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HOME IS WHERE THE FIGHT IS

Affordable-housing advocates see opportunity for policy change amid the foreclosure crisis

By Lisa Black

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Bertha Chavez and her husband always paid their mortgage on time, with each working two, even three jobs to keep their Highwood home.

But when some of those jobs disappeared in June, their income dropped by half. Chavez called the bank to ask if their payments of \$2,580 per month for the two-bedroom home could be modified, but "they say we have to be behind by three months," said Chavez, 53, a family support worker. "I said, 'I am trying to pay on time.' "

The family stopped making payments in July. They also sought help from the Interfaith Housing Center of the Northern Suburbs and still are waiting for a resolution.

They join hundreds of others who share similar frustrations, according to Interfaith leaders, who have dealt with a dramatic increase in pleas for help over the last few years. On Sunday, the Winnetka-based nonprofit group will focus on the foreclosure crisis during its annual meeting, from 3 to 5 p.m. at St. Elisabeth's Episcopal Church, 556 Vernon Ave. in Glencoe.

"You have got homeowners who aren't in any better position than renters," said Gail Schechter, executive director. "They are as vulnerable to eviction as renters. It's even worse because their credit is ruined and they may lose any equity that they put into their home. It raises a lot of questions on housing policy to date."

The meeting, which is free, will feature former Milwaukee Mayor John Norquist, CEO of the Congress for the New Urbanism, and Sushma Sheth, a community organizer. They will speak on "Revisiting the American Dream: New Approaches to Housing Policy."

Having spent years advocating for affordable housing on the pricey North Shore, Schechter said she hopes communities today will be more receptive to developing new policies that help people of all income levels. The center, open since 1972, formerly dealt mostly with low-income and minority residents who had fallen prey to predatory lenders, she said.

But the requests for help today usually stem from loss of employment. In the fiscal year that ended in June, the center received 320 foreclosure complaints, compared with 118 in the previous year. In fiscal 2007, the center received only 28 such calls regarding foreclosures, which at the time was considered "the record," Schechter said.

A Winnetka resident and real estate agent whose work dried up with the economy called Interfaith asking how to obtain federally subsidized Section 8 housing, Schechter said. Her husband had lost his job, and the couple were forced to declare bankruptcy. One of their two children was enrolled at New Trier Township High School, but Schechter couldn't help the family find any affordable housing within the community. She had to tell them that the Section 8 housing waiting list was impossibly long.

"The irony is, the hostility that has been shown toward Section 8 has been pretty terrible up here," she said, referring to many North Shore communities.

Rather than entice developers to build high-end housing, communities should begin offering a mix, she said.

"Do we really want to go back to business as usual?" Schechter said. "I would hope the answer is no."

Foreclosures in north suburban Cook County soared 388 percent between 2005 and 2008, according to the Chicago-based economic development nonprofit Woodstock Institute. Among those hardest hit is Skokie, which in 2008 reported 346 foreclosure filings, compared with 60 in 2005. During the first half of this year, Skokie had an additional 227 foreclosure filings.

Glenview had 190 foreclosure filings in 2008, compared with 34 in 2005. The village reported 85 foreclosures during the first half of this year.

"The further north you go, the fewer resources are available for counseling," said Jasmine Brewer, Interfaith's director of housing counseling. Many other nonprofit resources also are overwhelmed with requests, while for-profit counselors charge fees that may worsen the situation, she said.

David Northern, executive director of the federally funded Lake County Housing Authority, said he has one housing counselor on staff "and she is overwhelmed." The agency is dealing with increasing numbers of moderate-income families seeking subsidized housing, he said, but there are 7,000 people on the waiting list. There are not enough housing inventory or vouchers to go around, he said.

For those trying to hang on to their homes, counselors such as Brewer help residents collect the documents needed before asking a lender to refinance or modify payments. Besides submitting pay stubs and tax returns, the homeowners must write a "hardship statement" that explains the circumstances, such as an illness or loss of employment, she said.

"A lot of the homeowners are absolutely terrified to talk to their banks, in part because they may or may not know the options they have," Brewer said. "Or it can be (that they encounter) the one bank executive who makes them feel ashamed or intimidates them."

Chavez followed the bank's instructions and submitted documents, but doesn't know yet if the family's mortgage payment will be lowered.

"They say there are a lot of people asking for that and that they are still looking at our records," Chavez said. "It's been three months already. Right now I am so scared. I don't want to lose (the house)."

New laws give some homeowners more flexibility -- such as allowing interest rates as low as 2 percent -- but foreclosure numbers still are rising, Brewer said.

"There are more programs that are trying to address that this is not just a low-income and minority community problem," Brewer said. "This is affecting everyone."



Bertha Chavez and her husband have been trying for months to work out a deal with their bank to keep their Highwood home. (Photo for the Tribune by Andrew A. Nelles / October 12, 2009)

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