuals who can dwell together, then all community residences for people with disabilities must be allowed as a permitted use in all residential districts.⁴⁷

Under these circumstances, a zoning ordinance cannot legally impose additional requirements on the community residence that are not imposed on all other families — like a spacing distance between community residences or a requirement for a license — or requires a conditional use permit for the community residence. When a community residence that complies with a jurisdiction’s definition of “family” additional zoning requirements placed on the community residences for people with disabilities would constitute discrimination on its face under the Fair Housing Act.

When a proposed community residence would house more unrelated people than the definition of “family” allows, jurisdictions must make the “reasonable accommodation” that the Fair Housing Act requires to allow such community residences to locate in residential districts. However, different types of community residences have dissimilar characteristics that warrant varying zoning treatment depending on the type of tenancy.

Community residences that offer a relatively permanent living arrangement in which there is no limit to how long somebody can live there (group homes and recovery communities) should be permitted uses allowed as of right in all residential districts. There is considerable debate in legal circles whether a rationally-based spacing distance or a license can be required.

On the other hand, community residences such as a halfway house that sets a limit on length of residency are more akin to multifamily housing and may be subject to a special use permit in single-family districts, although this too is subject to debate in legal circles. There is little doubt that they should be allowed as of right in multifamily districts although there is debate over whether a spacing distance from other community residences or a license can be required.

While a jurisdiction can certainly exclude transitional homes for people *without* disabilities from the residential districts of its choosing, the Fair Housing Act prohibits this kind of zoning treatment for halfway houses and recovery communities that house people with disabilities.⁴⁸ The key distinction between halfway houses and recovery communities is that tenancy in the former is temporary. Halfway houses impose a limit on how long residents can live there. Tenancy is measured in months.

On the other hand, residency in a recovery community is relatively permanent. There is no limit to how long a recovering alcoholic or drug addict who is not using can live there. Tenancy is measured in years just as it is for conventional rental and ownership housing. Consequently, it is rational for zoning to treat recovery communities like group homes which also offer relatively permanent living arrangements and to treat halfway houses more like multifamily

47. See also *Marbrunak, Inc. v. City of Stow, Ohio*, 974 F.2d 43 (6th Cir. 1992).

48. It is extremely well-settled that people with drug and/or alcohol addictions who are not currently using an illicit drug are people with disabilities under the *Fair Housing Act* and the *Americans With Disabilities Act*. See 42 U.S.C. 3602(h) and 24 C.F.R. 100.201(a)(2). See, also, *City of Edmonds v. Washington State Building Code Council*, 115 S. Ct. 1776 (1995).

rental housing. Halfway houses should be allowed as of right in multifamily districts. In single-family districts, the higher scrutiny of a special use permit is warranted for a halfway house.

Any examination of a city's zoning treatment of community residences begins with its zoning definition of "family" or "household." Lake County's *Unified Development Ordinance* defines "household" as:

"Any of the following: (1) 2 or more persons related to one another by blood, marriage, or legal adoption, living together as a single housekeeping unit in a dwelling unit; or (2) up to 4 unrelated persons living together as a single housekeeping unit in a single dwelling unit; or (3) up to 8 persons with physical or developmental disabilities and attendant support staff living together as a single housekeeping unit in a single dwelling unit."⁴⁹

By including "up to 8 persons with physical or developmental disabilities and attendant support staff living together as a single housekeeping unit in a single dwelling unit" in the zoning definition of "household," Lake County renders all other zoning restrictions on community residences for up to eight people with disabilities legally unenforceable. Such homes must be allowed as of right everywhere residences are allowed as a permitted use. As explained above, the nation's Fair Housing Act clearly prohibits imposing *any* additional requirements on such community residences included within the definition of "household."

Similarly, this definition also invalidates the code's placement of community residences for up to eight residents under "Public, Civic, and Institutional Use Categories," in particular its treatment of *all* community residences as "Assisted Living." The code specifically states:

"Assisted Living is characterized by occupancy of a structure by a group of people with developmental disabilities. The residents may receive care, training, or treatment. Care givers may (or may not) reside at the site."⁵⁰

It goes on to give examples of "Assisted Living" uses that improperly lump together community residences for people with disabilities with institutional uses like nursing homes:

"Examples of Assisted Living include nursing and convalescent homes; *certain group homes for the physically disabled, mentally retarded, or emotionally disturbed; and some residential programs for drug and alcohol treatment.*"⁵¹

The code also states that Assisted Living uses may be subject to the Site Capacity Calculations/Site Plan Review procedures of the development code. A community residence for as many as eight residents, however, cannot be subjected to these review procedures unless the residential structure in which it

49. *Lake County Unified Development Ordinance*, Section 14.2, §200.

50. *Ibid.* §14.1.4.1.a.

51. *Ibid.* §14.1.4.1.c. *Emphasis added.*

would be located — conservation development, mobile home park, conventional residential development of three or more dwelling units or lots or any site development of any parcel larger than 200,000 square feet with more than two single-family dwellings — is subject to these procedures. A community residence for up to eight people with disabilities cannot be subjected to these procedures simply because it is a community residence for people with disabilities.

The code allows Assisted Living uses only by conditional use permit in the agricultural district AG and the residential districts RE, E, R1, R2, R3, and R4. They are permitted uses in zones R4a, R5, R6, and RR.⁵² As explained above, the county *cannot* require a conditional use permit for community residences for no more than eight residents with disabilities in any of these residential districts.

The county's *Unified Development Code* does not mention community residences that house more than eight people. However, it is well-settled law that a jurisdiction's zoning ordinance cannot regulate the number of occupants of a community residence for people with disabilities. Like all other residences, the number of residents should be determined by the jurisdiction's property maintenance or building code square footage requirements for each occupant of a bedroom.⁵³ It is likely that a city or county can set a cap on the number of occupants in a community residence for people with disabilities based on when the number is too great to successfully emulate a family. That cap would fall between 12 and 15 residents. But the actual number of occupants permitted would still be limited by the jurisdiction's property maintenance or building code requirements that apply to all residential uses.

The county reports that it received no applications to establish a community residence during the 2005–2011 study period.⁵⁴ County staff identified 12 *possible* community residences in the county, three-fourths of which are in North Chicago and Waukegan. Several of these were not community residences. There was no evidence of clustering on a block or in a neighborhood.

North Chicago

North Chicago uses a more limited definition of “family” than Lake County:

“Family shall mean and may include one (1) head of household, his or her spouse or other adult, their children, foster children, wards, parents or other single relations and not more than one (1) other unrelated adult.”⁵⁵

In June 2006, the city amended its zoning code to define “community residence” as:

“A single dwelling unit occupied on a relatively permanent basis

52. Ibid. Section 6.2 Use Table.

53. *City of Edmonds v. Washington State Building Code Council*, 115 S. Ct. 1776 (1995). These requirements are discussed beginning on page 131.

54. Email from Joel Williams, Lake County Planning, Building & Development, to Daniel Lauber (May 11, 2011) (on file with author).

55. *North Chicago Zoning Ordinance*, Article 2, §2.2.52.

as a single housekeeping unit, in a family-like environment, by unrelated persons with disabilities, plus paid professional support staff provided by a sponsoring agency, either living with the residents on a 24-hour basis, or present whenever residents with disabilities are present at the dwelling. A community residence for persons with disabilities plus support staff shall be considered a residential use. Community Residence is further defined as Family Community Residence or Group Community Residence.”⁵⁶

“FAMILY COMMUNITY RESIDENCE A single dwelling unit occupied on a relatively permanent basis in a family-like environment by a group of no more than eight (8) unrelated persons with disabilities, plus paid professional support staff provided by a sponsoring agency, either living with the residents on a 24-hour basis, or present whenever residents with disabilities are present at the dwelling; and complies with the zoning regulations for the district in which the site is located.”⁵⁷

“GROUP COMMUNITY RESIDENCE A single dwelling unit occupied on a relatively permanent basis in a family-like environment by a group of nine (9) to fifteen (15) unrelated persons with disabilities, plus paid professional support staff provided by a sponsoring agency, either living with the residents on a 24-hour basis, or present whenever residents with disabilities are present at the dwelling; and complies with the zoning regulations for the district in which the site is located.”⁵⁸

Family community residences are allowed only by special use permit in the R3 which allows single- and multi-family dwelling and the multi-family districts R4 and R5. They are completely prohibited in the R1 and R2 single-family residential districts.

Group community residences are allowed only by special use permit in the R5 district and are completely prohibited from all other residential districts.

As explained earlier, these restrictions violate the letter and the spirit of the nation’s Fair Housing Act.

While there are circumstances where a city can require a special use permit for a community residence for people with disabilities as explained above, some of the city’s standards for issuing a special use permit for a community residence still run afoul of the Fair Housing Act:

- ◆ "Paid Professional Staff must file copy of certification with City of North Chicago.”⁵⁹
- ◆ “All units must be inspected on an annual basis by the Building Department.”⁶⁰

56. Ibid. §2.2.31.

57. Ibid. §2.2.53.

58. Ibid. §2.2.66.

59. Ibid. §5.4.3.9.1.

60. Ibid. 5.4.3.9.1.8.

- ◆ “No community residences shall be located within 1000 feet of a school or park, a licensed daycare center, a business serving or selling alcohol.”⁶¹

It is difficult to imagine any rational basis for any of these three requirements. The first could possibly be justified if the city requires *all* paid care givers to file a copy of certification with the city. The second could be justified if *all* residential units are subject to an annual inspection. There is simply no legal justification for the third requirement which effectively prohibits community residences from substantial areas of the city. This restriction appears to be based on “unfounded fears of difficulties about the problems that their [people with disabilities] tenancies may pose” that the Fair Housing Amendments Act prohibits.⁶²

North Chicago’s zoning improperly does not allow a community residence of any type to locate within the 1,000 spacing distance.

The city does not have records of zoning applications for any uses prior to 2008.⁶³ Since then special use permits have been issued by unanimous vote to the two community residences that have sought them. Neither one faced significant community opposition.⁶⁴

Waukegan

Waukegan’s zoning definition of “family” allows up to five unrelated individuals to live together.

“FAMILY is an individual or married couple and the children thereof with not more than two other persons related directly to the individual or married couple by blood or marriage; or a group of not more than five (5) unrelated persons, living together as a single housekeeping unit in a dwelling unit.”⁶⁵

As explained earlier, any community residence that houses up to five unrelated people with disabilities complies with this definition of “family.” To comply with the nation’s Fair Housing Act, Waukegan must allow such homes for five or fewer residents as a permitted use in all residential districts free of any requirements that do not apply to all families. The city must make a reasonable accommodation in its zoning to allow for community residences that house more than five unrelated individuals with disabilities.

Currently the city improperly does *not* treat a community residence for five or fewer people with disabilities as a “family” if there are shift or live-in staff. The city instead classifies these families as “community residences.”⁶⁶

The ordinance defines “community residence” as:

61. Ibid. 5.4.3.9.1.9.

62. H.R. Report No. 711, 100th Cong., 2d Sess. 311 (1988), reprinted in 1988 U.S.C.A.N. 2173.

63. Email from Nimrod Warda, City Planner, North Chicago Department of Economic Development, to Daniel Lauber (March 13, 2012) (on file with author).

64. Ibid.

65. *Waukegan Zoning Ordinance*, §13.2.

66. Telephone interview with Steve Sabourin, Senior Planner/Plat Administrator, Department of Planning and Zoning, City of Waukegan (May 29, 2012).

“...a single dwelling unit occupied on a relatively permanent basis as a single housekeeping unit, in a family-like environment, by unrelated persons with disabilities, plus paid professional support staff provided by a sponsoring agency, either living with the residents on a 24-hour basis, or present whenever residents with disabilities are present at the dwelling. A community residence for persons with disabilities plus support staff shall be considered a residential use.”⁶⁷

The ordinance divides community residences into two classifications based on the number of residents with disabilities:

- ◆ Family community residences for up to eight unrelated individuals with disabilities, and
- ◆ Group community residences for nine to 15 unrelated persons with disabilities.”⁶⁸

The ordinance includes community residences for persons with disabilities in its definition of a “dwelling:”

“DWELLING is a building or portion thereof designed or used exclusively for residential occupancy, including single-family dwellings, two-family dwellings, and multiple-family dwellings, and *community residences for persons with disabilities*, but not including hotels or motels.”⁶⁹

Including community residences for persons with disabilities in the zoning definition of “dwelling” is unnecessary and fraught with legal danger.

It is unnecessary because the definition of community residence clearly states that community residences for persons with disabilities plus support staff shall be considered residential uses.

The legal danger arises because it could be argued in a lawsuit, quite possibly with considerable success, that including community residences for people with disabilities in Waukegan’s definition of “dwelling” makes any restrictions or additional requirements on these community residences that are *not* imposed of other dwellings constitute illegal discrimination under the Fair Housing Act.

Including community residences in the definition of “dwelling” just does not make sense. The other types of “dwellings” in Waukegan’s zoning ordinance are single-family homes, two-family dwellings, and multiple-family dwellings. These are different physical types of residences. A community residence can be located in a single-family residence, a duplex, or a multiple-family building. Community residences are a *use*, not a physical type of residence.

The bottom line is that Waukegan should treat community residences for people with disabilities the same as it treats the type of structure in which it would be housed. It could be argued with considerable veracity that when an operator

67. Ibid.

68. Ibid.

69. Ibid. *Emphasis added.*

seeks to establish a community residence for people with disabilities in a single-family dwelling, it almost certainly must be allowed as of right in all zoning districts where single-family dwellings are allowed. A community residence in a two-family dwelling almost certainly must be allowed of right in all zoning districts where two-family dwellings are permitted uses. The city cannot legally impose a spacing distance between such community residences or require a license; nor can it require a conditional use permit.

Including community residences in the zoning definition of “dwelling” could render Waukegan’s additional zoning restrictions on community residences legally unenforceable.

Currently, Waukegan allows family community residences as permitted uses in the R1, R1A, R2, and R3 residential zones. These restrictions include a 1,000-foot spacing distance between community residences and demonstrating that the applicant has either obtained or is eligible for licensing or certification.⁷⁰

Group community residences are permitted uses in the R5, R6, R7, and R8 residential districts under the same conditions as family group residences described in the paragraph above.⁷¹ They are prohibited in the other residential districts.

As noted above, these conditions could be judged illegal under the Fair Housing Act because community residences fall within the definition of “dwellings.”

Community residences are not allowed in any of the city’s commercial districts even though multi-family housing is allowed. Even though “dwellings” are allowed in the Central Business District, Central Service District, and Marine-Commercial Recreation District, the ordinance does not allow community residences for people with disabilities.

Waukegan clearly violates the Fair Housing Act because its zoning ordinance does not contain any provisions to make a reasonable accommodation that would allow a community residence to locate within the 1,000-foot spacing distance or to allow a community residence for which the state does not require a license or certification. This latter provision excludes all recovery communities for which the State of Illinois does not require a license or certification.

The ordinance contains an obvious drafting error:

“Family Community Residences. Family community residences that fail to meet all requirements for a Certificate of Occupancy or operators denied a required local or state license.”⁷²

The provision would allow family community residences that have been denied a required license by conditional use permit. Of course, a community residence denied a required license cannot operate at all. This sentence appears to have been erroneously adapted from model zoning the principle author of this

70. Ibid. §7.5–2.5. These requirements are imposed in all residential zoning districts where community residences for people with disabilities are allowed.

71. Ibid. §§7.10–3.5, 7.12–3.9, 7.13–3.6.

72. Ibid. §7.5-3.10.

Analysis of Impediments wrote more than 20 years ago. The model provision allows for community residences for which a license is not required to seek a conditional use permit. It does not allow a community residence for which a required license is denied to seek a conditional use permit.

Property Maintenance and Building Codes

The “reasonable accommodation” requirements of the 1988 amendments to the Fair Housing Act that added people with disabilities to the act’s coverage apply to all government “rules and regulations,” not just to zoning codes. The legislative history of the Fair Housing Amendments Act of 1988 explained that it prohibits “the application or enforcement of otherwise neutral rules and regulations on health, safety and land-use in a manner that discriminates against people with disabilities. Such discrimination often results from false or over-protective assumptions about the needs of handicapped people, as well as unfounded fears of difficulties about the problems that their tenancies may pose” — practices prohibited under the 1988 amendments.⁷³

In some jurisdictions the local or state building code may impose requirements on community residences for people with disabilities that are based on such “false or over-protective assumptions.” Requiring a sprinkler system, hardwired fire alarm connection to the fire department, extra exits, and other expensive code requirements can exceed the actual needs of people with disabilities. Some of these requirements might be warranted for a community residence that houses bed-ridden residents or people who lack mobility without a wheelchair or with mental disabilities that would prevent them from quickly evacuating their home in case of fire. But they might be unjustifiable for other occupants of community residences such as people with relatively mild disabilities or people in recovery from drug and/or alcohol addiction.

The zoning code is *not* the proper place to regulate the number of residents in a community-based residential facility for people with disabilities. It is axiomatic under case law that zoning should not differentiate in its zoning treatment of community residences for people with disabilities based on the number of residents. The proper regulatory tool is the property maintenance or building code’s occupancy standard for all residential uses that typically requires, for example, 70 square feet of space for the first occupant of a bedroom and 50 or 70 additional square feet for each additional bedroom occupant. It is important to stress that this standard applies to all residential uses and that it applies to community-based residential facilities for people with disabilities because they are residential uses.

While Lake County has adopted the *2006 International Building Code*, it has not adopted any version of the *International Property Maintenance Code* which is where minimum square footage requirements are located. Staff report that the county does not have an “occupant load” based on bedrooms for single family or two-family attached dwellings. They report that the county requires 200 gross square feet per resident in a dwelling and that this standard applies to commu-

73. Ibid.

nity residences as well as all other dwellings.⁷⁴

North Chicago

North Chicago has adopted the *2006 International Property Maintenance Code* as well as the *2006 International Building Code*. The property maintenance code requires 70 square feet for the first occupant of a bedroom and 50 square feet for each additional occupant. There are additional provisions governing occupancy and like these, the city correctly applies all of these standards to all residences including community residences for people with disabilities.⁷⁵

The property maintenance code treats community residences for up to five people as Group R-3 if in a multi-family structure. If in a single-family detached house or a townhouse, they are regulated the same as all single-family detached houses and townhouses under the *2006 International Residential Code*.

Group homes and halfway houses with six to 16 residents excluding staff are classified as Group R-4 and must meet the code requirements for Group R-3 except as otherwise provided in the *2006 International Building Code*, or they must comply with the *2006 International Residential Code*.

A review of the applicable provisions did not reveal any requirements based on “false or over-protective assumptions.” Absent any complaints from operators of community residences, it *appears* that the North Chicago’s adopted building code and its enforcement practices do not impede fair housing choice.

Waukegan

Waukegan has adopted the *BOCA National Property Maintenance Code, 1996 Edition*. The property maintenance code requires 70 square feet for the first occupant of a bedroom and 50 square feet for each additional occupant.⁷⁶ There are additional provisions governing occupancy and like these, the city correctly applies all of these standards to all residences including community residences for people with disabilities.

Public and Subsidized Housing

Each of the three jurisdictions has its own housing authority. Providing housing assistance to over 3,320 Lake County households, the Lake County Housing Authority is the largest of the three.

74. Telephone interviews with Robert Springer, Senior Plan Reviewer, Lake County Department of Planning, building & Development (March 16, 2012) and Gary Thompson, Zoning Administrator, Lake County Department of Planning, building & Development (March 21, 2012).

75. Email from Steve McInnis, Director, North Chicago Building and Community Development Department, to Daniel Lauber (March 13, 2012) (on file with author).

76. Provisions are summarized online at <http://www.waukeganweb.net/onlinehousingguide.html>.

Policies and Practices

Live-In Aide Policy

Some housing authorities have counted the income of a live-in aide as part of the income of the public housing or housing voucher family with which the aide lives. This has resulted in the Kafkaesque situation in which the aide is treated as a member of the family and his income is counted toward the family's income — sometimes increasing the family income over the maximum allowed to live in public housing or to receive a housing voucher. This “Catch-22” has been applied most often when the live-in aide is a relative.

Lake County Housing Authority. Since a 2009 settlement discussed beginning on page 83, the Lake County Housing Authority has excluded the income of a live-in aide when calculating the annual income for an elderly or near-elderly resident, or a resident with disabilities.⁷⁷ The housing authority must determine that the proposed live-in aide is essential to the care and well-being of the elderly, disabled, or handicapped resident; is not obligated for the support of the residents; and would not be living in the dwelling except to provide supportive services. Somebody who is already a member of a household is not barred from becoming a live-in aide because he was a “pre-existing” member of the household.⁷⁸ When approving a live-in aide, the housing authority follows the fact sheet and guidance “Live In Aides and the Housing Choice Voucher Program Fact Sheet” written in 2003 by The Technical Assistance Collaborative, Inc under contract by the U.S. Department of Housing and Urban Development.⁷⁹

North Chicago Housing Authority. The North Chicago Housing Authority does not count the income of live-in aides when calculating a household's income.⁸⁰ As with foster children, the housing authority determines whether the dwelling unit is large enough for the resident plus a live-in aide.⁸¹ Like the Lake County Housing Authority, the North Chicago Housing Authority must determine that the proposed live-in aide is essential to the care and well-being of the elderly, disabled, or handicapped resident; is not obligated for the support of the residents; and would not be living in the dwelling except to provide supportive services.

Waukegan Housing Authority. The Waukegan Housing Authority does not count a live-in aide's income as part of household income. Like the Lake County and North Chicago housing authorities, the Waukegan Housing Authority must determine that the proposed live-in aide is essential to the care and well-being of the elderly, disabled, or handicapped resident; is not obligated for the support of

77. *Lake County Housing Authority, Section 8 Housing Choice Voucher Program Administrative Plan October 1, 2010* (Grayslake, Illinois: Oct. 2010) 49.

78. *Ibid.* 121.

79. *Ibid.* 34.

80. *North Chicago Housing Authority, Admission and Continued Occupancy Policies 2009* (North Chicago, IL: 2009) 10.

81. *Ibid.* 105.

the residents; and would not be living in the dwelling except to provide supportive services.⁸²

Public Housing

The Lake County Housing Authority reports that its “Low Rent Public Housing Program” owns and operates seven buildings with 334 units for seniors aged 55 and older. It also has a 125-unit town house development and 161 single-family homes scattered in 20 municipalities across Lake County.

The number of households on the waiting lists for public housing totaled 5,261 in January 2011 with 2,550 waiting for scattered site dwellings.

The table that follows shows the population served by each of the county’s public housing developments and their demographics. In addition, it shows the town in which each is located and the town’s “Opportunity Index” group.⁸³ For the scattered site units, the number of towns in each Opportunity Index group is given.

Table 52: Lake County Public Housing Authority Public Housing Developments Demographics: 2010

Lake County Public Housing Authority Public Housing Developments Demographics: 2010										
Public Housing Development or Program	Location	Opportunity Group	Population Served	White	Black	Latino of Any Race	Other Races	Elderly Families	Families With Disabilities	Families With Children
All	Lake County	—	—	61.1%	32.8%	9.9%	1.9%	43.5%	38.4%	32.7%
Millview Manor	Antioch	3	55 and older	93.2%	6.8%	0.0%	0.0%	79.5%	40.9%	0.0%
Orchard Manor	Antioch	3	55 and older	91.5%	2.1%	2.1%	8.5%	87.2%	51.1%	0.0%
Hawley Manor – Building 1	Grayslake	3	55 and older	91.3%	2.2%	6.5%	8.7%	80.4%	37.0%	0.0%
Hawley Manor – Building 2	Grayslake	3	55 and older	85.1%	17.0%	2.1%	0.0%	72.3%	53.2%	0.0%
Warren Manor	Gurnee	4	55 and older	79.3%	12.6%	9.2%	8.0%	81.6%	36.8%	0.0%
Marion Jones Townhomes	North Chicago	1	Families	19.5%	71.9%	8.2%	3.0%	12.8%	32.3%	61.8%
Beach Haven Towers	Round Lake Beach	2	55 and older	83.6%	11.3%	6.1%	3.3%	64.8%	53.1%	0.0%
John Keuster Manor	Wauconda	3	55 and older	96.3%	1.9%	5.6%	1.9%	85.2%	37.0%	0.0%
Shilo Towers	Zion	1	55 and older	65.0%	31.6%	9.4%	1.7%	65.0%	54.7%	0.0%
Scattered Site East	10 cities	1 (3 cities), 3 (2), 4 (1), 5 (2)	Families	46.9%	47.5%	21.6%	4.2%	3.7%	17.9%	82.7%
Scattered Site West	10 cities	1 (1 city), 2 (1), 3 (4), 5 (1)	Families	52.1%	36.1%	18.5%	5.4%	1.7%	27.7%	81.5%

Source: Lake County Housing Authority, *Tenant Statistical Reporting PH – Tenant Status – Concentration Summary*, November 4, 2011.

All but one of the public housing developments serves “the elderly,” people 55 years and older. The Marion Jones Townhomes is the only one that serves families. It is located in North Chicago which offers the lowest opportunity and is in census tract 8628 where the proportion of African Americans — 57.5 percent in 2010 — is less than in the Marion Jones Townhomes. The proportion of Latino townhome residents is significantly lower than the 34.6 percent proportion of Hispanics in the census tract. This does not appear to be a pro-integrative location.

82. Letter from Yolanda Collier, Deputy Directory, Waukegan Housing Authority, to Daniel Lauber, Planning/Communications (March 30, 2012) (on file with Lake County Community Development Division).

83. The “Opportunity Index” was explained beginning on page 17. The lowest opportunity ranking is group “1;” the highest opportunity rank is group “5.”

Shiloh Towers is also located in a lowest opportunity community, Zion. The proportion of African American residents in Shiloh Towers is almost identical to the 32.9 percent proportion of Black residents in the census tract 8605 in which Shiloh Towers is located. Again, the proportion of Latinos living in the public housing — 9.4 percent — is a fraction of the 31.8 percent proportion of Hispanics in the census tract. The 65 percent proportion of whites in Shiloh Towers is greater than the 47.5 percent in the census tract.

Figure 47: Highrise Public Housing in Waukegan



Beach Haven Towers is located in Round Lake Beach with an opportunity index of just 2. More than 83 percent of the tower's residents are white compared to 60.1 percent of census tract 8613.03. The proportion of Black Beach Haven residents is four times the 4 percent proportion of the census tract. The 6.1 percent proportion of tower residents who are Latino is one-tenth that of the census tract.

Four of the public housing developments are in cities with a moderate opportunity index of 3. Millview Manor and Orchard Manor are both in census tract 8608.06 in Antioch. Their demographic composition reflects the segregated nature of the census tract which is 92.2 percent Caucasian, 1.8 percent Black, and 8.6 percent Latino.

The demographic composition of the two buildings that comprise Hawley Manor in census tract 8611.05 in Grayslake are significantly different. In one building, 2.2 percent of the residents are African American while 17 percent are Black in the other building. The census tract itself is 2.9 percent Black, 83.5 percent white, 4.3 percent Asian, and 12.8 percent Latino.

The demographic composition of John Keuster Manor reflects the segregated census tract 8642.05 in which it is located in Wauconda. The tract is 1.1 percent African American, 86.7 percent Caucasian, 5.5 percent Asian, and 10.9 percent Latino.

The only public housing development in a high opportunity area is Warren Manor in Gurnee. The proportion of Warren Manor residents who are Black is more than double that of census tract 8616.10 — 5.8 percent. The proportion who are Latino exceeds the 6.9 percent of the census tract. While the tract is 12.5 percent Asian, eight percent of the Warren Manor residents are Asian and other races other than white or African American.

All of the scattered site units house families. There are more higher opportunity towns hosting the scatter site units than the public housing developments. Demographic data, however, were available only for *all* of the scattered site east and scattered site west dwellings, not for each scattered site dwelling or by city. The proportion of Blacks and Latinos living in the scattered site west units is noticeably lower than in the east units while the proportion of whites is greater in the scattered site west units than in the east units. But judging by the cities and villages in which these units are located, most of their locations are *probably* pro-integrative.

North Chicago

The North Chicago Housing Authority operates two developments. Both developments consist solely of one-bedroom apartments to house residents 55 and older. The only public housing for families in North Chicago is the Lake County Housing Authority's Marion Jones Townhomes with 257 dwelling units.

Table 53: Racial and Ethnic Composition of North Chicago Public Housing Developments: 2011

Racial and Ethnic Composition of North Chicago Public Housing Developments: 2012					
Public Housing Development	Total Number of Households	Race or Ethnicity of Head of Household			
		White	Black	All Other Races	Latino of Any Race
Kukla Towers	99	22.2%	68.7%	1.0%	8.1%
Thompson Manor	49	12.2%	63.2%	2.0%	24.5%
Totals	148	18.9%	66.9%	2.7%	13.5%

Source: North Chicago Housing Authority, May 2012. Data are available only in real time. Data for past months and years were not available.

Kukla Towers, where the authority's offices are located, is in census tract 8629.02, the population of which is 22.8 percent Caucasian, 54.3 percent African American, 0.7 percent Asian, 39.5 percent Latino, and 19.8 percent other races.

Thompson Manor sits in census tract 8629.01 which is 27.5 percent white, 27.2 percent Black, 0.3 percent Asian, 66.2 percent Hispanic, and 42.4 percent other races.

In both tracts it is highly likely that the proportion of Caucasian residents is understated and the proportion of “other races” overstated due to many white Latino census respondents who, confounding race and ethnicity, selected “some other race” on the 2010 census form.

Waukegan

In addition to its 25 scattered site public housing units, the Waukegan Housing Authority operates four public housing developments with a total of 419 dwelling units.⁸⁴ No information was provided on the location of the scattered site units.

The Waukegan Housing Authority did not identify the number of Caucasians living in its public housing developments. Instead it identified the number of “non-minorities” which is less than the actual number of whites since most Latinos, an ethnicity that can be of any race, are white in Waukegan.

The low-rise Amory Terrace Homes offer units with one to five bedrooms. While nearly nine in ten of its residents is a member of a minority group, Amory Terrace is the authority’s most evenly “balanced” development with just under half of the residents African American and 40.2 percent Latino. It

Figure 48: Low-Cost Housing in Zion



sits in census tract 8619.02 which, in 2010, was 59.4 percent Caucasian, 11.2 percent African American, and 46.7 percent Latino. The surrounding neighborhood has become increasingly Hispanic since 1990 when it was 8.4 percent Latino. On the whole, its location appears to be relatively pro-integrative.

The low-rise senior Barwell Manor also offers units with one to five bedrooms. More than eight of every ten residents is African American with a bit more than one in ten Hispanic. Census tract 8623 in which both Barwell Manor and Henry Poe Manor are located has become more Latino and less African American since 1990. The proportion of the population that is Hispanic has grown from 19.9 percent in 1990 to 58.6 percent in 2010. The Black population has declined from 56.7 percent to 41.9 percent while the white population declined 4.2 percentage point to 24 percent in 2010. The proportion of African American residents living at Barwell Manor is more than twice that of the census

84. Lake County Consortium, *2010–2014 Housing and Community Development Consolidated Plan* (June 30, 2010) 84.

tract. The proportion of Latino residents living at Barwell Manor is about one-fifth that of the census tract.

Table 54: Racial and Ethnic Composition of Waukegan Public Housing Developments

Racial and Ethnic Composition of Waukegan Public Housing Developments: 2011						
Public Housing Development	Total Number of Households	Race or Ethnicity of Head of Household				
		Non-Minority	Minority	African American	All Other Races	Latino of Any Race
Armory Terrace Homes	67	10.4%	66.7%	49.2%	0.0%	40.2%
Barwell Manor Homes	81	8.6%	91.3%	81.5%	0.0%	12.3%
Harry Poe Manor	129	18.6%	81.2%	68.2%	0.0%	13.2%
Ravine Terrace Homes	81	28.4%	71.6%	54.3%	1.2%	16.0%

Source: Waukegan Housing Authority, March 2012.

The Henry Poe Manor highrise consists of studio, one bedroom, and two bedroom apartments for the “elderly, disabled and singles community” according to the authority’s website. More than two-thirds of its residents are African American and 13.2 percent are Latino. Like Barwell Manor, the proportion of Henry Poe Manor’s residents who are Black far exceeds the proportion in the census tract while the proportion of Latino residents is a fraction of the proportion of Hispanics living in the census tract.

The Ravine Terrace Homes with studio and one and two bedroom apartments is an elderly designated mid-rise. With nearly three in ten residents not minorities — the highest percentage in the Waukegan Housing Authority’s system — Ravine Terrace is the most diverse of the four developments. The proportion of the population of census tract 8624.02 in which it is located that is African American is 12.7 percent, about a fourth of the proportion of Blacks living in Ravine Terrace. The proportion of residents who are Latino is 16 percent in a census tract that is 81.3 percent Hispanic. The location of the Ravine Terrace Homes appears to be pro-integrative.

Accessibility of Public Housing

Section 504 of the Rehabilitation Act of 1973 requires that at least five percent of public housing units must be wheelchair accessible.

As of the end of 2011, 4.24 percent of the 448 public housing units under the aegis of the Lake County Housing Authority were wheelchair accessible.⁸⁵

North Chicago

The North Chicago Housing Authority did not provide data on wheelchair ac-

85. Email from Yolanda Collier, Deputy Director, Waukegan Housing Authority, to Daniel Lauber, Planning/Communications (May 22, 2012) (on file with author).

cessibility.

Waukegan

The Waukegan Housing Authority did not provide data on wheelchair accessibility.

Subsidized Housing

Pro-Integrative Moves and Site Policies

The Lake County Housing Authority reports, “Ethnicity is not concentrated. We focus on making pro-integrative moves. Our Housing Choice Voucher clients are counseled in a group setting. They are informed of the Fair Housing Rights, Tenants Rights, how to find and secure an apartment that meets their needs such as: transportation, schools, shopping centers, grocery stores, safe or low crime areas, and kid friendly areas.”⁸⁶

However, outside of that statement there is no indication that the Lake County Housing Authority has actually implemented a pro-integrative site policy for public housing or Housing Choice Vouchers.

North Chicago

The North Chicago Housing Authority has provided no information regarding pro-integrative moves or a pro-integrative site policy for public housing or Housing Choice Vouchers.

Waukegan

The Waukegan Housing Authority reports that it encourages holders of Housing Choice Vouchers to “port out” of the Waukegan market area and make pro-integrative moves. The authority says that it explains the porting process with one-on-one counseling with a case manager, during the annual counseling session by several Section 8 case managers, when a voucher holder or applicant inquires by phone, while completing an annual recertification, at the authority’s annual community block party and other social events, and during speaking engagements.⁸⁷

The housing authority reports that 29 households have chosen to use their Housing Choice Vouchers outside Waukegan. Of these, 76 percent are African American, 21 percent are Caucasian, and 3 percent are Latino (one household). Without demographics of the neighborhoods to which these households moved, it is impossible to identify whether any of these moves were pro-integrative. Destinations include Kenosha, WI; Decatur, IL; Racine County, WI; Greenville, NC; DeKalb County, GA; McHenry County, IL; elsewhere in Lake County, IL; and several cities that could be in any of several states (the housing authority did not

86. Email from Jeneen Smith-Underwood, Associate Director Housing/Community Development, Lake County Housing Authority, to Daniel Lauber, Planning/Communications (May 14, 2012).

87. Ibid. 2.

provide the states in which these cities are located).

Other than the “port out” efforts, there is no indication that the Waukegan Housing Authority has implemented a pro-integrative site policy for public housing or Housing Choice Vouchers.

Housing Choice Vouchers

As of January 2011, the Lake County Housing Authority had 3,430 families and individuals on its waiting list for Section 8 Housing Choice Vouchers after removing 1,496 names for failing to respond to the authority’s annual communication.

As the table to the right shows, just over half of the county’s vouchers holders are African American and nearly seven percent are Latino. The use of Housing Choice Vouchers can affirmatively further fair housing by enabling minority households with modest incomes the chance to move to higher opportunity towns that have suppressed minority populations through exclusionary zoning and by tolerating discriminatory real estate practices.

Ideally, households with a housing choice voucher can use their voucher to move to a town with greater opportunities. Unfortunately, those towns in Lake County that offer greater opportunities, as measured by the Opportunity Group Index explained beginning on page 17, tend to have relatively little multi-family housing or affordable single-family rentals in large part due to exclusionary zoning ordinances that prevent construction of homes affordable to households with modest incomes. In addition, these towns tend to suppress minority populations through the distortion of their housing markets by discrimination as documented in Chapter 3 of this report.

As the table below shows, the vouchers that the Lake County Housing Authority has issued are used in 28 different communities including several outside Lake County.⁸⁸

Table 55: Racial and Ethnic Composition of Lake County Housing Choice Voucher Holders: 2011

Racial and Ethnic Composition of Lake County Housing Choice Voucher Holders: 2011		
Race or Ethnicity	Number	Percentage
White	2,285	47.4%
Black	2,448	50.8%
Asian	37	0.8%
Hawaiian–Pacific Islander	19	0.4%
Native American	31	0.6%
Total All Races	4,820	100.0%
Latino of Any Race	321	6.7%
Not Latino of Any Race	4,447	93.3%
The first set of data above the thick line includes Hispanics within each racial group.		
Source: “Tenants Statistical Reporting S8 – Tenant Stats – Standard Summary Report Summary Statistics I,” Lake County Housing Authority, April 2012.		

88. These figures do not include “ported out” vouchers.

Table 56: Number of Section 8 Voucher Units by Lake County Jurisdiction: 2010

Number of Lake County Housing Authority Housing Choice Voucher Units by Jurisdiction and Opportunity Group: 2010							
City or Village	Opportunity Group	Housing Choice Vouchers	Project Based Vouchers	City or Village	Opportunity Group	Housing Choice Vouchers	Project Based Vouchers
Antioch	3	149	63	Libertyville	5	25	0
Barrington	5	3	8	Lincolnshire	5	1	4
Buffalo Grove	4	19	0	McHenry *	3	2	1
Deerfield	5	9	0	Mundelein	3	92	25
Fox Lake	2	79	0	North Chicago	1	471	117
Grayslake	3	204	67	Palatine *	3	0	1
Gurnee	4	181	59	Round Lake	1	290	100
Highland Park	5	32	0	Spring Grove	3	14	0
Highwood	5	5	0	Vernon Hills	5	101	0
Ingleside *	Not available	0	4	Wadsworth	2	13	1
Island Lake	2	79	6	Wauconda	3	17	33
Lake Bluff	5	1	3	Waukegan	1	680	660
Lake Forest	5	14	0	Winthrop Harbor	1	32	0
Lake Villa	3	6	16	Zion	1	866	66
Lake Zurich	5	70	8	Totals	—	3,455	1,242

* = Outside Lake County

Source: Lake County Consortium, *2010–2014 Housing and Community Development Consolidated Plan* (June 30, 2010) 88 and John Lukehart, Tom Luce, and Jason Reece, *The Segregation of Opportunities: The Structure of Advantage and Disadvantage in the Chicago Region* (Chicago: Leadership Council for Metropolitan Open Communities, May 2005) 33–39.

Housing choice vouchers have opened up housing opportunities in ten of the highest opportunity group cities and villages and in two of the high opportunity group towns. This has resulted in 543 lower-income households being able to move to these higher opportunity communities. But as the table below shows, this amounts to just 13.4 percent of the vouchers and 6.7 percent of the project-based vouchers. Over one-third of the vouchers and three-quarters of the project-based vouchers are used in communities in the lowest opportunity group.

Figure 49: Highland Park Mansion



Table 57: Distribution of Housing Choice Vouchers by Opportunity Group: 2010

Distribution of Housing Choice Vouchers by Opportunity Group: 2010					
Opportunity Group	Number of Cities	Number of Vouchers	Proportion of Vouchers	Number Project Based Vouchers	Proportion of Project Based Vouchers
1	5	2,339	67.7%	943	75.9%
2	3	171	4.9%	7	0.6%
3	8	484	14.0%	206	16.6%
4	2	200	5.8%	59	4.8%
5	10	261	7.6%	23	1.9%
N/A	1	0	0.0%	4	0.3%
Total	29	3,455	100.0%	1,242	100.0%

Source: Lake County Consortium, 2010–2014 Housing and Community Development Consolidated Plan (June 30, 2010) 88 and John Lukehart, Tom Luce, and Jason Reece, *The Segregation of Opportunities: The Structure of Advantage and Disadvantage in the Chicago Region* (Chicago: Leadership Council for Metropolitan Open Communities, May 2005) 33–39.

While the aforementioned exclusionary zoning practices of so many of the higher opportunity municipalities limits their supply of affordable housing and housing discrimination, as documented in Chapter 3, has suppressed their minority populations, it would appear that the county needs to do more to promote pro-integrative moves with Housing Choice Vouchers and to eliminate exclusionary zoning practices of the county and local municipalities.

North Chicago

The North Chicago Housing Authority is allocated 471 Housing Choice Vouchers, but due to funding limitations, it funds about 350 vouchers. It also has 70 Veterans Affairs Supportive Housing Vouchers, all but eight of which are used outside North Chicago.⁸⁹

89. Email from Nina Huley, Executive Director, North Chicago Housing Authority to Daniel Lauber, Planning/Communications (April 13, 2012) (on file with author).

More than nine in ten households with Housing Choice Vouchers via the North Chicago Housing Authority are African American. Less than one in 20 is Latino of any race.

The North Chicago Housing Authority was unable to provide data by race and ethnicity on where the voucher holders live. Given the lack of data available from the North Chicago Housing Authority, it is not possible to determine how many of the Housing Choice Vouchers are being used for pro-integrative moves.

Waukegan

The number of Housing Choice Vouchers issued by the Waukegan Housing Authority has grown by 22 percent, from 667 in 2005 to 817 at the end of 2011.⁹⁰

As the table that follows shows, more than eight in ten Housing Choice Vouchers holders are African American and fewer than one in ten is Caucasian. One in ten is Latino. Blacks and Hispanics comprise 92.4 percent of the voucher holders.

While the Waukegan Housing Authority was unable to provide data by race and ethnicity on where voucher holders live, it did provide information on the small number of voucher holders who have used their vouchers outside Lake County. See page 139 for details.

Given the lack of data available from the Waukegan Housing Authority, it is not possible to determine how many of the Housing Choice Vouchers are being used for pro-integrative moves.

Table 58: Racial and Ethnic Composition of North Chicago Housing Choice Voucher Holders: 2011

Racial and Ethnic Composition of North Chicago Housing Choice Voucher Holders: 2011		
	2011	
Race or Ethnicity	Number	Percentage
White	18	5.4%
Black	306	92.4%
Asian	1	0.3%
Mixed	2	0.6%
Native American	4	1.2%
Total All Races	331	100.0%
Latino of Any Race	14	4.2%
Not Latino of Any Race	317	95.8%

The first set of data above the thick line includes Hispanics within each racial group.
Source: North Chicago Housing Authority, April 2012.

Table 59: Racial and Ethnic Composition of Waukegan Housing Choice Voucher Holders: 2011

Racial and Ethnic Composition of Waukegan Housing Choice Voucher Holders: 2011		
Race or Ethnicity	Number	Percentage
White	71	7.9%
Black	737	82.4%
All Other Races	3	0.3%
Race Not Identified	83	9.3%
Total All Races	894	100.0%
Latino of Any Race	89	10.0%
Not Latino of Any Race	805	90.0%
Black and Latino	826	92.4%

The first set of data above the thick line includes Hispanics within each racial group.
Source: Waukegan Housing Authority, March 2012.

90. Memorandum from Janice Walker, Section 8 Financial Analyst, Waukegan Housing Authority, to Yolanda Collier, Deputy Director, Waukegan Housing Authority, March 23, 2012, 1.

Accessing Information About Fair Housing and Reporting Housing Discrimination

In any jurisdiction, the primary sources of information about fair housing and filing a housing discrimination complaint are by phone and online.

Reporting Housing Discrimination by Phone

Not everybody, especially people with lower incomes, uses the Internet. An unknown percentage of people who feel they have experienced discrimination when looking to rent or buy need to call the county or city hall for assistance. We conducted two tests in each jurisdiction by calling the jurisdiction's main phone number and expressing a need to report possible housing discrimination.

We conducted a test by calling Lake County's main phone number 847/377-2000 and asking whom to speak to about possible housing discrimination we ran into while looking for a house. The very polite operator had no idea and took three minutes to come up with the answer. She told us to call 847/223-1170. We have to ask who this was and she told us it's the housing authority. The Lake County Housing Authority does not take in housing discrimination complaints for private market housing.

Figure 50: Highwood House



North Chicago

Callers to the City of North Chicago's primary number 847/596-8600 hear an automated attendant that offers dialing by department or last name and offers phone numbers to call if you have a water or sewer issue, downed tree or power line, traffic light that is out, etc. There no option for housing discrimination. Callers are told they can dial "0" at any time to speak with a live person immediately, but dialing "0" just triggers the initial message all over again. There is no way to reach a live person without selecting a specific department.

Waukegan

We tried to conduct a test phone call to the city's main number 847/599-2500, but were stymied by the city's automated attendant which does not give callers an option to speak directly to a live person. Instead, callers must select a specific city hall department. The voice directory of departments gives no hint as to

which one handles housing discrimination complaints. This is the only jurisdiction, however, where callers can choose between English and Spanish.

Reporting housing discrimination online

Lake County's website does not merely lack any way to report housing discrimination online. There is simply no mention of "fair housing" or "housing discrimination" on the website. The website is only in English, which poses a problem for the 10 percent of the county's residents aged five and older who speak English "less than very well."⁹¹

On the other hand, the Lake County Housing Authority's website, <http://www.lakecountyhousingauthority.org>, features a "Fair Housing" link at the top of every page. The link gets you to the toll free number for the U.S. Department of Housing and Urban Development's "Housing Discrimination Hotline" 800/669-9777 where you can learn how to file a fair housing complaint. The hotline is available in both English and Spanish. It also has a link for "Discrimination Form and Information" which is a PDF download of the "Are You a Victim of Housing Discrimination," a seven-page booklet from HUD that explains how to recognize housing discrimination. It also includes user-friendly forms for filing a fair housing complaint with HUD.

Suggestion The Lake County Housing Authority should post a Spanish-language version of its website. Web pages, downloadable documents on fair housing and housing discrimination should be in both English and Spanish. At a bare minimum, there should be a button on each page that would translate the page into at least Spanish. The link should be changed from "Fair Housing" to "Housing Discrimination" because far more people know what the latter means.

North Chicago

There is nothing about fair housing or how to report a housing discrimination on North Chicago's English-only website. However, since at least 2005 the city has posted the HUD forms 928-1 and 1A on a bulletin board or on the wall in its Building Department. These forms include a toll-free number to call if you have a fair housing complaint.

Waukegan

Waukegan's English-only website offers no information on fair housing or how to file a housing discrimination complaint. The home page has a link to "General Information." In the lengthy list of alphabetical links is the Fair Housing Center of Lake County which closed early in 2011. The link for the center takes the viewer to the home page of the Illinois Department of Human Rights where there is a link for "Fair Housing."

The only mention of fair housing is in the city's 2010 CAPER/Annual report which states that the city employs a full time staff person to act as a liaison for re-

91. "Language Spoken at Home," 2010 American Community Survey 1-Year Estimates, Table S1601.

ceiving all housing/municipality related complaints. No information is provided for contacting this liaison. Housing discrimination complaints are received by the Fair Housing Center which, as noted above, no longer exists.

Limited English Proficiency

People who have a limited ability to understand, speak, read, or write English are considered to have “limited English proficiency.” Their limited English skills can act as a barrier to fair housing choice by restricting their access to information about available housing and their fair housing rights.

None of the three jurisdictions reports having a language access plan for their residents with limited English proficiency despite a substantial proportion of their residents who speak English “less than very well.” One in ten Lake County residents over age five — approximately 69,000 people — speak English “less than very well.” Nearly 44 percent of those who speak Spanish or Spanish Creole — 48,940 Lake County residents — speak English “less than very well.”⁹² One in twenty Lake County households lacks a family member over 14 who speaks only English or speaks English “very well.”⁹³ The language most frequently spoken in either situation is Spanish.

When the number of residents with a limited English proficiency who speak a single language like Spanish exceeds 1,000 residents, the jurisdiction is obligated to determine whether there is a need for a language access plan to help them access programs under the jurisdiction’s services and programs including its Community Development Block Grant and block grant from the HOME program authorized by Title II of the Cranston–Gonzalez National Affordable Housing Act.

Lake County, however, reports that it is developing a language access plan.

North Chicago

The sample size in North Chicago was too small to identify the percentage of residents who speak English “less than very well.”⁹⁴ However, 12.1 percent of North Chicago households lack anybody who speaks only English or speaks it “very well.” More than a third of these households speak Spanish.⁹⁵

92. Ibid.

93. “No One Age 14 and Over Speaks English Only or Speaks English “Very Well”, “2010 American Community Survey 1–Year Estimates, Table S1602.

94. “Language Spoken at Home,” 2008–2010 American Community Survey 3–Year Estimates, Table S1601.

95. “No One Age 14 and Over Speaks English Only or Speaks English “Very Well”, “2008–2010 American Community Survey 3–Year Estimates, Table S1602.

Waukegan

Twenty-nine percent of Waukegan residents — about 23,400 residents — do not speak English “very well”⁹⁶ and 15.5 percent of Waukegan households lack anybody who speaks only English or speaks it “very well.” More than a third of these households speak Spanish.⁹⁷ The number of Waukegan residents who speak each of several other languages less than very well is only a few hundred for each language.⁹⁸

The automated attendants for both the City of Waukegan and the Waukegan Housing Authority offer callers a choice of English and Spanish.

Fair Housing Issues in Comprehensive Plans

Fair housing and affirmatively furthering fair housing are missing from Lake County’s comprehensive plan, the *Lake County Regional Framework Plan*.⁹⁹ The plan completely ignores the issue of racial segregation and barely touches on economic integration.

The plan does note that HUD’s site and neighborhood standards attempt to ensure that housing for lower-income persons is developed in areas other than those of minority concentrations.¹⁰⁰ The plan notes that ten of the municipal revitalization areas are in areas with high minority concentrations defined as 25 percent or more minority. None of these areas in unincorporated Lake County are in high minority concentration areas. The plan suggests that these concentrations may give an indication to the types of services needed by the population and that this may be an immediate opportunity to help create a natural customer base that will patronize local minority owned or operated businesses.¹⁰¹

In its housing chapter, several of the “issues and opportunities” listed are related to fair housing:

- ◆ Housing supply is not meeting demand leading to a shortage of housing in every price category, except the highest end.
- ◆ Housing is becoming increasingly expensive in the County.
- ◆ Affordable housing often faces local opposition.
- ◆ The increase in the elderly population is creating the need for more senior housing with better access to transit, shopping, and medical facilities.
- ◆ There is a shortage of multifamily and rental housing units needed by the workforce of Lake County businesses.

96. “Language Spoken at Home,” *2008–2010 American Community Survey 3–Year Estimates*, Table S1601.

97. “No One Age 14 and Over Speaks English Only or Speaks English “Very Well,” “*2010 American Community Survey 1–Year Estimates*, Table S1602.

98. “Language Spoken at Home,” *2008–2010 American Community Survey 3–Year Estimates*, Table S1601.

99. *Lake County Regional Framework Plan*, Nov. 2004 revised through Feb. 13, 2007.

100. Ibid. 6–3, 6–4.

101. Ibid. 6–4.

- ◆ Public housing and private housing using federal vouchers are concentrated in a few communities.
- ◆ There is an opportunity to help create a job-housing balance by encouraging businesses to locate in communities with existing affordable housing.¹⁰²

The plan, however, is silent on how to meet any of these “issues and opportunities.”

The plan discusses housing affordability and reports that North Chicago is the most affordable community in Lake County.¹⁰³

The plan reports on what it calls the mismatch of workforce housing and employment locations in Lake County. For example, the county’s southeast corner accounts for 60 percent of the county’s jobs, but only 34 percent of the county’s households. It’s also where housing prices are the highest in the county and concludes that great majority of the housing units in this area are out of the reach of households with earnings at or below Lake County’s median income.¹⁰⁴ The plan reports that this mismatch of housing and employment will inevitably lead to an even greater traffic burden on the already congested transportation system. It may also reduce the attractiveness of the County to employers and eventually hurt the economic viability of Lake County. The plan speaks of employers beginning to pay attention to local housing issues and efforts to build employer assisted housing in which employers provide financial assistance or benefits to their employees to purchase or rent a home near their work. In return, employers will see a reduction in turnover and an increase in morale and loyalty, as well as state and federal tax benefits.¹⁰⁵

The plan sets a goal of encouraging “a diverse variety of housing units to meet the needs of Lake County residents of different demographic groups and economic levels in a manner consistent with local planning objectives and this Regional Framework Plan.” It sets policies to “encourage more upscale housing development in communities with a large percentage of affordable housing” and to “promote more affordable housing development in communities with a large percentage of upscale housing and that are also located near transit and employment centers. It also calls for development of housing for senior citizens and of “appropriate housing to serve people with disabilities.”¹⁰⁶

The plan sets goals to “support the supply of workforce housing near existing and planned employment centers in order to accommodate the workforce needed to maintain a healthy economy” and “provide incentives for businesses to locate in areas of the County where there is appropriate workforce available.”

The plan calls for preserving, maintaining, and expanding affordable housing in Lake County through encouraging rehabilitation, supporting innovative approaches such as land banking and community land trusts, and supporting de-

102. Ibid. 8–1.

103. Ibid. 8–9.

104. Ibid. 8–10.

105. Ibid. 8–12.

106. Ibid. 8–21.

velopment of manufactured home communities.¹⁰⁷

The plan's land use chapter does not address the exclusionary land use ordinances of the county and many of its municipalities that have successfully kept out housing affordable to households with modest incomes from much of the county. It does, however, set a policy to "provide the opportunity for the development and redevelopment of housing of various types, densities, and costs to meet the needs of the region's growing population."¹⁰⁸

The community character chapter includes a policy to place residential developments, which serve diverse populations including seniors, in town centers.¹⁰⁹

North Chicago

The City of North Chicago did not provide a comprehensive plan for review.

Waukegan

Waukegan's comprehensive plan was produced in 1987. There is nothing in the plan related to fair housing. In fact, the plan does not even report the demographic breakdown of the city's population by race and ethnicity. The only provision even remotely related to affirmatively furthering fair housing is the objective, "Provide a sufficient supply of housing in a varied and balanced mix."¹¹⁰

Implementation of the 2004 AI

Lake County reports that it has taken a number of steps to implement the recommendations of its 2004 Analysis of Impediments. The 2004 AI identified only three impediments, but offered a number of recommendations.

Neither North Chicago nor Waukegan responded to requests for how they have implemented the 2004 analysis of impediments. The responses to each item are those of Lake County.

2004 AI Impediment "When local property taxes are raised to pay for public services such as schools, seniors on fixed incomes and persons with lower-incomes in these communities will bear the greatest financial burden. Persons with modest incomes will give up essentials like food or move out of the community to look for a home in an area with lower housing costs. Low housing costs typically occur in poorer communities without the numerous public services once enjoyed in the affluent neighborhood. This could be considered an impediment to fair housing opportunities."¹¹¹

The county has attempted to promote the use of various forms of property tax

107. Ibid. 8–22.

108. Ibid. 9–20.

109. Ibid. 10–12.

110. *The City of Waukegan Comprehensive Plan* (Waukegan, Illinois: December 1987) 16.

111. Lake County Department of Planning, Building and Development and the Fair Housing Center of Lake County, *Lake County Fair Housing Analysis* (Waukegan, Illinois: May 24, 2004) 58.

relief, including General Homestead Exemption, Home Improvement Exemption, Senior Homestead Exemption, Senior Citizen's Assessment Freeze, Returning Veteran's Exemption, Disabled Veteran's Standard Homestead Exemption, Disabled Veteran's Exemption, Disabled Person's Homestead Exemption, Property Tax Relief for Military Personnel, Senior Citizens Circuit Breaker Grants, and Senior Citizens Tax Deferral Program. No data are available to determine the efficacy of these exemptions and programs.

2004 AI Impediment “In Lake County, minorities are concentrated in a few communities. While affordable housing cannot guarantee a racially or ethnically diverse community, a variety of housing types throughout a municipality — by subdivisions — would break up concentrations of low-income households and enhance housing choice. Concentrations of low-income households acts as an impediment to fair housing opportunities.”¹¹²

The Highland Park Housing Commission created a community land trust that seeks to provide affordable housing in higher income communities including Highland Park, Lake Forest, and others in the future. As best we can tell, these programs have not made much of a dent in the shortage of housing affordable to households with modest incomes.

2004 AI Impediment “There is a also a recent development regarding rental housing that has been noted. The Fair Housing Center [of Lake County] is aware of several communities that have adopted, or are in the process of adopting, ordinances that require annual inspections on all rental units within their communities. These ordinances call for the owner to pay a fee of up to \$25.00 per unit for these inspections with additional fees attached if a re-inspection is necessary. The Fair Housing Center is of the opinion that these ordinances are an impediment to Fair Housing in that the additional fees paid by the owners are being included in the raising of rental rates as well as any anticipated additional fees that might result due to the inspections. According to the Fair Housing Center, there is a very limited stock of affordable housing in Lake County, and for rental amounts to be driven up by implementation of such ordinances, it is believed there will be an overall negative impact on affordable units, thereby discouraging persons from moving to certain areas.”¹¹³

The now defunct Fair Housing Center of Lake County advocated for changes to these ordinances without success.

2004 AI Recommendation “The County and the participating Community Development Consortium Cities of North Chicago and Waukegan should continue to provide financial support for the Fair Housing Center of Lake County in order to ensure its continuing existence.”¹¹⁴

112. Ibid. 59.

113. Ibid. 34.

114. Ibid. 59.

The County contracted \$40,000 to \$75,000 each year for the Fair Housing Center of Lake County to provide fair housing services. Waukegan and North Chicago each contributed \$4,000 to \$10,000 annually. However, the parent organization of the Fair Housing Center closed due to financial reasons in 2011. The three jurisdictions subsequently contracted with Prairie State Legal Services to provide fair housing services..

2004 AI Recommendation “The Fair Housing Center should continue to search for new ways to seek interested persons in serving as testers.”

The Fair Housing Center had started recruiting testers before it shuttered its doors. In late 2011, Prairie State Legal Service contracted with the Fair Housing Legal Clinic of the John Marshall School of Law to provide testing services.

2004 AI Recommendation “The Fair Housing Center should continue to expand outreach and education activities in the western communities in Lake County.”¹¹⁵

Representatives of the Fair Housing Center spoke to various community groups throughout the Round Lake area. In 2011, representatives of Prairie State Legal Services have conducted over a dozen programs on fair housing as noted on page 82 of this report.

2004 AI Recommendation “Lake County Board adoption of the County Draft Framework Plan Goals and Policies pertaining to housing development, and the implementation of those goals and policies.”¹¹⁶

The Draft Framework Plan was adopted in its entirety. Nearly all of the goals and policies related to housing development call for "support" or "promote," language that does not assure substantive implementation. The plan is discussed in this report beginning on page 147.

2004 AI Recommendation “It is recommended that the County and municipal governments support the development of larger multifamily units — 3 bedrooms and higher — for low and moderate-income families. Also, such developments should be encouraged to locate in neighborhoods and subdivisions with a variety of housing types.”¹¹⁷

This recommendation has not been implemented. It has received no official support from the county or local governments.

2004 AI Recommendation “Continued participation by the Lake County Housing Authority and the Affordable Housing Corporation of Lake County in the Lake County Anti-Predatory Lending Pilot Program.”

115. Ibid.

116. Ibid.

117. Ibid.

Only a pilot program, it was dissolved after HUD eliminated funding to provide housing counseling. Both the Lake County Housing Authority and the Affordable Housing Corporation participated in the pilot program..

2004 AI Recommendation “Development by Lake County and the Cities of North Chicago and Waukegan, in conjunction with the Fair Housing Center, of a model Affirmative Fair Housing Marketing Plan, for use by developers of HOME and CDBG–assisted housing, and more intensive monitoring of affirmative fair housing marketing efforts by such developers.”¹¹⁸

This recommendation has not been implemented.

2004 AI Recommendation “An analysis of statistical and programmatic data available under the Home Mortgage Disclosure Act (HMDA) and Community Reinvestment Act (CRA), to be conducted by the Fair Housing Center or an independent agency.”¹¹⁹

This recommendation was not implemented.

2004 AI Recommendation “Local housing authorities, the Lake County Affordable Housing Corporation and Habitat for Humanity should continue to encourage families to seek housing outside areas with low–income and minority concentrations.”¹²⁰

This policy has been subtly encouraged. It appears, however, that it has not been systemically implemented.

2004 AI Recommendation “It is recommended that the Fair Housing Center of Lake County, with assistance from County staff, develop a fair housing ordinance to be presented to the County Board for adoption.”

No fair housing ordinance has been introduced in Lake County.

2004 AI Recommendation “Adoption by the County Board of the County Draft Framework Plan policies pertaining to school funding, and in particular the policy calling for the building of a coalition by the County with school districts, other governmental entities, businesses, and civic organizations to promote school finance reform in the Illinois General Assembly.”¹²¹

The Framework Plan was adopted in its entirety, with this policy included. However, the county has not officially initiated the recommended reform effort.

118. Ibid. 60.

119. Ibid.

120. Ibid.

121. Ibid.

Chapter 5

Impediments and Recommendations

While Lake County is one of the wealthiest counties in Illinois and the nation, averages mask the significant extent of poverty, the large proportions of households that cannot afford their housing, and the extensive segregation throughout Lake County. As documented in Chapter 3, very little of Lake County reflects the county's overall racial, ethnic, and economic diversity. Racial, ethnic, and economic segregation is the norm rather than the exception in nearly all of Lake County as well as most of the Chicago metropolitan area. This segregation has resulted in the overwhelming majority of African American and Latino Lake County residents living in the lowest and low opportunity group communities while Caucasians live in communities ranging from the lowest to highest opportunity groups.¹

In a free housing market that is not distorted by discrimination, at least 9.1 percent of the residents in every municipality in Lake County would have been African American *without* any change in housing costs. In 2010 Blacks comprised five percent or less of the population in 86 percent of Lake County's 51 municipalities and less than two percent in 61 percent of the county's cities and villages.

The impacts of this hypersegregation are immense. Living largely in the lowest and low opportunity group cities and villages, the vast majority of the county's African American and Latino residents lack access to the quality education, community resources and services, and employment opportunities needed for the upward mobility we all wish for our children.² It leads to perpetuation of the lower class from which relatively few are able to move upward.

North Chicago and Waukegan are more diverse than nearly all the rest of Lake County. But demographically, North Chicago is two very different cities with Latinos of any race and African Americans concentrated in the north end and Caucasians concentrated in the south end. Two census tracts in the middle of the city are racially and ethnically integrated.

Overall, Waukegan has been diverse for more than 20 years with the proportion of African Americans roughly what would be expected in a free housing market without discrimination. The city's Latino population more than doubled during this time period to 53.4 percent of the population, far greater than what would have been expected in a free housing market without discrimination.

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1. The concept of opportunity groups is explained beginning on page 17.
 2. For a thorough, well-documented discussion of these impacts, see Douglas Massey and Nancy Denton, *American Apartheid: Segregation and the Making of the Underclass* (Cambridge, MA: Harvard University Press, 1993)

Within Waukegan, the proportions of African Americans are lower than what would be expected in a free housing market in five census tracts and significantly higher in four tracts. Several census tracts on the outer edge of Waukegan are overwhelmingly white and exhibit the characteristics of hypersegregation that dominate Lake County.

The racial, ethnic, and economic segregation that defines so much of Lake County and the entire Chicago metropolitan area contribute to the concentration of minorities in North Chicago and Waukegan.

As documented in chapters 3 and 4, these levels of hypersegregation are largely the result of discriminatory private and public sector practices and policies and seemingly “neutral” policies and practices that generate discriminatory impacts.

The recommendations in this chapter seek to help Lake County, North Chicago, and Waukegan fulfill their legal obligation to affirmatively further fair housing. As explained in detail in Chapter 2, every jurisdiction that accepts Community Development Block Grants and other funds from the U.S. Department of Housing and Urban Development (HUD) agrees to affirmatively further fair housing. As HUD has acknowledged,

“The Department believes that the principles embodied in the concept of “fair housing” are fundamental to healthy communities, and that communities must be encouraged and supported to include *real, effective*, fair housing strategies in their overall planning and development process, not only because it is the law, but because it is the right thing to do.”³

“Although the grantee’s AFFH [affirmatively further fair housing] obligation arises in connection with the receipt of Federal funding, its AFFH obligation is not restricted to the design and operation of HUD-funded programs at the State or local level. *The AFFH obligation extends to all housing and housing-related activities in the grantee’s jurisdictional area whether publicly or privately funded.*”⁴

As Chapter 2 explained, a number of “suggestions” were offered throughout this analysis of impediments. While the regulations, practices, and policies the suggestions address are *not* impediments to fair housing choice at this time, they could develop into impediments if not altered. The three jurisdictions should consider these “suggestions” as constructive recommendations to incorporate fair housing concerns into their planning and implementation processes.

The recommendations in this chapter provide a framework on which the county and cities can build their efforts. They are not meant to constitute a complete menu of actions that can be taken. The three jurisdictions will likely find that there are additional actions and programs that might be appropriate that are not mentioned here.

3. Office of Fair Housing and Equal Opportunity, U. S. Department of Housing and Urban Development, *Fair Housing Planning Guide*, (Washington, DC. March 1996), Vol. 1, i. Emphasis in original.

4. Ibid. 1–3. Emphasis added.

Nor are these recommendations intended to help solve all of the challenges that face Lake County, North Chicago, and Waukegan. The impediments identified and recommendations offered are tightly focused on affirmatively furthering fair housing choice.

In the fullest sense of the term, “affirmatively furthering fair housing” requires the county and cities to address the discriminatory practices that distort the free housing market and produce segregative living patterns. It means proactively establishing and implementing policies and practices that counteract and mitigate discriminatory housing practices and policies of the private and public sectors. While a county or city itself might not engage in discriminatory housing practices or policies, it should recognize that when its passive approach results in segregative living patterns, it needs to take action to correct this distortion of the free housing market as part of its legal obligation to affirmatively further fair housing. The recommendations of this chapter present many of the tools that Lake County, North Chicago, and Waukegan can use to “affirmatively further fair housing” in the fullest sense of the term. Because the three jurisdictions differ significantly, some impediments and recommendations apply to one or two of the three subject jurisdictions rather than to all three.

Like so many cities and counties across the nation, Lake County, North Chicago, and Waukegan are under severe budgetary constraints. When it comes to implementing these recommendations, allowances should be made for fiscal realities.



Stop reading now if you have not read chapters 3 and 4.

Readers of long complex documents are often tempted to skip right to the conclusions and recommendations, which can leave them wondering, “How did the authors ever arrive at that conclusion?” You can minimize this possibility if, *before you read this chapter*, you read chapters three and four where you will find all the data and analysis on which these impediments and recommendations are based. You will get the most out of this chapter by reading chapters three and four first.

Private Sector Impediments

Addressing Discriminatory Practices

Impediment #1

The data presented in Chapter 3 are clear that racial and ethnic segregation is the norm rather than the exception in Lake County. The percentage of African American residents and Latino residents in most Lake County municipalities is far less than would be expected in a free housing market that is not distorted by discrimination. A substantial number of Lake County cities and villages have minuscule minority populations while there are large concentrations of Black and Hispanic residents in a handful of the county's towns. The data and analysis in Chapter 3 strongly suggest that a substantial proportion of Black and Hispanic home seekers encounter discrimination throughout Lake County. There is a crying need in Lake County to identify the extent, if any, that real estate firms, rental agents, apartment managers, and landlords engage in discriminatory practices. The high degree of racial and Hispanic segregation reported in Chapter 3 strongly suggests that minorities are being steered to housing in predominantly minority and integrated communities and neighborhoods while whites are steered to overwhelmingly Caucasian neighborhoods. In addition, there is no factual data available in Lake County as to whether landlords or rental agents are rejecting tenants who are minorities, households with children, or people with disabilities who need a reasonable accommodation.

Recommendation

Lake County, North Chicago, and Waukegan should contract with a qualified organization to conduct ongoing, systematic, and thorough testing to identify any discriminatory practices in rental and for sale housing, particularly racial steering.⁵ Tests should be conducted according to standards that would make their findings admissible in court proceedings. It is crucial that each jurisdiction follow up when testing uncovers discriminatory practices or policies to bring an end to such practices.

“Testing” the practices of real estate practitioners, in both “for sale” and rental housing, has long been a valuable and reliable tool for uncovering discriminatory practices that are at the heart of racial segregation, particularly racial steering where real estate and rental agents direct whites to predominantly white neighborhoods while they direct African Americans to all-Black neighborhoods and away from predominantly white and integrated neighborhoods. Testing can help determine the extent of racial steering, if any, by real estate professionals in the county and each of its cities and villages.

As explained beginning on page 55, testing can also help reveal the extent to which Asian and Latino households are steered to areas of Asian and His-

5. Testing is explained in a footnote on page 83.

panic concentrations or are freely choosing to move to these areas as is typical of first and second generation immigrants.

Impediment #2

It is possible that racial steering and other discriminatory practices by some members of the real estate industry account for the 73 percent of the county's African American population being concentrated in North Chicago, Waukegan, and Zion. Steering and other discriminatory practices likely account for 59 percent of the county's Latino population being concentrated in Mundelein, North Chicago, Round Lake Beach, and especially Waukegan where 35 percent of the county's Hispanic population lives. Steering may explain why 54 percent of the county's Asian population lives in Buffalo Grove, Vernon Hills, Waukegan, Gurnee, Mundelein, and Round Lake. Steering and other discriminatory practices also probably explain why the Black population in 31 of Lake County's 51 municipalities was less than two percent. The proportion of African American residents was five percent or less in 44 of Lake County's 51 municipalities — 86 percent of the county's villages and cities. As documented in Chapter 3, *every* Lake County town would have been at least 9.1 percent Black in a free market undistorted by discrimination. The county's Latino residents were more concentrated than its Asian residents, but not as concentrated as its African American residents.⁶

Throughout the country some real estate professionals have been known to direct minorities to areas perceived as minority or as integrated neighborhoods, and to direct them away from predominantly white areas of a city. They have also been known to direct white people away from integrated and predominantly minority neighborhoods. Steering is a major cause of segregation and resegregation of neighborhoods from all-white to all-Black. If whites are steered away from integrated neighborhoods, then only minorities will move in and the neighborhoods will eventually resegregate. Maintaining demand for housing from all races and ethnic groups is the key to achieving and maintaining stable, racially- and ethnically-diverse neighborhoods and villages.

One key to reducing the extent of segregation in Lake County is to expand the housing choices of African Americans and Latinos to include cities and villages where few Blacks or Hispanics live today.

Recommendations

2.A In conjunction with North Chicago and Waukegan, Lake County should establish a program that encourages home seekers to expand where they look for housing. For example, members of minority groups should be encouraged to expand their housing search to include housing throughout the county, especially closer to their jobs, and not just in towns or neighborhoods with substantial minority populations. Caucasians should be encouraged to also look at housing in integrated neighborhoods, particularly closer to their

6. As noted in Chapter 3,

jobs, and not just in overwhelmingly white towns and neighborhoods. The idea is to expand housing choices and remove self-imposed restrictions. The need to expand housing choices is particularly acute in North Chicago, Waukegan, and Zion.

2.B This goal can be accomplished most effectively through face to face counseling through an ongoing publicity campaign. The Oak Park Regional Housing Center serves as a model of a highly effective counseling program that has successfully expanded housing choices and helped maintain racially-diverse neighborhoods that otherwise would have resegregated.⁷ A publicity campaign can use billboards, newspaper articles and display ads, and the Internet, including the Lake County, North Chicago, and Waukegan websites. An effort should be made to persuade local newspapers and websites to include a prominent notice with their real estate advertising sections that promote expanding housing choices to include the entire county.

Impediment #3 Our online sampling of the offices of real estate agents and rental offices revealed a paucity of Asian, Hispanic, and African American agents. Minority agents serve as a “welcome sign” to potential home seekers characterized as minorities. As noted in Chapter 4, Lake County real estate firms market their services online as well as in print. Their websites and display ads often include photographs of their agents. When nearly all of their agents are white, minorities — rightly or wrongly — often interpret that as a sign that minorities are not welcome in the communities served.

Recommendation Working closely with organizations of local real estate professionals as well as with the offices of local real estate firms, developers, landlords, apartment managers, and rental agents, the three jurisdictions should seek to get these private sector entities to increase their efforts to recruit African Americans, Hispanics, and Asians as residential real estate agents, leasing agents, and property managers. Training seminars conducted by a fair housing organization offer one way to convey this information.

Impediment #4 As noted in Chapter 4, when display ads and brochures for real estate — ownership or rental — depict residents of only one race or ethnicity, they send a clear message of who is welcome and not welcome to live in the

7. The center is located in Oak Park, Illinois and can be reached at 708/848-7150; Rob Breymaier, Executive Director. Website: <http://www.liveinoakpark.org>. The center maintains a constantly updated database of available rentals in racially-integrated Oak Park, provides fair housing and marketing technical assistance to landlords, and promotes the community to all races and ethnicities. Clients are encouraged to make “affirmative moves” or pro-integrative moves that will promote racial integration in the community. The Housing Center has also provided this service in the predominantly Caucasian western suburbs of Chicago and provides affirmative marketing in its homeownership counseling program. In all cases, the final decision is the client home seeker’s. However, the Housing Center expands the housing options known to its clients and 70 to 80 percent of them make a pro-integrative move. In the past, the center provided free escorts to see rentals in suburban areas that African Americans rarely considered and/or were reluctant to visit.

advertised housing, thus limiting the housing choices home seekers perceive as available to them.

Recommendation All three jurisdictions, but especially Lake County, should work closely with local real estate firms, developers, rental management companies, and landlords to get them to include people of all races as well as Latinos in their display advertising, brochures, and websites. Lake County should seriously consider filing fair housing complaints against those developers and landlords who fail to use racially/ethnically-diverse models in their display advertising and marketing campaigns, brochures, and websites. Training seminars conducted by a fair housing organization are one way to convey this information.

Mortgage Lending

Impediment #5 Discrimination against African Americans and, to a lesser degree, Latinos, in issuing mortgages continues unabated in Lake County, North Chicago, and Waukegan as it does throughout the nation.

The data reported in Chapter 4 strongly suggest that during the study period the private sector lending industry engaged in widespread discrimination in Lake County against African Americans and Hispanics in several ways. The industry steered them into high cost (subprime and predatory) mortgage and refinancing loans far more frequently than Caucasians and Asians. The use of high cost loans was more widespread in North Chicago and even more common in Waukegan where Latinos had the greatest percentage of high cost mortgages and refinancings.

Mortgage applications from Blacks and Latinos were approved less frequently than for whites and Asians with comparable incomes in Lake County, North Chicago, and Waukegan. Since the reasons for denial were similar for all racial and ethnic groups, discrimination almost certainly accounts for the differing approval rates.

Recommendations

5.A The ongoing disparity in loan approval rates suggests a substantial need to provide African Americans, Latinos, and lower-income households, with financial counseling to better prepare applicants *before* they submit a mortgage loan application. Such counseling should include educating potential home buyers to recognize what they can actually afford to purchase, avoiding the use of high cost and high risk mortgages, budgeting monthly ownership costs, building a reserve fund for normal and emergency repairs, recognizing racial steering by real estate agents to high cost lenders, and encouraging consideration of the full range of housing choices available. Lake County, North Chicago, and Waukegan should establish this function or contract with an organization that provides such counseling. The county should require all real estate firms to provide a brochure or written notice to poten-

tial buyers that informs them about this counseling and alerts them to the signs of discrimination in issuing home loans. While this impediment is not unique to Lake County, the absence of an effective national effort to overcome this discrimination warrants local action.

5.B Local governments are limited in what they can do to alter the behavior of those lenders that engage in discriminatory practices because the regulation of lenders falls within the purview of the federal government. But because counties and cities can choose where they place their cash reserves and operating funds, Lake County, North Chicago, and Waukegan are in a position to reward those lenders that do *not* discriminate and penalize those that do. All three should adopt and carry out a policy that they will bank and do business only with financial institutions that do *not* engage in these discriminatory practices. Such a policy and practice would make it in the financial interest of lenders to discontinue discriminatory practices. To implement this policy, the three jurisdictions will need to examine Home Mortgage Disclosure Act and Community Reinvestment Act data on the lending practices of specific local institutions to identify those lenders, if any, that have *not* engaged in discriminatory lending practices.

Public Sector Impediments

Building a Climate to Overcome Private Sector Impediments

Impediment #6 There appears to be a lack of commitment from Lake County and its 51 municipalities to achieving racial, ethnic, and economic integration *throughout the county*. As many of the recommendations for overcoming the private sector impediments suggest, those barriers to fair housing choice cannot be completely overcome without a firm commitment from Lake County, North Chicago, and Waukegan — as well as from the other 49 cities and villages in the county. It will take a public–private partnership to establish a free market in housing devoid of discrimination throughout Lake County.

Recommendations

6.A Lake County, North Chicago, and Waukegan should expressly embrace the concept of achieving and maintaining stable, racially, ethnically, and economically diverse communities. The leadership of elected officials is key to implementing this recommendation and to building public support for this goal. This is a goal that belongs in the comprehensive plans of all three jurisdictions and in the plans of each of the county’s 49 other municipalities.

6.B Each jurisdiction should also consider adopting a “housing diversity” statement in which it clearly articulates its vision for a jurisdiction that is racially, ethnically, and socioeconomically integrated throughout.

Implementing the recommendations for the next two impediments also gives each jurisdiction a tangible way to show its commitment to affirmatively furthering fair housing.

Impediment #7

As the U.S. Department of Housing and Urban Development reported years ago, fair housing is far more than holding poster contests and conducting an annual fair housing symposium. A genuine commitment requires a year-round fair housing program, not just declaring each April “Fair Housing Month.”

None of the three jurisdictions displays a tangible year-round commitment to fair housing and the core purpose of the Community Development Block Grant program to achieve the spacial deconcentration of racial and ethnic minorities and lower-income households. They have not put in place even the most basic practices and policies to foster racial, ethnic, and economic housing integration and reduce the high levels of racial, ethnic, and economic segregation throughout nearly all of Lake County. At a bare minimum, Lake County, North Chicago, and Waukegan need to start building a climate supportive of fair housing.

Recommendations

7.A Lake County, North Chicago, and Waukegan should each adopt a fair housing ordinance that is functionally equivalent to the nation’s Fair Housing Act. Their ordinances should establish an accessible, fair, and efficient local enforcement process that is swifter than the federal or state processes. A local ordinance can craft a simpler, more accessible process that will encourage those who believe they have been wronged to step forward and seek a remedy.

Their fair housing ordinances should be at least as broad as the federal and Illinois laws governing housing discrimination. In addition, they should add coverage for “source of income” so that landlords cannot legally refuse to rent to households solely because they use a housing choice voucher.

Perhaps even better, Lake County could adopt a fair housing ordinance that is applicable to all residential properties throughout the county, not just in unincorporated Lake County.

7.B Each jurisdiction that adopts a fair housing ordinance should appoint and adequately fund a Fair Housing Commission to implement its fair housing ordinance.

7.C Each of the three jurisdictions should appoint and train a fair housing officer to spearhead its efforts to combat housing discrimination, provide assistance to people who may have a fair housing complaint, and staff any fair housing commission the jurisdiction may create. This individual would be the “go-to” staff person on housing discrimination issues.

7.D Each jurisdiction should print brochures in English and Spanish about how to recognize housing discrimination and how to file a fair housing complaint under their local ordinances. All leasing offices and real estate offices within their borders should be required to give a copy of the brochure at first contact with a prospective customer. An electronic version of the brochure should be easily accessible at each jurisdiction's website in both English and Spanish.

7.E As recommended in this chapter, Lake County, North Chicago, and Waukegan need to establish ongoing programs to achieve fair housing within their borders.

Impediment #8 While it is a positive sign that Barrington, Deerfield, and Highland Park have adopted fair housing ordinances, they have become stealth laws noteworthy for their invisibility to the public and lack of implementation and enforcement.

Recommendations

8.A Barrington, Deerfield, and Highland Park need to train and appoint a fair housing officer to guide implementation of their fair housing ordinances.

8.B These three municipalities need to publicize their fair housing ordinances to people looking for housing within their boundaries. Each should include a page on housing discrimination on their websites with a link on each jurisdiction's home page. Each jurisdiction should print a brochure in English and Spanish about how to recognize housing discrimination and how to file a fair housing complaint under their local ordinances. All leasing offices and real estate offices within their borders should be required to give a copy of the brochure upon first contact with a prospective customer.

Expanding Affordable Housing Throughout Lake County

Impediment #9 The concentration of housing affordable to households with modest means in a few Lake County municipalities strongly suggests the presence of exclusionary zoning provisions, practices, and policies in the vast majority of Lake County villages and cities that make it impossible to build housing affordable to all but higher-income households.⁸ By effectively ex-

8. Exclusionary zoning practices are discussed beginning on page 116. They include large lot zoning as well as mapping very little land to those zoning districts with smaller minimum lot sizes or that allow for multi-family housing as of right. Exclusionary zoning techniques and remedies are explained and ana-

cluding the construction of housing that households of modest incomes can afford, these zoning provisions contribute to the substantial racial, ethnic, and economic segregation throughout Lake County.

Recommendations

Lake County faces a dilemma much like Westchester County, New York as reported in Chapter 2. The extensive segregation in both counties results, in part, from the exclusionary zoning practices and policies of the municipalities within the county. Neither county has the legal ability to override local zoning codes. However, Lake County can offer incentives to encourage its municipalities to eliminate the exclusionary provisions in the zoning codes and practices. The county can decline to spend Community Development Block Grant funds and other funds in the exclusionary communities. But it lacks the legal ability to force a municipality to alter its zoning codes — a factor that the U.S. Department of Housing and Urban Development should take into account.

Unlike Westchester County which has no zoning power over unincorporated land, Lake County does zone its unincorporated land which gives Lake County the ability to eliminate exclusionary zoning in unincorporated Lake County.

9.A Lake County should commission an independent analysis of its *Unified Development Ordinance* to identify provisions, practices, and policies that hinder or prevent the construction of housing affordable to households of modest means. The analysis should identify specific provisions with an exclusionary effect and suggest revisions to mitigate the exclusionary impacts as well as identify proactive approaches to make affordable housing a realistic possibility throughout unincorporated Lake County.

9.B Lake County should commission an independent analysis of the zoning codes of its municipalities in which the proportions of African Americans and/or Latinos are well below what would have been expected in a free housing market not distorted by discrimination. The analysis should identify zoning provisions, practices, and policies that hinder or prevent the construction of housing affordable to households of modest means. The analysis should identify specific provisions with an exclusionary impact, suggest revisions to mitigate the exclusionary effects, and identify proactive approaches to make affordable housing a realistic possibility in every Lake County city and village.

lyzed at some length in the seminal work edited by Randall Scott, *Management & Control of Growth: Issues – Techniques – Problems – Trends* (Washington, DC: The Urban Land Institute, 1975) at 439–589.

9.C Amend Lake County’s *Unified Development Ordinance* to allow accessory dwellings in at least the R-2, R-3, and R-4 zoning districts. Accessory dwellings offer an opportunity to provide housing affordable to households with modest incomes and to enable elderly households with reduced incomes to continue to live on their property. By limiting accessory dwellings to the large lot AG, RE, E, and R-1 districts with a minimum lot area of 80,000 square feet, the county’s *Unified Development Ordinance* imposes a barrier to providing affordable housing via accessory dwellings in the R-2 through R-6 residential districts.

While relatively little land is currently zoned R-2, R-3, or R-4, sound planning principles suggest no reason to continue to exclude accessory dwellings from these districts.

Impediment #10 The only mention of “affordable housing” in the county’s *Unified Development Ordinance* is its definition and a vague statement to support affordable housing where infrastructure can support it. Since significantly higher proportions of minority households have modest incomes, the failure of Lake County’s code to actually provide for the inclusion of affordable housing poses a barrier to fair housing choice by restricting housing opportunities for households with modest incomes to those municipalities in the county with concentrations of lower-cost housing and minorities.

Recommendation At a minimum, Lake County should amend its *Unified Development Ordinance* to require the inclusion of dwelling units affordable to households with modest incomes in all districts, except AG (agricultural), in which housing is allowed and provide a density bonus. At least ten percent of the units in any development of ten or more units should have to be affordable to lower-income households in exchange for a ten percent density bonus, enabling the developer to retain her profits while providing some sorely-needed dwellings for households of modest means. The ordinance should require that the affordable housing be marketed affirmatively throughout the county to all races and ethnicities.

The county should conduct research to see if there is a legal way to maintain this requirement if a municipality annexes unincorporated land. It is easy to foresee developers seeking annexation to a municipality to avoid their affordable housing obligation.

Impediment #11 The limited availability of housing affordable to households with modest incomes outside of the northeast corner of Lake County contributes to the racial and socioeconomic segregation that dominates the county.

Recommendations

11.A While ending exclusionary land-use provisions and practices will take at least a decade, the efforts of the public-private partnership Community

Partners for Affordable Housing can produce results much more quickly. Community Partners, discussed beginning on page 113 manages the first community land trust in Illinois to preserve, maintain, and develop rental and ownership housing that is permanently affordable to households with modest incomes. Lake County should either create a new entity modeled on Community Partners or adequately fund Community Partners for Affordable Housing to expand its efforts to all of Lake County. Essential to this effort, however, are requirements (1) for affirmative marketing to assure that the full racial and ethnic diversity of Lake County is well represented among the households helped and (2) to provide counseling to promote pro-integrative moves. The selection of sites should also be pro-integrative to open up housing opportunities for African Americans and Latinos in those parts of the county where the proportions of Blacks and Hispanics are significantly below what would be expected in a free housing market absent discrimination.

11.B Lake County should look into developing and adopting a “Fair Share Housing Plan” under which those municipalities with little or no housing affordable to modest-income households would be obligated to furnish realistic opportunities to provide their fair share of the county’s need for housing affordable to households of modest incomes.⁹ Such a plan would establish a legal mechanism to eliminate exclusionary zoning provisions in the zoning codes of Lake County and all of its municipalities. Coupled with the recommendation immediately above, a Fair Share Housing Plan could significantly reduce segregation in Lake County over the years.

11.C As noted in this analysis, housing segregation in Lake County emanate largely from two major factors: (1) discriminatory practices in the private sector that effectively discourage African Americans and Latinos from buying or renting in most of Lake County *and* (2) the zoning ordinances and practices of Lake County and most of its municipalities that effectively exclude housing affordable to households with modest incomes, a disproportionately high percentage of whom are African American or Latino.

This double whammy effectively limits the housing choices of most Black and Hispanic households in Lake County. As explained in the highlighted text box on page 163, Lake County cannot force its municipalities to eliminate their exclusionary zoning provisions. However, by creating an interactive, searchable website of affordable rental *and* ownership housing throughout Lake County, the county can help expand the housing choices of households with modest incomes by making them aware of housing they can afford located throughout the county.

An excellent online model for expanding awareness of affordable housing opportunities is the District of Columbia’s website *DCHousingSearch.org*. The site offers a sophisticated, but easy-to-use search engine to locate rental

9. While fair share housing plans have existed since the 1960s, the best known is the one established under the “Mount Laurel Doctrine” in New Jersey. For an informative history, visit <http://fairsharehousing.org/mount-laurel-doctrine>.

and ownership housing affordable to households with modest incomes as well as for wealthier households. The search tools include a “Basic” search in which the user specifies the number of bedrooms and bathrooms, rent range, zip codes, proximity to public transit, smoking policy, and whether the landlord speaks English or Spanish. The “Advanced” search adds proximity to shopping, hospital, distance from a specific address, and different types of senior housing. The “Accessible Search” adds about two dozen accessibility options. Users can specify whether they hold a Section 8 Housing Choice Voucher so their search will identify properties where the landlord will accept a voucher.¹⁰ A user can translate the site into Spanish with one click of a mouse and translate the site into over 50 other languages with just two clicks.

SocialServe.com, the company that maintains the *DCHousingSearch* site, already has a rudimentary limited site with rental housing for ten towns in Lake County: Fox Lake, Gurnee, Ingleside, North Chicago, Park City, Round Lake, Round Lake Beach, Vernon Hills, Waukegan, and Zion. Lake County should work with SocialServe.com (or a similar provider) to expand its current interactive website of affordable rental housing in Lake County to also include ownership housing and to include municipalities in addition to the ten municipalities currently covered.

The websites of Lake County, North Chicago, Waukegan, and each of the 49 other Lake County municipalities should prominently include a web page on finding affordable housing that links to this new web page. While Lake County is developing its own website for affordable housing searches as recommended here, the Lake County, North Chicago, and Waukegan websites should include a direct link to SocialServe.com’s “Housing Search: Lake County, IL” web page.

Incorporating Fair Housing Into the Planning Process

Impediment #12 The planning processes in Lake County, North Chicago, and Waukegan do not address any fair housing issues. Residential developments that require county or city review and approval are approved without any effort to affirmatively further fair housing.

Recommendations

12.A Lake County, North Chicago, and Waukegan should explicitly require developers of all residential developments and buildings to comply with the federal Fair Housing Act, Illinois’ Human Rights Act, and any fair housing ordinance they may adopt. Each jurisdiction should require every developer to agree to comply with the guidelines suggested below in order to receive a building permit, zoning, and/or subdivision approval. All three jurisdictions

10. This search criterion is needed because Illinois and Lake County both lack a fair housing law that includes “source of income” as a protected class.

should also require compliance with the accessibility standards of the Americans With Disabilities Act in order to receive a building permit. The underlying concepts are to not only ensure that new housing is accessible to people with disabilities, as the ADA requires, but to also make home seekers aware of the full array of housing choices available to them and to feel welcome in the proposed development.¹¹ A number of cities including Hazel Crest and Matteson, Illinois have adopted ordinances that effectively require compliance with the Fair Housing Act to receive building permits or zoning approval for new construction of all housing. A building permit cannot be issued until the city approves the developer's plans for compliance.¹²

12.B In conjunction with the management or owners of apartment complexes, a county or city can also develop marketing plans to fulfill the mandates of the applicable fair housing laws. Goals would be established and a record kept on the racial composition of current occupants and those looking for housing in the complex so the plan's success can be evaluated. The legality of these requirements was upheld in federal court in *South Suburban Housing Center v. Board of Realtors*.¹³

12.C For the developer or landlord, compliance with fair housing laws involves abiding by the accessibility standards promulgated in the Americans With Disabilities Act and taking positive steps to promote the housing to people in the racial and/or ethnic groups whose proportions are significantly lower than expected in a free housing market without discrimination. Building permit and zoning approval should require some or all of the following actions:¹⁴

- ➡ Producing print and Internet advertising targeted to the racial or ethnic groups whose proportions in a municipality are significantly less than would exist in a free housing market devoid of discrimination. Photos and videos of models portraying residents or potential residents should reflect the full diversity of Lake County to show that all are welcome to move to the advertised building or development.
- ➡ Using models in billboard advertising to portray residents or potential residents who reflect the full diversity of Lake County to

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11. Marketing in accord with the Fair Housing Act is nothing new. The precursor of modern fair housing marketing rests in the 1972 federal government requirement that all developers who use Federal Housing Administration insurance must file an "affirmative marketing plan" with the U.S. Department of Housing and Urban Development to encourage a racially-integrated housing market. These plans are to specify "efforts to reach those persons who traditionally would not have been expected to apply for housing." Quoted in Phyllis Nelson, *Marketing Your Housing Complex in 1985* (Homewood, IL: South Suburban Housing Center, 1985), 10.
 12. James Engstrom, *Municipal Fair Housing Notebook: A Description of Local Ordinances, Tools, and Strategies for Promoting a Unitary Housing Market* (Park Forest, IL: Fair Housing Legal Action Committee, 1983), 11, 97.
 13. 713 F.Supp. 1069, 1086 (1989).
 14. These recommendations are contingent on Illinois state law permitting the county and two cities to amend their land use and subdivision codes to make such requirements.

show that all are welcome to move to the advertised building or development.

- ➡ Employing real estate agents or rental agents who reflect the full diversity of Lake County. As noted in Chapter 4, it appears that the real estate agent and rental agent workforce has a disproportionately small number of African American and Latino agents.
- ➡ Giving every client who comes to look at housing a brochure that clearly identifies illegal discriminatory practices and provides clear contact information to file a fair housing complaint. The county should consider producing this brochure and providing a PDF file to each developer, real estate firm, landlord, and rental management firm to print. The brochure should be available in English and Spanish.
- ➡ Prominently displaying the Fair Housing logo and/or the phrase “Equal Opportunity Housing” and contact information to file a housing discrimination complaint in all online and print display advertising, as well as all printed brochures that offer rental or ownership housing.

Impediment #13 Zoning for community residences for people with disabilities in all three jurisdictions fails to comply with the nation’s Fair Housing Act.

As explained beginning on page 122, by including “up to 8 persons with physical or developmental disabilities and attendant support staff living together as a single housekeeping unit in a single dwelling unit” in its zoning definition of “household,” Lake County renders all of its other zoning restrictions on community residences for up to eight people with disabilities legally unenforceable. The definition of “household” requires the county to allow all community residences housing as many as eight individuals as of right everywhere residences are allowed as a permitted use.

Until it amends its zoning code as suggested in the first recommendation below, Lake County *must* allow all community residences for people with disabilities that house no more than eight people as permitted uses in all zoning districts where residential uses are allowed.

The county also improperly includes “certain group homes for the physically disabled, mentally retarded, or emotionally disturbed; and some residential programs for drug and alcohol treatment” in the same “assisted living” category as nursing and convalescent homes.

North Chicago illegally bans community residences from its R1 and R2 single-family districts and allows “group community residences” only by special use permit and only in the R5 multifamily zone. Three other provisions also violate

the Fair Housing Act, with the most egregious being the prohibition of community residences within 1,000 feet of a school, park, licensed daycare center, or any business that serves or sells alcohol.

While Waukegan's zoning code sets a cap of five on the number of unrelated people who can live together, the city imposes spacing and other requirements on community residences that house five or fewer people if they have live-in or staff on shifts. This practice runs counter to the case law which has clearly established that community residences that comply with the cap on the number of unrelated residents must be treated the same as other "families." The city illegally prohibits the larger group community residences from the R1, R2, and R3 residential districts and from commercial districts where multifamily housing is allowed. Waukegan also runs afoul of the Fair Housing Act by not offering a special use permit "backup" to allow for community residences to locate within the spacing distance and to allow community residences like Oxford House for which the State of Illinois does not require a license. It is hard to imagine a legitimate government interest served by the city's excessive 1,000 foot spacing distance. Finally, by including community residences for persons with disabilities in its zoning code definition of "dwelling," Waukegan opens itself up to legal challenge.

By implementing the recommendations that follow, each jurisdiction can bring its zoning into compliance with the Fair Housing Act. Before adopting amendments to their zoning codes, all three need to conduct the appropriate study to provide factual and legal justification for the zoning requirements and restrictions they place on community residences for individuals with disabilities. To save scarce funds, they could conduct a single joint study.

Recommendations

13.A If **Lake County** wishes to impose a spacing distance or licensing requirement on community residences for people with disabilities, it must first remove "up to 8 persons with physical or developmental disabilities and attendant support staff living together as a single housekeeping unit in a single dwelling unit" from its zoning definition of "household." It also needs to remove "certain group homes..." as examples of "assisted living." Community residences are not the same use as nursing and convalescent homes which are institutional uses.

If the county wishes to regulate community residences under zoning, it should, concurrently with making these zoning amendments, amend its zoning to allow community residences for people with disabilities in all residential districts as a permitted use as long as they are not within 660 linear feet of an existing community residence and have a license or certification to operate. Those that do not meet these two standards should be subject to the greater scrutiny of a special use permit. It bears repeating that a proper study must be conducted first to provide the factual and legal justification for these requirements.

The zoning code should be amended to state that "community residences for people with disabilities are a residential use for purposes of zoning, building, and property maintenance codes."

The zoning ordinance cannot limit community residences to just eight residents. Case law has established that some types of community residences need ten to 12 occupants for both therapeutic and financial reasons. If the county wishes to place any cap on the number of residents of a community residence, it should not be set any lower than 12. It is highly questionable whether a community residence with more than 12 occupants can maintain the family-like environment which is an essential characteristic of all community residences. However, it is important to remember that the actual number of residents allowed must be determined by the same occupancy standards applied to all other residential uses.

13.B North Chicago needs to completely revise its zoning for community residences to allow them in all residential districts as of right subject to no more than a 660-foot spacing requirement and a licensing/certification requirement. The city also needs to adopt a special use permit backup to allow for those community residences that seek to locate within the spacing distance or for which the State of Illinois does not require a license or certification. The recommendations for Lake County about determining maximum occupancy apply to North Chicago as well. The city must repeal its prohibition on locating community residences within 1,000 feet of a school, park, licensed daycare center, or any business that serves or sells alcohol.

13.C Waukegan needs to immediately discontinue its practice of treating community residences that fit within the city's definition of "family" cap of five unrelated people differently than other families when the community residence has staff. It also needs to remove "community residences for persons with disabilities" from its definition of "dwelling." Instead, the definition of community residence should be amended to state that "community residences for people with disabilities are a residential use for purposes of zoning, building, and property maintenance codes."

Community residences for people with disabilities should be allowed in all residential districts and other districts where residences are allowed as of right as long as they are not within 660 linear feet of an existing community residence and have a required state license or certification. The city should adopt a special use backup provision to allow for community residences that wish to locate within the spacing distance or for which the State of Illinois does not require a license or certification. If the city wishes to place a cap on the number of people who can live in a community residence, the cap should not be less than 12 as explained above.

13.D Lake County, North Chicago, and Waukegan should have a proper study conducted to provide the factual and legal basis on which to base the recommended revisions to their zoning provisions for community residences for people with disabilities.

Impediment #14 In far too many instances, demographic and land-use data that one would think would be routinely available from the jurisdictions

studied required additional research or simply were not available. The absence of this data makes it difficult or impossible for a government entity to know the effects of its practices and policies and difficult or impossible for a third party to review them. There is a serious need to refine practices to maintain demographic data on a timely basis.

Recommendation All three jurisdictions need to improve their demographic and land-use record keeping. In addition, they should keep track of the locations of all community residences for people with disabilities to make sure that clustering is not occurring and that they are not being concentrated in a municipality, neighborhood, or a block.

Reporting Possible Housing Discrimination

Impediment #15 Somebody wishing to report housing discrimination will be stymied when calling any of the three jurisdictions. Callers to Lake County are incorrectly referred to the Lake County Housing Authority. Callers to the City of North Chicago get an automated attendant that offers dialing by department or last name and offers phone numbers to call — but nothing to report possible housing discrimination. Callers to the City of Waukegan are obstructed by an automated attendant with no option to speak directly to an operator. While you can hear a list of city hall departments, there is no choice for reporting housing discrimination.

Recommendations All three jurisdictions need to refine their phone systems and train their staff members who answer the phones to get callers with a housing discrimination issue or question to the jurisdiction's fair housing officer.

15.A Lake County needs to train its operators in how to handle calls about possible housing discrimination. They should connect the caller to the county's fair housing officer or to Prairie State Legal Service's Fair Housing Program for Lake County at 224/321-5630 or, toll free at 855-347-5253. Callers should be told that Prairie State's services are available in English and Spanish.

15.B North Chicago's automated attendant should include a choice for reporting housing discrimination that gets the caller to the city's fair housing officer or gives the caller the phone number for Prairie State Legal Service's Fair Housing Program for Lake County. The city also needs to fix its automated attendant so callers can reach a live person — and this person should be trained in how to direct calls about housing discrimination.

15.C Waukegan's automated attendant should include a choice for reporting housing discrimination that gets the caller to the city's fair housing officer or gives the caller the phone number for Prairie State Legal Service's Fair Housing Program for Lake County. The system should be fixed to give callers

the option to speak to a live person — and this individual should be trained in how to handle calls about housing discrimination.

Impediment #16 The three jurisdictions provide no way to report housing discrimination online. Their websites offer no information on fair housing or housing discrimination.

Recommendations

16.A Lake County, North Chicago, and Waukegan need to establish housing discrimination web pages that explain how to recognize housing discrimination and a way to file an online housing discrimination complaint. Viewers should be given the name and contact information of the jurisdiction’s fair housing officer who should be trained in handling fair housing allegations. Each home page should include a clear link to the housing discrimination/fair housing pages. The sites should give viewers the phone number for Prairie State Legal Service’s free Fair Housing Program for Lake County (224/321–5630 and toll free at 855–347–5253). Each site should state that this free service is available in English and Spanish. Prairie State Legal Services needs to build a web page on housing discrimination with a link to that page from its home page. Once this page is up and running, all three jurisdictions should add a link to it. All housing discrimination web pages should be posted in both English and Spanish. Alternatively they should include a translation engine that can translate the page into different languages.

16.B Lake County’s website has an broad “LCTV Video Library” where you can watch a video online or download the video or audio of each “program.” The county should place video and audio files on how to recognize housing discrimination and how to file a complaint on LCTV, at <http://www.lakecounty.tv> with links from the county’s main website.

Videos and audio should be available in both English and Spanish. There’s already a “Voter Information” program in Spanish. Instructions for using the site should be posted in Spanish as well as English.

Impediment #17 Next to English, Spanish is the most frequently spoken language in Lake County. Very little information about housing discrimination and fair housing is available in Spanish. It is extremely difficult for people with limited English proficiency to understand their fair housing rights when they are available only in English.

Recommendation All three jurisdictions should conduct the four-factor analysis to determine what sort of language access program, if any, is needed to comply with Title VI of the Civil Rights Act of 1964.¹⁵ As noted above, information on housing discrimination and fair housing should be easily available in both English and Spanish.

Housing Authorities

Impediment #18 Of the three housing authorities, only Lake County's offers any information about fair housing or reporting housing discrimination on its website. The North Chicago and Waukegan housing authority websites have nothing on housing discrimination. Both lack a search function.

The Lake County Housing Authority has a "Fair Housing" link in the banner on every page discussed beginning on page 145. The link gives viewers HUD's toll-free "Housing Discrimination Hotline" and a link to a 1990s brochure "Are You a Victim of Housing Discrimination?"

All three websites are solely in English and need a Spanish version of their web pages.

Recommendations

18.A Rather than just refer viewers to HUD's national housing discrimination hotline, the **Lake County** Housing Authority website should give viewers the phone number for the Prairie State Legal Service's free Fair Housing Program for Lake County (224/321-5630 and toll free at 855-347-5253). The site should state that the service is available in English and Spanish. Ideally there should be a link to the legal services' web page for its Fair Housing Program, but no such page exists. Prairie State Legal Services needs to add a web page on housing discrimination to its site and a link to that page on its home page. Once this page is up and running, all three housing authorities should add a link to it. A Spanish-language version of the housing discrimination page should be added.

18.B The housing authorities for **North Chicago** and **Waukegan** need to add a page on housing discrimination to their websites and a clear link on their home pages or in their website banners to this page. The page should include information on how to recognize housing discrimination and how to report a possible fair housing claim. The page should provide information about Prairie State Legal Services' free Fair Housing Program as well as its phone numbers and a link to its fair housing web page (once it is created). The web

15. Details on this analysis are in the January 22, 2007 edition of the *Federal Register*.

pages on housing discrimination — and the links to them — should be in both English and Spanish.

Impediment #19 Nearly a dozen complaints of housing discrimination were filed against Lake County and North Chicago housing authorities during the study period. The Lake County Housing Authority was successfully charged in court with discrimination in how it handled a live-in aide. Nearly three-fourths of the complaints alleged discrimination due to a physical or mental disability.

Recommendations

19.A Both housing authorities need to train their staff and make the reasonable accommodations necessary to enable people with disabilities to live in properties over which the housing authorities have jurisdiction.

19.B All three housing authorities need to equip at least five percent of their public housing units to be accessible to individuals who use a wheelchair. While the Lake County Housing Authority is nearly at this level, no data were available from the North Chicago or Waukegan housing authorities.

Impediment #20 In too many instances, demographic and geographic data that one would think would be routinely available from these housing authorities required additional research or simply were not available. The absence of this data makes it difficult or impossible for the housing authorities to know the effects of their practices and policies and difficult or impossible for a third party to review them. There is a serious need to refine practices to maintain demographic and geographic data on a timely basis. The housing authorities were unable to provide demographic data on the racial composition of each public housing development and on households with housing choice vouchers from past years that would have enabled longitudinal analysis.

Recommendation All three housing authorities should keep track of the location of their scattered site public housing units by race and Latino ethnicity and where their housing choice vouchers are used in order to determine whether they are being used in a pro-integrative manner or intensifying existing segregation. Other demographic and geographic data need to be maintained and updated in a timely manner.

Data from past years should be routinely retained to enable longitudinal analysis that could identify trends.

If the data on the use of housing choice vouchers show that vouchers are not being used primarily in a pro-integrative manner, a housing authority will need to adjust its policies and practices to more effectively promote pro-integrative moves.

Conclusion

Lake County has the opportunity to end the discriminatory practices and policies and the exclusionary zoning laws and practices that have distorted the free housing market and resulted in an unusually intense degree of racial, ethnic, and economic segregation throughout nearly all of Lake County. These practices largely account for the extreme concentration of 73 percent the county's African American residents in just three of 51 municipalities and the less intense concentration of 59 percent of the county's Latino residents in four municipalities.

The concentration of "minorities" in North Chicago and Waukegan is due in large part to the exclusionary and discriminatory practices in the rest of Lake County. Adequately addressing these practices throughout Lake County will enable "minorities" of all income levels who are concentrated in North Chicago and Waukegan to move to higher opportunity communities and achieve the American Dream of upward mobility.

While these conditions plague the entire Chicago metropolitan area, Lake County can take significant steps to remedy them within its borders without waiting for the other five counties to also act to affirmatively further fair housing choice.