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Chicago Rehab Network
Analysis of the DOH Quarterly Report
3rd Quarter, 2008
Presented December 11, 2008

Introduction

In the third quarter, the city was faced with yet another difficult budget process which has resulted in hundreds of layoffs, increases in fees, and a major reorganization that would merge several departments and create a new Department of Community Development.

In the midst of these activities, we are concerned that planning for the next Five Year Affordable Housing Plan has stalled. We must keep the Five Year Plan and quarterly reporting process a priority in the midst of these challenges and emphasize the importance of the timely release of the report to allow sufficient time for review. This quarterly reporting process is an excellent example of government transparency that must be carried forward in the next Plan and continue through the departmental reorganization.

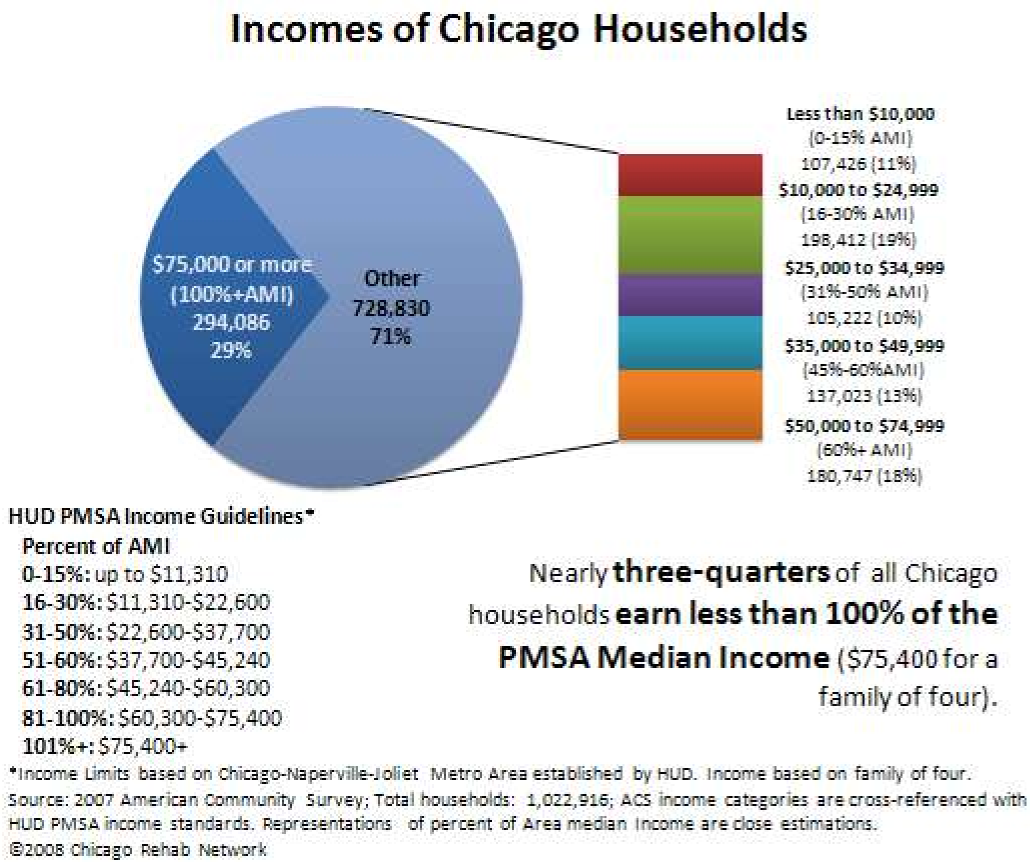
The merger of these departments aligns the previously separate yet integral activities of departments that are critical to the city's housing stock. The merger also provides an opportunity to expand the scope of the reporting process. With the incorporation of Planning activities within this new department, we look forward to greater collaboration and efficiencies that will benefit Chicago's neighborhoods.

Neighborhood Stabilization Program

The City of Chicago will receive $55 million out of the $4 billion allocated under the 2008 Housing and Recovery Act and the newly created Neighborhood Stabilization Program. The city has identified Mercy Housing, Inc. as the lead agency overseeing this effort. We commend the city for selecting a competent and strong partner in Mercy Housing, but we must also underscore the importance of local and community-based decision-making.

As the City and Mercy Housing move forward in identifying partners in this effort, we emphasized the importance of prioritizing nonprofit community organizations and developers in the selection of "Participating Entities." CDCs are keenly aware of the needs of their community and local market forces. Therefore, they are best-equipped to determine the most effective use of foreclosed properties. More importantly, CDCs are more likely to keep properties affordable for the long-term and prevent the displacement of residents once the affordability restrictions expire. We have attached CRN's comments to the City's NSP Proposal to HUD for your review.

We also recommend that foreclosed multifamily properties are prioritized. The foreclosure crisis is foremost a crisis of affordability – the mismatch between income and housing costs has been too widely ignored by builders, for-profit developers, and decision makers – undermining the entire financial system and destabilizing our great City. Most Chicagohouseholds earn below $75,000 (see chart) and rental housing provides access to affordable housing especially for families affected by foreclosures. No neighborhood can be stabilized without primary consideration of affordability and policies to sustain the growth that occurs.



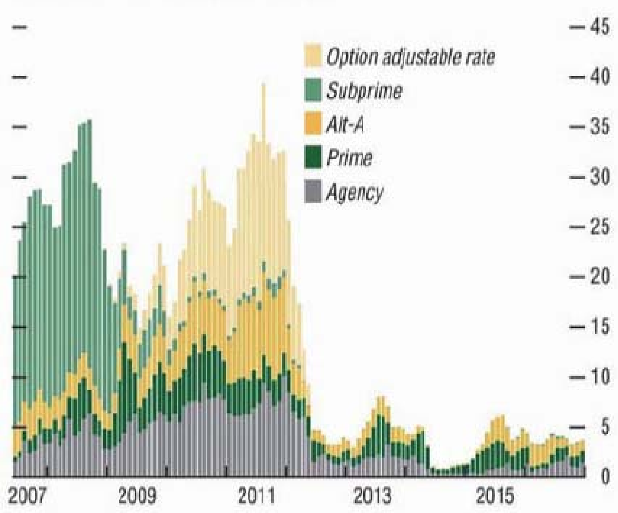
The Burgeoning Economic Crisis

The most recent CRN Foreclosure Reports for September and October 2008 and the 2007 Affordable Housing Fact Sheet are attached at the end of this report. Foreclosure filings total over 1,300 in September and 938 in October bringing the total foreclosure filings to almost 13,800 citywide in 2008.

The trends nationally should paint a picture of what is likely to be a long road to economic recovery. In 2007, there were 2.2 million foreclosure filings on nearly 1.3 million properties nationwide according to RealtyTrac. A report released this week by to the international finance firm, Credit Suisse shows that, coupled with a dismal unemployment forecast, **we could expect over 9 million foreclosures in the next 4 years**.

We will also see many subprime borrowers face substantial increases in their monthly mortgage payments once their initial “teaser” rates expire and their fixed interest rates reset into higher adjustable interest rates. Again, according to Credit Suisse, rate resets on subprime mortgages will peak in 2008, and rate resets on “option” adjustable rate mortgages (which are not typically subprime loans) will increase in 2010 and peak in 2011 (See graph below). These resets will result in more waves of foreclosures that will worsen an already troubled economy.

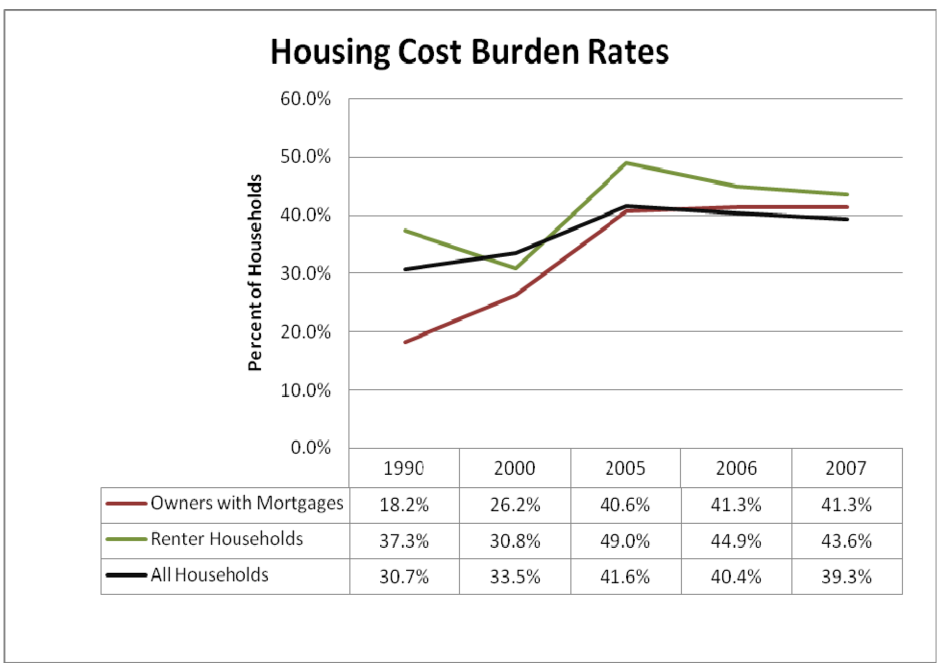
Figure 1.7. Monthly Mortgage Rate Resets
(First reset in billions of U.S. dollars)



Source: Credit Suisse.

At this rate, the City of Chicago should be prepared to face dramatic increases in delinquencies and foreclosures, and the devastating impact of this crisis on families and neighborhoods in the years to come.

The decline of affordability in Chicago has been in the making for a long time. CRN's Affordable Housing Fact Sheet shows over a six fold increase in households paying $2,000 or more in monthly housing costs since 2000. In the meantime, the citywide median household income has decreased during the same timeframe which means housing costs are rising at much higher rates than income levels. With little sign of reprieve in the near future, we can anticipate seeing an even greater disparity between incomes and housing costs. The chart below shows the increasing housing cost burden rates of mortgaged owners and renter households since 1990.



	1990	2000	2005	2006	2007
Owners with Mortgages	18.2%	26.2%	40.6%	41.3%	41.3%
Renter Households	37.3%	30.8%	49.0%	44.9%	43.6%
All Households	30.7%	33.5%	41.6%	40.4%	39.3%

While the city stands to receive dollars under the Housing and Economic Recovery Act, this is only a fraction of what is needed. We recommend the following local policies that can enhance the current efforts towards economic recovery.

1. Stop all conversions of rental housing into for-sale housing. The attached letter to the Condo Conversion Task further details our recommendations.
2. Conduct an immediate evaluation of rental housing within the footprint of the proposed Olympic sites. These units should be treated as at-risk housing and prioritized for preservation.

3. The prospect of the Olympic Games in Chicago will add substantial revenue to the city such as hotel taxes and airport fees. A portion of these revenues should be designated towards the Chicago Low-Income Housing Trust Fund.
4. Finally, we recommend that the Five Year Plan Advisory Committee with the inclusion of the Committee on Housing and Real Estate reconvene in light of the significant economic events that have occurred since the last meeting. Since May of this year, for instance, 21 banks nationwide have failed according to the FDIC[1] (compared to 3 last year and zero in 2006 and 2005), not to mention the failures of Lehman Brothers and AIG. Earlier this month, it was declared that the country has been in a recession for a year. The implications of this sampling of recent events must shape the policies and goals of the next Five Year Plan.

As we have recommended to the President-elect and the Illinois Delegation, building housing creates jobs. Recent indices from the National Association of Homebuilders shows that for every 100 units created or rehabbed, 116 jobs are created – tax revenues and incomes are increased as well.

A sampling of City-funded, nonprofit sponsored multifamily projects in development reveals over 900 households to benefit at a total cost of over $200 million dollars. This economic activity will generate 1140 jobs, $34 million in new tax revenue, and $86 million in newly generated income.

New Unit Production: January 2008 – September 2008

At the end of the third quarter of 2008, the Department reports production of 10,272 units and spending of nearly $267 million to date. DOH reports committing about $129 million to preserve and create over 7,400 multifamily units thus far, representing 59 percent and 67 percent of the year's goals, respectively. Also according to DOH, there have been 1,227 single family units (69 percent of goal) assisted with $124 million (89 percent of goal) and 1,577 units preserved or improved with $14 million in commitments at the end of the third quarter. Table 1a and 1b shows units and commitment goals for the year and the year-to-date production.

CRN's analysis of multifamily unit production is shown in Table 2. Rental Subsidy units, which are renewed annually, and Heat Receivership units, which is a program under Safety and Code Enforcement, are subtracted by CRN from the multifamily total. In the third quarter, the units assisted by the **Energy Savers** program, a total of 2,186 units, were also subtracted from DOH's reported multifamily total. The Department reports that the 2,186 units were existing project-based Section 8 units whose residents were provided with 7 compact fluorescent light bulbs for each unit under the Energy Savers program. After these adjustments, the net year-to-date multifamily new production amount to 1,723 units.

[1] http://www.fdic.gov/bank/historical/bank/index.html

Table 1a. Production Overview - Dollars Committed- January 1, 2008 – September 30, 2008

	Total Projected Units	1st Quarter Commitments	2nd Quarter Commitments	3rd Quarter Commitments	YTD	% of Goal
Multi Family	$219,164,941	$18,543,034	$34,359,450	$76,052,947	$128,955,431	58.84%
Single Family	$138,934,450	$47,744,239	$44,679,200	$31,255,897	$123,679,336	89.02%
Improve and Preserve	$19,168,500	$3,918,563	$5,663,877	$4,621,710	$14,204,150	74.10%
Programmatic Applications	$1,250,000	$0	$0		$0	
Total	$378,517,891	$70,205,836	$84,702,527	$111,930,554	$266,838,917	70.50%

Table 1b. Production Overview – Units Assisted - January 1, 2008 – September 30, 2008

	Total Projected Units	1st Quarter Units	2nd Quarter Units	3rd Quarter Units	YTD	% of Goal
Multi Family	11,084	3,843	607	3,018	7,468	67.38%
Single Family	1,776	448	465	314	1,227	69.09%
Improve and Preserve	2,182	434	639	504	1,577	72.27%
Total	15,042	4,725	1,711	3,836	10,272	68.29%

Table 2.Unit Production by Income- January 1, 2008 – September 30, 2008

	Projected Units	0-15%	16-30%	31-50%	51-60%	60-80%	81-100%	101+%	YTD Total	% of Goal
Multi-Family*	11,084	3,104	2,059	1798	336	170		1	7,468	67.38%
Less Rental Subsidy Units		*-2,098*	*-999*	*0*	*0*	*0*	*0*	*0*	-3,097	
Less Site Improvements and Heat Receivership Units		*-23*	*-105*	*-240*	*-76*	*-18*			-462	
Less Energy Savers		*-893*	*-894*	*-357*	*-36*	*-6*			*-2,186*	
Net MF New Units**	*11,084*	*90*	*61*	*1,201*	*224*	*146*	*0*	*1*	*1,723*	15.54%
Single Family less Multiple Benefits	1,776	0	4	44	52	431	348	349	1,228	69.14%
Improve and Preserve	2,182	75	432	612	100	186	123	49	1,577	72.27%

*Net Multi Family units after subtracting units receiving multiple benefits
**These are new Multi Family units created through DOH programs not counting units assisted by the Low-Income Housing Trust Fund which are renewed every year, Supportive Housing Rental Assistance, and Safety and Code Enforcement Programs.

Table 3. Five Year Plan – DOH Reported Progress To Date

	Multifamily		Single Family		Improve and Preserve		Programmatic Initiatives		Other Initiatives/ Delegate Agencies	Operating Costs	City Corporate Fund Contribution
	$ Committed	Units Assisted	$ Committed	Units Assisted	$ Committed	Units Assisted	$ Committed	Units Assisted	$ Committed	$ Committed	
2004	$263,934,726	7,242	$74,851,242	1,193	$20,265,459	2,685	$2,056,055	0	$2,978,809	$15,935,063	$14,245,550
2005	$263,324,348	5,172	$115,197,838	1,920	$19,062,716	2,663	$1,950,000	16	$2,788,477	$15,959,912	$15,307,726
2006	$335,332,919	7,572	$172,494,035	1,697	$17,995,759	2,340	$800,000	2	$2,874,444	$15,853,536	$15,373,788
2007	$341,362,990	6,315	$303,219,965	1,868	$16,449,403	2,064	$0	0	$3,069,717	$14,766,105	$31,428,383
2008-3rd Qtr	$128,955,431	7,468	$123,679,336	1,227	$14,204,150	1,577	$0	0	$0	$0	$32,281,713
Units Subtotal		33,769		7,905		11,329		18			
*Adjustments**		*-9,816*		*142*							
TOTAL	**$1,332,910,414**	**23,953**	**$789,442,416**	**8,047**	**$87,977,487**	**11,329**	**$4,806,055**	**18**	**$11,711,447**	**$62,514,616**	
Plan Goal	***$1,019,435,000***	***26,925***	***$526,126,000***	***6,045***	***$107,719,000***	***12,415***	***$110,500,000***	***2,700***	***$21,765,000***	***$91,525,250***	
% of Goal	***131%***	***89%***	***150%***	***133%***	***82%***	***91%***	***4%***	***1%***	***54%***	***68%***	

2004 – 3Q 2008	**Grand Total $ Committed**	**$2,289,362,435**
2004 – 3Q 2008	**Grand Total Units Assisted**	**43,347**
Five-Year Plan	**$ Commitment Goal**	**$1,880,000,000**
Five-Year Plan	**Units Assisted Goal**	**48,085**
Percent $	**$ Commitment Goal To Date**	**122%**
Percent Units	**Units Assisted Goal To Date**	**90%**

Housing and Credit Crunch

The difficult economic outlook and credit market crunch has had a significant impact on the availability of financing for affordable housing. In the Five Year Plan progress chart (**Table 3**), the impact is evident in the substantial decrease in multifamily and single family investment in 2008 compared to previous years. While the demand for homeownership units may have been curtailed by the foreclosure crisis, rental market investment, which predominantly comes from the Low Income Housing Tax Credit and Tax Exempt Bonds, has been especially hit hard by the dwindling pool of investors and market volatility.

The **Housing Recovery Act of 2008** includes provisions that are meant to spur more activity from LIHTC and Bonds. The law temporarily increases the volume cap for Tax Credits by 10% until 2009 and includes a 30% boost in LIHTC subsidy for high-cost areas and for any project needing extra subsidies to make the project feasible at the discretion of DOH. Previously, this boost was available only to projects in HUD-defined Qualified Census Tracts or Difficult to Develop Areas.

Tax exempt bonds will also receive a temporary increase in annual volume cap in 2008. According to IRS guidance[2], Illinois will receive $402.4 million in additional volume cap. We are optimistic that these measures will leverage more multifamily units and restore investor confidence multifamily affordable housing development.

New Multifamily Developments

There were four projects approved during this quarter:

Montclare Senior Housing – a for-profit development of 162 units in Avalon Park that will serve the Seniors with incomes at or below 60% of the area median income. The project received donated city land worth $1.5 million and generated $650,000 in Donations Tax Credits.

Malden Arms Apartments – preservation and rehabilitation of an 86-unit Single Room Occupancy building by the nonprofit Mercy Housing Lakefront in the Uptown neighborhood which has served the housing needs of homeless and extremely low income populations since 1991. Low Income Housing Trust Fund and State Rental subsidies will allow rents that are affordable to individuals earning less than 30% of the area median income.

Rosa Parks Apartments – new 94-units of Family Housing to be developed by Bickerdike Redevelopment Corporation in scattered sites in Humboldt Park on donated city land worth $1.8 million generating $770,000 in Donations Tax Credits. More than 90 percent of all the units are 2 bedrooms or more. Over half of the units will have 3 to 4 bedrooms. The units will serve the housing needs of families earning 60% or below the area median income.

Hollywood House – preservation of 197 units of housing for Seniors by Heartland Housing in a mixed-use building located in the Uptown neighborhood. The project will be a mix of studios and one-bedrooms with retail and management offices on the ground floor. The project is assisted by a combination of TIF dollars and Low Income Housing Tax Credits generated from tax exempt bonds.

[2] Available at http://www.irs.gov/pub/irs-drop/n-08-79.pdf

The nonprofit multifamily projects approved this quarter exemplify the expertise and crucial role of CDCs during this economic downturn. In the midst of an economic crisis, nonprofits are able to provide housing for the neediest populations. This year, as the economy worsened, 5 of the 8 multifamily projects approved by DOH have been nonprofits. The Department should continue to do all it can to support the work of nonprofit community developers. Providing city land for affordable housing for one dollar or at no cost to nonprofit developers, for instance, reduces costs and assures greater affordability to Chicago's residents. It is also especially important at this time that CDCs are given priority as qualified developers are selected as partners in the recovery of foreclosed properties under the Neighborhood Stabilization Program.

Downtown Density Bonus

The department reports that to date, the city has collected $18.4 million in in-lieu fees out of $48.5 million in anticipated payments since the inception of the bonus. Comparing to last quarter's report, there are three projects with newly collected fees this quarter: **212-232 East Erie/217-235 W Huron/Flair Tower** ($2,250,415); **161 West Kinzie** ($1,211,280); and **1-5 W Walton/Scottish Rite** ($2,698,385).

The 535 N. St. Clair project was reported to be on hold last quarter. Has it been reinstated? The 540 N. Fairbanks project has also been removed from the list since last quarter. Is this project on hold or cancelled? Recent news reveals increasing construction delinquencies[3] among Chicago developers that could impact the Downtown Density Bonus and other market-oriented revenue stream. We will continue to track the impact of the credit crunch on programs that depend on these funds.

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[3] "Gallun, Alby. "Bad loans pile up for Chicago developers", 8 December 2008. Available http://www.chicagorealestatedaily.com/cgi-bin/news.pl?id=32122

TO: Ms. Katie Ludwig
City of Chicago
Katie.ludwig@cityofchicago.org

FROM: Chicago Rehab Network

DATE: November 22, 2008

RE: **Public Comment on Neighborhood Stabilization Program Substantial Amendment**

We appreciate the opportunity to comment on the City of Chicago's Substantial Amendment to the 2008 Action Plan for the Neighborhood Stabilization Program.

Foreclosures are changing the landscape for every community in Chicago. This increase comes at a difficult time – unemployment rate in Chicago is the highest in almost 15 years. Between 2000 and 2007, households with mortgage payments of $2,000 or more increased by over 650% without a commensurate increase in income for any population. The disparity in housing costs and income levels are only compounded by the continued loss of affordability and a volatile market that has made credit difficult to obtain.

We recognize the success the City of Chicago has achieved in organizing resources to be more impactful—resources from Living Cities and the MacArthur Foundation add significant leverage to new resources from the Neighborhood Stabilization Program. Furthermore, the City has identified a competent and strong partner in Mercy Housing, Inc. to lead this effort. We emphasize that within these partnerships, it is essential that the orientation of decision-making remain local. Each community and neighborhood's real estate market has different characteristics; therefore, local assessment for acquisition and disposition strategies increases the long term sustainability of these foreclosure re-use efforts.

The identification and selection of qualified community partners as "Participating Entities" should prioritize nonprofit community organizations and developers. Using a place-based framework for development, non-profit organizations and developers are best equipped to address the needs of its communities and determine the appropriate use of foreclosed properties—whether homeownership, rental housing or demolition are best suited for their community . Chicago has a network of qualified and capable CDCs who are keenly aware of the challenges of creating and managing affordable housing in difficult markets. Moreover, nonprofit CDCs are driven by a mission based on accountability to the communities they serve and a long-term investment that goes beyond financial gain. Social service agencies in areas not served by a CDC or CBO should be considered as a "currently engaged community partner" when necessary.

The City's goals and leadership is important in applying these funds in a way that can strengthen local organizations and create local jobs. The application criteria established should include some level of prioritization for nonprofit organizations over for profit developers. While there are many prudent reasons to do so, perhaps the timeliest rationale is one of preservation. Nonprofits are more likely to be long-term stewards of housing that is affordable. Beyond the affordability terms and reuse restrictions – nonprofits will take leadership to restructure these properties to avoid displacement of residents. New policies and resources should consider the project-based Section 8 expiration guidelines which did not set ownership priorities to assure long term affordability – which has resulted in a net loss of affordable units in Chicago over the last ten years.

The City should increase the funds targeted at households below 50% of area median income to 40% of all NSP funds from the minimum requirement of 25%. This extension of HUDs minimum requirement responds to the reality of housing need/demand in Chicago.

CRN recommends that the City accept and consider applications for funds proposing mutual housing/shared equity models for this income group. The City should also accept and consider applications for lease to purchase models. These methods are more than just models in Chicago – they exist in practice and succeed alongside scattered site approaches in many neighborhoods.

The pool of capacity and partners is large. The City already invests in projects sponsored, developed, and managed by CDCs that are on the multimillion dollar level. Delegate agencies, supportive housing providers, CDCs, CBOs – all can contribute experience with what does work and what doesn't work. From the complicated multilayered real estate process, to outreach for tenants and homebuyers, to property management and resident services – the knowledge exists. Leadership should focus on corralling those with experience and commitment together.

Bulk purchases may be possible from servicer/banks ---however the assets will not likely be located in an organized footprint. It is unlikely, without federal legislation to compel financial institutions, that REO will be transferred in a systemic and organized fashion. A portion of NSP admin funds should be held as contingency funds to address barriers that creep-up. Nor can a coordinating database be created within the timeline that can improve on the existing systems already used by the market.

The City should prepare to fund localized property identification, research, and negotiation efforts. Given the urgent nature of need and the short timeline, it is likely that sparking local involvement in property identification will blaze the path forward. The city should require the subgrantee to have <u>several</u> avenues for property identification and distribution in a fluid relationship with Participating Entities. Success will likely be found within a combination of top-down administration and bottom-up practice.

Non-development related services may be needed to support production/development efforts. Likely areas requiring financial support: technical assistance and specific "just in time" training; outreach for qualifying renters and/or homebuyers; land scouts and researchers to aid in predevelopment tasks; and advocacy efforts to exert organized pressure from CBOs and elected officials for release of bank-owned properties.

Layering of other housing resources with funding from HOME, TIF and Trust Fund allocations will be critical. The City should recognize the utility of The Illinois Donation Tax Credit as a complementing resource. The LIHTC program may be viably applied in certain frameworks and the City should encourage and signal their readiness for such proposals.

The City of Chicago has determined that some properties will be targeted for affordable homeownership. However the draft does not include a definition of "affordable home for-sale". Given the difficulty of selling New Homes for Chicago units, overlap between New Homes subsidies and NSP should be considered in order to cover the gap for buyers at or below 120% of the area median income. We recommend that when NSP funds are used in conjunction with other sources and income requirements conflict, the city should be serving households under 100% which make up the bulk Chicagoans.

The uncertainties of the market and the difficulty in acquiring credit may make the initial determination of use (homeownership or rental) unreliable. The City should not limit its use strategies and consider other use innovative disposition strategies such as lease-to-own models to allow greater flexibility to occupy units.

Because foreclosures have had a more profound effect in certain communities, NSP activities will be concentrated in these areas more than others. The City should actively engage these community groups and residents and ensure that they are made aware of the status of foreclosed properties in their neighborhood. Since communities often go into informal boundaries, communities groups outside of jurisdictional borders must also be taken into account.

We commend the City for recognizing the urgency in recovering 2-6 unit multifamily buildings. Renters are especially vulnerable to displacement as a result of foreclosures. Once rehabilitation is finished however, operating costs, especially property taxes, can place a heavy financial burden that could threaten the sustainability of a rental property. There should be mechanisms in place to ensure that property taxes do not negatively impact affordability on NSP rental properties.

Also, affordable mortgages must be provided which will allow lower rents in these multiunit properties. Government could convert project-based rental authority from the CHA to apply to multifamily buildings. Properties with existing subsidies or housing assistance such as Section 8, Low Income Housing Trust Fund as well as Class 9 incentives should be given priority. The City of Chicago's Affordable Housing Preservation Ordinance (AHPO) should be applied to all NSP-assisted rental housing as a circuit breaker to recapture investment.

In certain cases, the City will be identifying properties for demolition. The City should make sure that Landmarked and Red or Orange-rated buildings are given the proper review per the city's Demolition Delay and Landmarks Ordinance. Obviously hazardous properties which require rehab at a cost which would exceed new construction should not be considered for rehab. In these cases, the vacant parcels should be held in trust for future affordable housing development when the funds become available.

We assume that the City will provide quarterly reports on NSP activities. The report should include property addresses, disposition strategy, income targets, units created, amount of assistance, participating entities, financing details, and other pertinent information.

The City can allocate CHDO operating funds out of its HOME allocation in order to provide support to eligible organizations for the immense amount of labor that will be needed to acquire, rehab, market, and/or manage these properties.

An important obstacle to consider is the appraisal process which is integral to any reuse strategy. The City ought to consider issuing refined guidelines to effectively and efficiently govern REO property appraisals. This oversight will be necessary due to the over-appraised homes that have been reported in the last several years and which have contributed to the current crisis.

Finally the City must provide strong leadership in establishing a below market product for construction financing as well as encouraging financial institutions to open its lending for the end financing that will be needed for all NSP products. Without these financing products in place, the NSP funds will not be utilized as they are intended by the spirit or the letter of the program.

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October 10, 2008

Alderman Ray Suarez
121 N. LaSalle St., Room 203
Chicago, IL 60602

Dear Alderman Suarez:

We applaud you for taking the leadership to convene the Condo Conversion Task Force. To date, the Task Force's work has focused on a variety of remedies after the rental unit/building is converted to condominium status. While these issues are important, a most pressing issue still remains unaddressed:

- How can the City of Chicago protect its citizens who rely upon the rental stock for their housing?

In a city which had an affordable rental shortage prior to the inception of the foreclosure/credit crisis, it is unacceptable public policy to allow for unregulated conversions. The loss of 2-flats to courtyard buildings is well documented, and any neighborhood observer can see the consequences of the bias towards conversions. In this climate with multi-unit buildings making up 35% of all foreclosures, the city must regulate conversions with the aim of protecting these buildings from being lost from the rental stock. Unless condos are converted from industrial or commercial property, every converted condo unit is a loss of a rental unit.

Short of calling for a moratorium on condo conversions, which we would support, there are measured responses the city can implement. Missing from the Task Force recommendations is the advancement of a procedural requirement that would determine the appropriateness of any proposed conversion. This would include a thorough notice process, a series of public hearings, and a defined market analysis to evaluate need conducted by established researchers. This process must be required by law.

This is not to say there are not areas where use of rental-to-condo conversions might be a valid neighborhood stabilization strategy, but a deliberative process must be put in place to determine the community need and should drive the approval of such a loss of rental housing.

Sincerely,

Kevin F. Jackson

A Picture of Chicago Foreclosures: September 2008

Source: www.realinfo.net

In the month of September 2008, there were 1,315[1] foreclosures filings in Chicago, a 40 percent increase from June foreclosures. Since January, there have been 12,861 foreclosure filings in Chicago. The following report examines the trends illustrated by this month's foreclosure data.

Foreclosures on Recent Purchases	
Foreclosures with available date of deed	1,125
Purchased since 2000	920 (82%)
Purchased since 2007	181 (16%)

There were 1,125 properties with available date of deed. Recent homeowners comprised most of September's foreclosures with 84 percent or 1,278 properties purchased since 2000 and 18 percent or 272 purchased just since 2007. Seventy foreclosed homeowners owned their homes for at least two decades. In September, the median length of stay was three years and 82 days and the average length was five years and 218 days. Fifty-four percent or 711 foreclosures were on homes owned for less than five years.

Almost half of the properties (631) had both primary and secondary mortgages. The average amount owed for those with primary and combined mortgages was $235,016 while the median was $200,000. The majority owed between $100,000 and $399,000 with the most number of properties within the $100,000-$199,000 bracket. Altogether, outstanding mortgages amounted to over $308 million ($308,106,298). Conventional mortgages made up 1,130 of primary mortgages with 48 (4%) of primary mortgages listed as FHA and 4 listed as VA mortgages. More than half of primary mortgages (54%) had adjustable rates and 42% had fixed rates[2].

Properties and Foreclosure Amount	
$1-99k	173 properties
$100k-199k	477
$200k-299k	354
$300k-399k	198
$400k-499k	58
$500k-1m	38
$1m+	13

Amount of Current Year Taxes	
$0-$1,000	492 properties
$1,001-$5,000	805
$5,001-$10,000	15
$10,001 +	3

Current year taxes ranged as high as $37,970 in one property. The average current year taxes owed per property was $1,476 with majority of properties having tax burdens between $1,000 and $5,000. Altogether, the amount of tax liability for all properties in September was approximately $1.9 million ($1,941,856). The total tax liability of properties in foreclosure in 2008 thus far amount to more than $26 million ($26,204,597).

[1] Includes residential, multifamily, and vacant land property classes

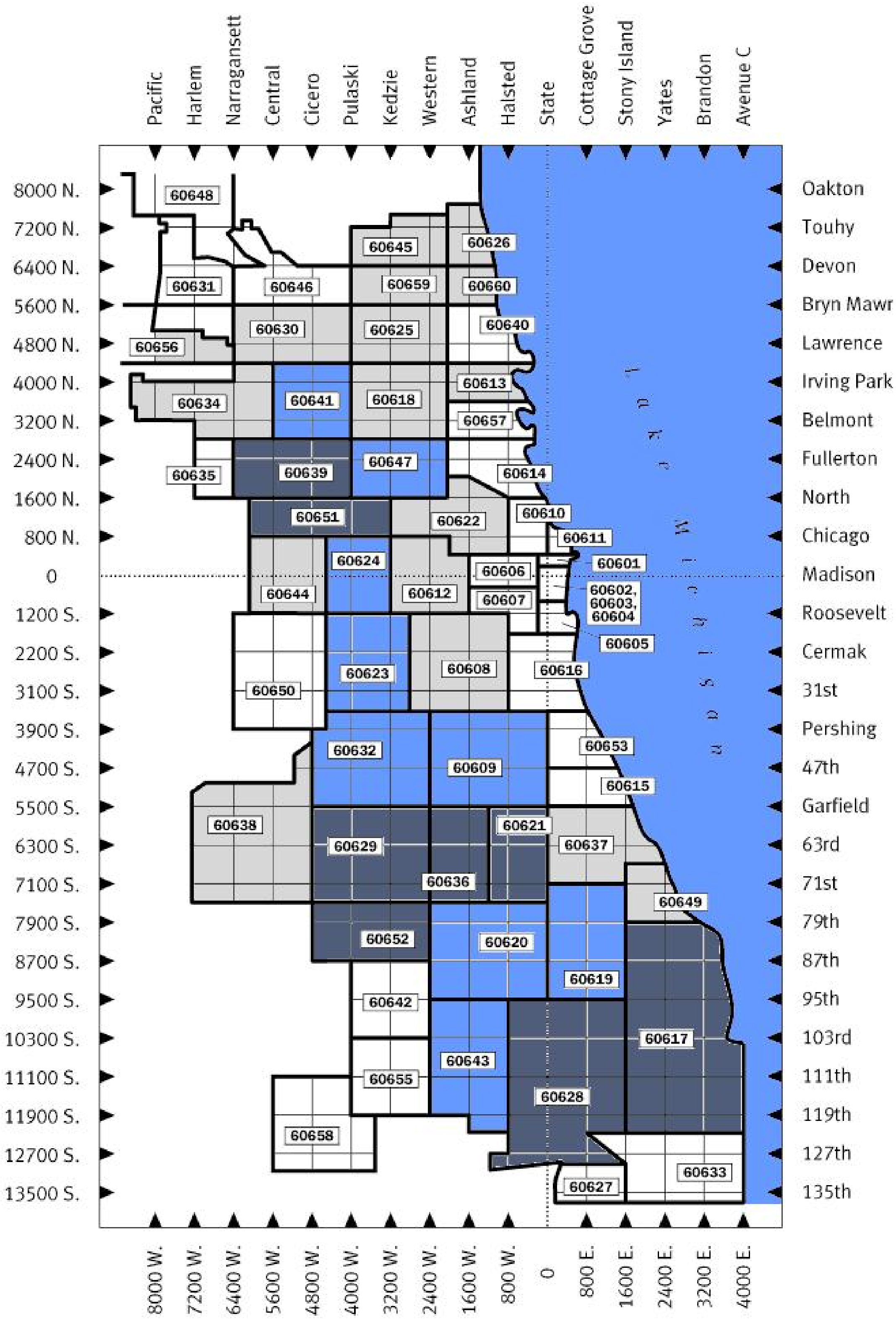
[2] The breakdown of properties with disclosed primary mortgage loan type is as follows: Adjustable: 645; Fixed: 493; Equity-Fixed: 10; Equity-Variable: 19; Second Mortgage Loan:13

Altogether there were 29 lenders who held the primary mortgages for 10 or more foreclosed properties, accounting for 649 of all foreclosures. An additional 25 primary lenders with 5-9 foreclosed properties accounted for another 169 foreclosures.

Primary Mortgage Lenders with 10 or more foreclosures in September 2008	
Lender	**# of Foreclosures**
FREMONT AND LOAN	67
WASHINGTON MUTUAL BANK FEDERAL	43
COUNTRYWIDE HOME LOANS	41
NEW CENTURY MORTGAGE CORPORATION	36
LONG BEACH MORTGAGE COMPANY	35
JPMORGAN CHASE BANK NATIONAL	32
ARGENT MORTGAGE COMPANY LLC	28
AMERICA'S WHOLESALE LENDER	26
BNC MORTGAGE	26
CITIMORTGAGE INC	25
WELLS FARGO BANK	25
FIRST FRANKLIN FINANCIAL CORPORATION	23
FIRST NLC FINANCIAL SERVICES LLC	20
INDYMAC BANK F.S.B.	18
EQUIFIRST CORPORATION	17
MIDAMERICA BANK SAVINGS BANK	17
RESMAE MORTGAGE CORPORATION	16
WORLD SAVINGS BANK FSB	16
OPTION ONE MORTGAGE CORPORATION	15
AMERICAN HOME MORTGAGE ACCEPTANCE	14
THE CIT GROUPCONSUMER FINANCE	14
ACCREDITED HOME LENDERS	13
AEGIS WHOLESALE CORP	13
BANK SAVINGS BANK	13
PEOPLE'S CHOICE HOME LOAN	12
WMC MORTGAGE CORP	12
DECISION ONE MORTGAGE COMPANY LLC	11
MILA (DBA MORTGAGE LENDING ASSOCIATES)	11
TAYLOR BEAN AND WHITAKER MORTGAGE CORPORATION	10
TOTAL	**649**

Primary Mortgage Lenders with 5-9 foreclosures in September 2008	
Lender	**# of Foreclosures**
BANKUNITED SAVINGS BANK	9
GREENPOINT MORTGAGE FUNDING INC	9
HOMECOMINGS FINANCIAL NETWORK	9
LASALLE BANK SAVINGS BANK	9
NATIONAL CITY MORTGAGE	9
AMERIQUEST MORTGAGE COMPANY	8
PARKWAY BANK & TRUST CO	8
WILMINGTON FINANCE	8
CREDIT SUISSE FINANCIAL CORPORATION	7
HLB MORTGAGE	7
LEHMAN BROTHERS BANK SAVINGS BANK	7
LOANCITY	7
ABN AMRO MORTGAGE GROUP INC	6
BANK OF AMERICA NATIONAL	6
CHICAGO TITLE AND TRUST	6
FIELDSTONE MORTGAGE COMPANY	6
IRWIN MORTGAGE CORPORATION	6
ROSE MORTGAGE CORPORATION	6
DELTA FUNDING CORP	5
ENCORE CREDIT CORPORATION	5
FIRST HOME MORTGAGE CORPORATION	5
GMAC MORTGAGE LLC DBA DITECHCOM	5
MIDWEST FUNDING CORPORATION	5
MORTGAGE LENDERS NETOWRK	5
TCF NATIONAL BANK	5
TOTAL	**168**

Foreclosures by Zip Code		
0-10	60633	1
	60706	1
	60804	1
	60657	2
	60803	2
	60805	2
	60601	3
	60603	3
	60615	3
	60827	4
	60610	6
	60605	7
	60607	7
	60611	7
	60655	7
	60614	8
	60616	8
	60653	8
	60631	9
	60707	9
	60640	10
	60646	10
11-30	60608	11
	60626	11
	60645	12
	60660	12
	60613	13
	60659	13
	60656	16
	60630	17
	60622	18
	60625	18
	60644	18
	60638	19
	60649	21
	60612	23
	60618	28
	60634	29
	60637	29
31-49	60647	31
	60641	34
	60624	35
	60632	44
	60643	44
	60609	46
	60620	46
	60623	46
	60619	47
50+	60621	50
	60652	51
	60651	55
	60639	60
	60617	62
	60636	63
	60628	72
	60629	103



Of the foreclosures in September with disclosed property classifications[3], 692 properties were classified as single family or individually-owned townhomes or rowhouses and 436 were small multifamily or mixed-use buildings with two to six apartment units. There were 9 properties classified as larger multifamily rental or mixed-use rental buildings with seven or more units, and 121 condominium units. There were 50 properties classified as vacant land.

The distribution of foreclosures by specific property type and by zipcode is as follows:

Single Family Residential - Excludes Condos			
Zipcode	# of Properties	Zipcode	# of Properties
60629	76	60631	6
60628	54	60646	6
60652	46	60707	6
60617	43	60612	5
60620	38	60647	5
60643	38	60659	5
60636	36	60608	4
60619	28	60614	4
60639	28	60625	4
60634	24	60622	3
60632	23	60640	3
60621	21	60653	3
60651	20	60660	3
60609	18	60827	3
60638	16	60613	2
60641	16	60616	2
60630	13	60626	2
60649	12	60657	2
60623	11	60803	2
60624	11	60805	2
60618	10	60607	1
60637	10	60633	1
60644	8	60645	1
60656	8	60706	1
60655	7	60804	1

Apartments, 2-6 units			
Zipcode	# of Properties	Zipcode	# of Properties
60623	33	60620	7
60651	32	60625	7
60639	31	60659	7
60609	24	60630	4
60621	24	60634	4
60629	24	60652	4
60647	23	60660	4
60624	20	60643	3
60636	18	60645	3
60641	18	60646	3
60618	17	60656	3
60632	17	60613	2
60617	16	60614	2
60619	15	60638	2
60628	13	60640	2
60637	13	60653	2
60612	10	60626	1
60644	10	60649	1
60622	8	60707	1
60608	7	60827	1

[3] Property types are based on the Cook County Assessor's Office classification system.

Residential Condominiums	
Zipcode	# of Properties
60613	9
60626	8
60645	8
60605	7
60611	7
60625	7
60649	7
60616	6
60610	5
60612	5
60640	5
60660	5
60637	4
60656	4
60601	3
60603	3
60615	3
60631	3
60653	3
60607	2
60622	2
60624	2
60629	2
60647	2
60707	2
60614	1
60618	1
60619	1
60639	1
60646	1
60652	1
60659	1

Vacant Land or with Minor Improvements	
Zipcode	# of Properties
60636	9
60621	5
60622	5
60607	4
60609	4
60628	4
60632	4
60643	3
60612	2
60623	2
60624	2
60651	2
60614	1
60617	1
60619	1
60638	1

Large Apartment, 7 or more units	
Zipcode	# of Properties
60619	2
60629	1
60651	1
60637	1
60620	1
60617	1
60647	1
60649	1

Vacant Land or with Minor Improvements	
Zipcode	# of Properties
60637	1

There were 404 properties not occupied by the taxpayer as a principal residence[4] or 31 percent of foreclosure filings. These properties were likely purchased as investment properties or are renter-occupied. Seventy-five percent of these properties were purchased since 2000 (303) and 21 percent or 84 properties were purchased since 2007.

Small apartments with 2-6 units make up 158 of these properties representing anywhere between 316 to 948 housing units. There were 190 properties classified as single family residential or individually owned townhomes or rowhouses, 48 condominiums, 7 large apartments (7 or more units), and 1 receiving Class 9 incentive.

Forty-seven percent (191) have primary mortgages with an adjustable rate and about 39 percent (157) have fixed rate mortgages. Lenders who held primary mortgages for 5 or more non-owner occupied properties accounted for 161 of these properties and are listed below.

Non-owner-Occupied Properties by Zip Codes			
60636	34	**60659**	6
60628	26	**60614**	5
60621	24	**60625**	5
60609	21	**60640**	5
60617	21	**60652**	5
60651	20	**60653**	5
60624	19	**60660**	5
60629	15	**60618**	4
60620	14	**60630**	4
60637	14	**60634**	4
60619	13	**60641**	4
60612	10	**60656**	4
60623	10	**60603**	3
60643	9	**60638**	3
60649	9	**60646**	3
60622	8	**60827**	3
60632	8	**60601**	2
60639	8	**60608**	2
60607	6	**60626**	2
60611	6	**60631**	2
60613	6	**60605**	1
60644	6	**60655**	1
60645	6	**60707**	1
60647	6	**60804**	1

Primary Mortgage Lenders with 5 or more Foreclosed Non-Owner Occupied Properties	
WASHINGTON MUTUAL BANK	15
FREMONT AND LOAN	14
COUNTRYWIDE HOME LOANS	10
BNC MORTGAGE	9
WELLS FARGO BANK N.A.	9
ARGENT MORTGAGE COMPANY LLC	8
JPMORGAN CHASE BANK NATIONAL	8
NEW CENTURY MORTGAGE CORPORATION	8
FIRST NLC FINANCIAL SERVICES LLC	7
WORLD SAVINGS BANK	7
AMERICA'S WHOLESALE LENDER	6
BANK UNITED SAVINGS BANK	6
THE CIT GROUPCONSUMER FINANCE	6
CITIMORTGAGE INC	6
INDYMAC BANK SAVINGS BANK	6
PARKWAY BANK AND TRUST COMPANY	6
AMERICAN CHARTERED BANK	5
BANK SAVINGS BANK	5
FIRST FRANKLIN FINANCIAL CORPORATION	5
HOMECOMINGS FINANCIAL NETWORK	5
LONG BEACH MORTGAGE COMPANY	5
NATIONAL CITY MORTGAGE COMPANY	5
TOTAL	161

[4] Taxpayer addresses and property addresses were compared to reach this number.

Appendix A:
Number of Foreclosures by Order of Zip Code

60601	3	**60633**	1
60603	3	**60634**	29
60605	7	**60636**	63
60607	7	**60637**	29
60608	11	**60638**	19
60609	46	**60639**	60
60610	6	**60640**	10
60611	7	**60641**	34
60612	23	**60643**	44
60613	13	**60644**	18
60614	8	**60645**	12
60615	3	**60646**	10
60616	8	**60647**	31
60617	62	**60649**	21
60618	28	**60651**	55
60619	47	**60652**	51
60620	46	**60653**	8
60621	50	**60655**	7
60622	18	**60656**	16
60623	46	**60657**	2
60624	35	**60659**	13
60625	18	**60660**	12
60626	11	**60706**	1
60628	72	**60707**	9
60629	103	**60803**	2
60630	17	**60804**	1
60631	9	**60805**	2
60632	44	**60827**	4

A Picture of Chicago Foreclosures: October 2008

Source: www.realinfo.net

In the month of October 2008, there were 938[1] foreclosures filings in Chicago. Since January, there have been 13,799 foreclosure filings in Chicago. The following report examines the trends illustrated by this month's foreclosure data.

Foreclosures on Recent Purchases	
Foreclosures with available date of deed	792
Purchased since 2000	634 (80%)
Purchased since 2007	119 (15%)

There were 792 properties with available date of deed. Recent homeowners comprised most of the August foreclosures with 80 percent or 634 properties purchased since 2000 and 15 percent or 119 purchased just since 2007. Forty-three foreclosed homeowners owned their homes for at least two decades. In October, the median length of stay was three years and 164 days and the average length was six years and 15 days. Sixty-three percent or 495 foreclosures were on homes owned for less than five years.

More than half of the properties (441) had both primary and secondary mortgages. The average amount owed was $240,490 while the median was $195,265. Again, the majority owed between $100,000 and $399,000 with the most number of properties within the $100,000-$199,000 bracket. Altogether, outstanding mortgages amounted to over $226 million ($226,541,834). Conventional mortgages made up 799 of primary mortgages with 48 (4.5%) of primary mortgages listed as FHA and one listed as a VA mortgage. About half of primary mortgages (51%) had adjustable rates and 45% had fixed rates[2].

Properties and Foreclosure Amount	
$1-99k	143 properties
$100k-199k	337
$200k-299k	237
$300k-399k	131
$400k-499k	43
$500k-1m	29
$1m+	18

Amount of Current Year Taxes	
$0-$1,000	350 properties
$1,001-$5,000	572
$5,001-$10,000	11
$10,001 +	6

Current year taxes ranged as high as $13,601 in one property. The average current year taxes owed per property was $1,515 with majority of properties having tax burdens between $1,000 and $5,000. Altogether, the amount of tax liability for all properties in August was approximately $1.4 million ($1,428,932). The total tax liability of properties in foreclosure in 2008 thus far amount to over 27 million dollars ($27,633,529).

[1] Includes residential, multifamily, and vacant land property classes

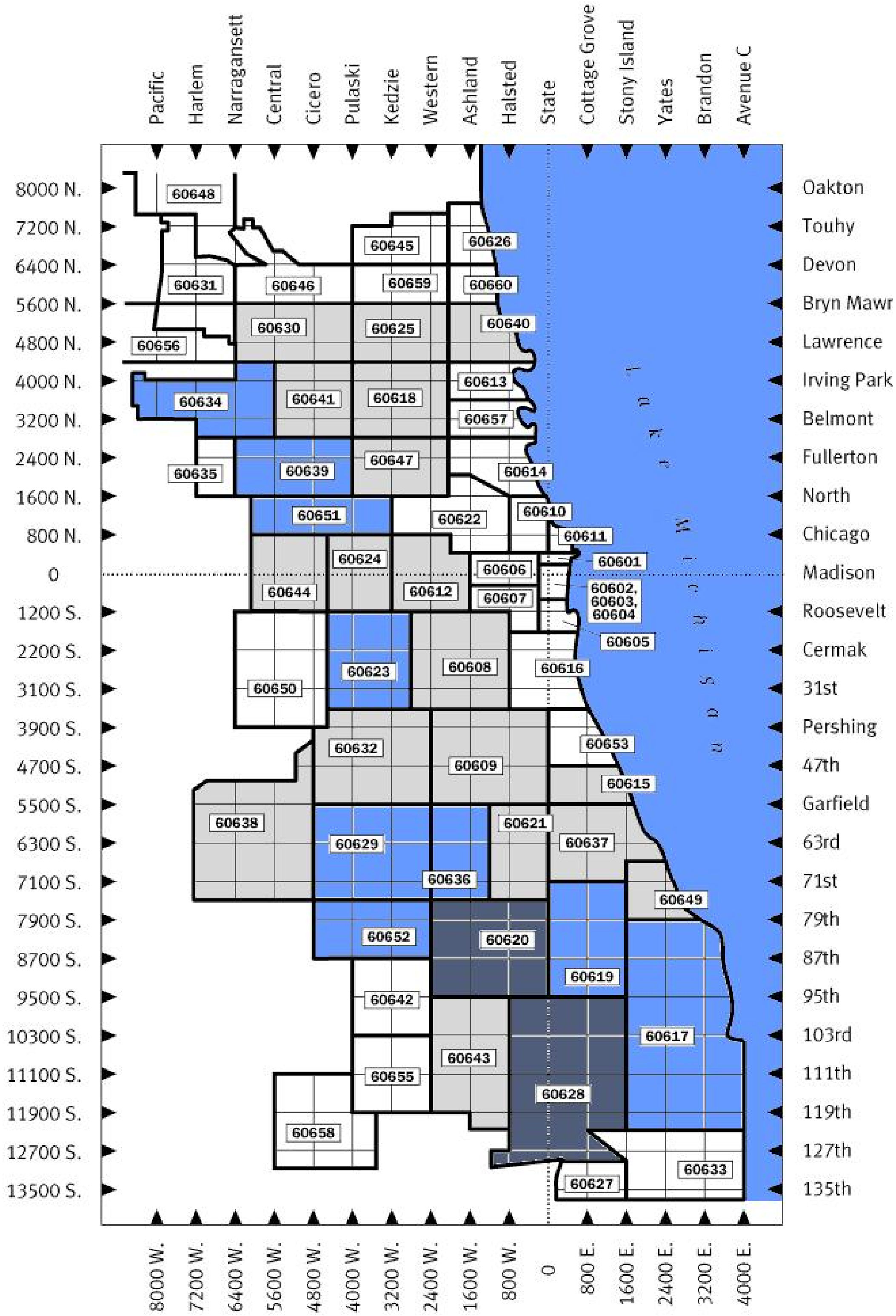
[2] The breakdown of properties with disclosed primary mortgage loan type is as follows: Adjustable: 428; Fixed: 381; Equity-Fixed: 4; Equity-Variable: 16; Second Mortgage Loan:10

Altogether there were 18 lenders who held the primary mortgages for 10 or more foreclosed properties, accounting for 385 of all foreclosures. An additional 22 primary lenders with 5-9 foreclosed properties accounted for another 147 foreclosures.

Primary Mortgage Lenders with 10 or more foreclosures in October 2008	
Lender	**# of Foreclosures**
FIRST FRANKLIN FINANCIAL CORPORATION	39
WASHINGTON MUTUAL BANK FEDERAL	39
FREMONT AND LOAN	36
COUNTRYWIDE BANK FSB	33
ARGENT MORTGAGE COMPANY LLC	27
BNC MORTGAGE	27
ACCREDITED HOME LENDERS	22
JPMORGAN CHASE BANK N.A.	21
HOMECOMINGS FINANCIAL LLC	20
AMERICA'S WHOLESALE LENDER	19
GREENPOINT MORTGAGE FUNDING	18
NEW CENTURY MORTGAGE CORPORATION	15
NATIONAL CITY MORTGAGE	13
WORLD SAVINGS BANK SAVINGS BANK	13
BANK OF AMERICA N.A.	12
WELLS FARGO BANK NATIONAL	11
EQUIFIRST CORPORATION	10
PRAIRIE BANK AND TRUST COMPANY	10
Total	385

Primary Mortgage Lenders with 5-9 foreclosures in October 2008	
Lender	**# of Foreclosures**
DECISION ONE MORTGAGE COMPANY LLC	9
METROPOLITAN BANK AND TRUST COMPANY	9
MILA (DBA MORTGAGE LENDING ASSOC	9
FIRST NLC FINANCIAL SERVICES LLC	8
MIDAMERICA BANK SAVINGS BANK	8
WILMINGTON FINANCE	8
WMC MORTGAGE CORPORATION	8
AEGIS WHOLESALE CORPORATION	7
CITIMORTGAGE INC	7
GMAC MORTGAGE CORPORATION	7
RESMAE MORTGAGE CORPORATION	7
TCF NATIONAL BANK	7
BANKUNITED SAVINGS BANK	6
DELTA FUNDING CORPORATION	6
UNIVERSAL MORTGAGE CORPORATION	6
AMERICAN MORTGAGE NETWORK	5
FIRST AMERICAN BANK	5
FIRST MAGNUS FINANCIAL CORPORATION	5
HARRIS SAVINGS BANK AND TRUST	5
MORTGAGE LENDERS NETWORK USA	5
SOUTHPORT BANK	5
TAYLOR BEAN AND WHITAKER MORTGAGE CORPORATION	5
Total	147

Foreclosures by Zip Code		
0-10	60602	1
	60633	1
	60605	2
	60607	2
	60646	2
	60611	3
	60616	3
	60656	3
	60660	3
	60827	3
	60614	4
	60655	4
	60631	6
	60645	6
	60707	7
	60657	8
	60659	8
	60622	9
	60626	9
	60610	10
	60653	10
11-30	60649	11
	60640	12
	60615	13
	60608	16
	60612	16
	60644	16
	60624	17
	60637	18
	60625	19
	60647	21
	60618	22
	60638	22
	60641	22
	60630	23
	60609	27
	60632	27
	60621	29
	60643	30
31-49	60639	32
	60634	35
	60619	38
	60623	38
	60636	38
	60651	38
	60652	40
	60617	41
	60629	45
50+	60620	54
	60628	68



Of the foreclosures in August with disclosed property classifications[3], 508 properties were classified as single family or individually-owned townhomes or rowhouses and 307 were small multifamily or mixed-use buildings with two to six apartment units. There were 12 properties classified as larger multifamily rental or mixed-use rental buildings with seven or more units, and 81 condominium units. There were 36 properties classified as vacant land.

The distribution of foreclosures by specific property type and by zipcode is as follows:

Single Family Residential - Excludes Condos			
Zip Code	# of Properties	Zip Code	# of Properties
60628	51	60624	5
60620	43	60655	5
60652	34	60608	4
60629	32	60649	4
60617	29	60615	3
60643	27	60625	3
60634	26	60653	3
60619	23	60659	3
60636	21	60827	3
60651	21	60613	2
60638	19	60622	2
60632	18	60637	2
60639	17	60645	2
60630	14	60646	2
60621	13	60656	2
60641	13	60605	1
60623	12	60610	1
60609	9	60612	1
60644	8	60626	1
60618	7	60633	1
60647	7	60640	1
60631	6	60657	1
60707	6		

Apartments, 2-6 units			
Zip Code	# of Properties	Zip Code	# of Properties
60623	23	60641	7
60609	17	60622	6
60651	17	60625	6
60636	16	60634	6
60621	15	60653	6
60639	15	60612	5
60618	14	60615	3
60619	14	60626	3
60628	14	60638	3
60637	14	60649	3
60629	13	60652	2
60608	12	60657	2
60624	12	60659	2
60647	12	60660	2
60620	8	60610	1
60632	8	60613	1
60644	8	60616	1
60617	7	60640	1
60630	7	60643	1

[3] Property types are based on the Cook County Assessor's Office classification system.

Residential Condominiums	
Zip Code	# of Properties
60625	10
60610	5
60626	5
60640	5
60657	5
60614	4
60645	4
60611	3
60612	3
60615	4
60634	3
60649	3
60652	3
60659	3
60607	2
60630	2
60637	2
60641	2
60647	2
60602	1
60605	1
60616	1
60618	1
60619	1
60620	1
60632	1
60653	1
60656	1
60660	1
60707	1

Vacant Land or with Minor Improvements	
Zip Code	# of Properties
60612	7
60617	5
60610	3
60615	3
60623	3
60628	3
60620	2
60643	2
60609	1
60616	1
60621	1
60622	1
60636	1
60649	1
60652	1
60655	1

Large Apartment, 7 or more units	
Zip Code	# of Properties
60608	2
60620	2
60644	2
60619	1
60629	1
60636	1
60640	1
60649	1
60653	1

Class 9 Properties	
Zip Code	# of Properties
60626	1

There were 264 properties not occupied by the taxpayer as a principal residence[4] or 28 percent of foreclosure filings. These properties were likely purchased as investment properties or are renter-occupied. Ninety percent of these properties were purchased since 2000 (205) and 27 percent or 60 properties were purchased since 2007.

Small apartments with 2-6 units make up 103 of these properties representing anywhere between 206 to 618 housing units. There were 92 properties classified as single family residential or individually owned townhomes or rowhouses, 28 condominiums, 11 large apartments (7 or more units), and 1 receiving Class 9 incentive.

Forty-six percent of the properties (121) have primary mortgages with an adjustable rate and about 44 percent (116) have fixed rate mortgages. Lenders who held primary mortgages for 5 or more non-owner occupied properties accounted for 110 of these properties and are listed below.

Non-owner-Occupied Properties by Zip Codes			
60620	18	60657	4
60621	18	60614	3
60628	18	60630	3
60617	15	60632	3
60636	14	60641	3
60623	13	60644	3
60619	12	60607	2
60612	11	60611	2
60637	11	60618	2
60608	8	60622	2
60651	8	60639	2
60609	7	60652	2
60615	7	60707	2
60629	7	60827	2
60640	7	60602	1
60610	6	60605	1
60625	6	60616	1
60649	6	60633	1
60624	5	60634	1
60643	5	60638	1
60647	5	60655	1
60653	5	60659	1
60626	4		

Primary Mortgage Lenders with 5 or more Foreclosed Non-Owner Occupied Properties	
WASHINGTON MUTUAL BANK FEDERAL	17
BNC MORTGAGE (MERS)	10
PRAIRIE BANK AND TRUST COMPANY	10
FIRST FRANKLIN (MERS)	9
FREMONT AND LOAN (MERS)	8
JPMORGAN CHASE BANK N.A.	8
COUNTRYWIDE BANK FSB (MERS)	7
GREENPOINT MORTGAGE FUNDING INC	7
HOMECOMINGS FINANCIAL NETWORKINC (MERS)	7
ARGENT MORTGAGE COMPANY LLC	6
METROPOLITAN BANK AND TRUST COMPANY	6
AMERICA'S WHOLESALE LENDER (LENDER) (MERS)	5
BANKUNITED SAVINGS BANK	5
TCF NATIONAL BANK	5
Total	110

[4] Taxpayer addresses and property addresses were compared to reach this number.

Appendix A:
Number of Foreclosures by Order of Zip Code

60602	1	60632	27
60605	2	60633	1
60607	2	60634	35
60608	16	60636	38
60609	27	60637	18
60610	10	60638	22
60611	3	60639	32
60612	16	60640	12
60614	4	60641	22
60615	13	60643	30
60616	3	60644	16
60617	41	60645	6
60618	22	60646	2
60619	38	60647	21
60620	54	60649	11
60621	29	60651	38
60622	9	60652	40
60623	38	60653	10
60624	17	60655	4
60625	19	60656	3
60626	9	60657	8
60628	68	60659	3
60629	45	60660	3
60630	23	60707	7
60631	6	60827	3

City of Chicago

2007 HOUSING FACT SHEET

Chicago Rehab Network

Population	**2000**	**2006**	**2007**	**% change since 2000**
Total population	2,896,016	2,749,283	2,737,996	-5.5%
% change since 2000		-5.1%	-5.5%	
% Immigrant	21.7%	21.8%	21.6%	-0.4%
Total Households	1,061,921	1,015,685	1,022,916	-3.7%
Average household size	2.67	2.65	2.61	-2.2%
Total Family Households	632,558	584,026	594,038	-6.1%
Average family size	3.50	3.58	3.49	-0.29%
Total Non-Family Households	429,370	431,659	428,878	-0.1%
% of residents in poverty	19.6%	21.2%	20.5%	4.6%

Race & Ethnicity	**2000**	**2006**	**2007**	**% change since 2000**
White	1,215,315	1,004,760	1,012,608	-16.7%
African American	1,065,009	970,244	955,603	-10.3%
Hispanic or Latino	753,644	774,042	772,426	2.5%
Asian or Pacific Islander	127,762	134,837	135,431	7.5%
Native American/Hawaiian	10,290	5,104	5,471	-46.8%

Income	**2000**	**2006**	**2007**	**% change since 2000**
Median household income*	$48,071	$44,454	$45,505	-5.3%
HUD Area median income	$67,900	$72,400	$71,600	5.4%
Households earning < $25,000	349,634	319,370	305,838	-12.5%
As a percent of all households	32.9%	31.4%	29.9%	-9.1%
Unemployment rate	10.1%	9.8%	9.2%	-8.9%
Households by Income level				
less than $25,000	349,634	319,370	305,838	-12.5%
$25,000 - $49,999	304,810	245,335	242,245	-20.5%
$50,000 - $74,999	188,700	180,746	180,747	-4.2%
$75,000 or more	218,820	270,234	294,086	34.4%

Housing Units	**2000**	**2006**	**2007**	**% change since 2000**
Total Housing Units	1,152,868	1,175,547	1,188,595	3.1%
Total Occupied Housing Units	1,061,921	1,015,685	1,022,916	-3.7%
Owner-Occupied	464,865	500,638	510,581	9.8%
Renter-Occupied	597,063	515,047	512,335	-14.0%
Vacancy rate (All Units)	7.9%	13.6%	13.9%	75.9%
Homeowner vacancy	4.7%	3.7%	3.8%	-19.1%
Rental vacancy	5.7%	9.6%	8.3%	45.6%

Housing Market	**2000**	**2006**	**2007**	**% change since 2000**
Median home value*	$186,638	$285,815	$286,800	53.7%
Median home sales price*	$210,558	$268,329	$254,492	20.9%

Foreclosures

Total Foreclosures filings Jan to Jun 2008	**8,080**
Homes purchased since 2000	**5,796 (71%)**
Homes purchased since 2007	**1,308 (16%)**
Total amount of foreclosed mortgages	**$2.6 billion**
Total amount of property tax liability	**$18.9 million**

Federally-assisted rental units expiring by 2012 — Approximately 15,000
As of November 2008

Housing Cost Burden	**2000**	**2006**	**2007**
Renters			
% paying over 35% of income	30.8%	44.9%	43.6%
Median monthly gross rent	$616	$803	$832
HUD Fair Market Rent (2BR)	$762	$901	$944

Number of Renter Households and their Monthly Rent Payments in 2007		% change in households since 2006	since 2000
less than $750	197,308	-6.9%	-51.6%
$750 to $999	148,155	1.7%	42.8%
$1,000 to $1,499	113,551	1.3%	113.6%
$1,500 or more	42,356	37.9%	124.7%

Owners with Mortgages	2000	2006	2007
% paying over 35% of income	26.2%	41.3%	41.3%
Median monthly owner cost	$1,216	$1,840	$1,865

Number of Mortgaged Households and their Mortgage Payments in 2007		% change in households since 2006	since 2000
less than $1000	33,283	-7.3%	-41.4%
$1,000 to $1,499	81,209	-2.6%	15.9%
$1,500 to $1,999	98,159	2.1%	203.7%
$2,000 or more	162,193	7.5%	650.2%

Percent of Cost Burdened Households by Income

Income level	Renter HH	Owner HH
less than $20,000	89.2%	99.3%
$20,000 - $49,999	55.0%	90.0%
$50,000 - $74,999	12.3%	64.6%
$75,000 or more	2.6%	20.9%

Key Trends in Housing and Demographics

Forty-five percent of renter households are are paying more than 35% of their income on housing. There was a 124% increase in renters paying $1,500 or more in rent since 2000. A household would need to make at least $55,000 annually to afford a $1,500 monthly rent.

Cost burdened owners with mortgages made up 41% of all mortgaged owners. Households paying $2,000 or more increased by 650% since 2000. A household would need to earn at least $85,000 a year to afford a $2,000 monthly mortgage and since 2000 there has been just a 34% increase in households earning above $75,000.

Lower income households bear the brunt of housing costs: 89% of renters earning less than $20,000 a year spend more than a third of their income on housing. Among mortgaged owners, 65% of households earning between $50,000 and $75,000--well above the city median--are cost burdened.

Renter-occupied units continue to decrease, down by 14%or 82,000 units since 2000 whereas owner-occupied housing increased by about 45,000 units or 10% since 2000.

In 2007 the median household income in Chicago was $45,505, a 5% decrease from 2000. However, the HUD area median income, derived from the metro area averages and used by the city as a guide to income targeting for its housing programs, shows a 5% increase.

Halfway through 2008, there have been over 8,000 foreclosure filings in Chicago.A significant portion of these foreclosures are on renter-occupied properties, reducing the number of available rental housing stock and family housing.

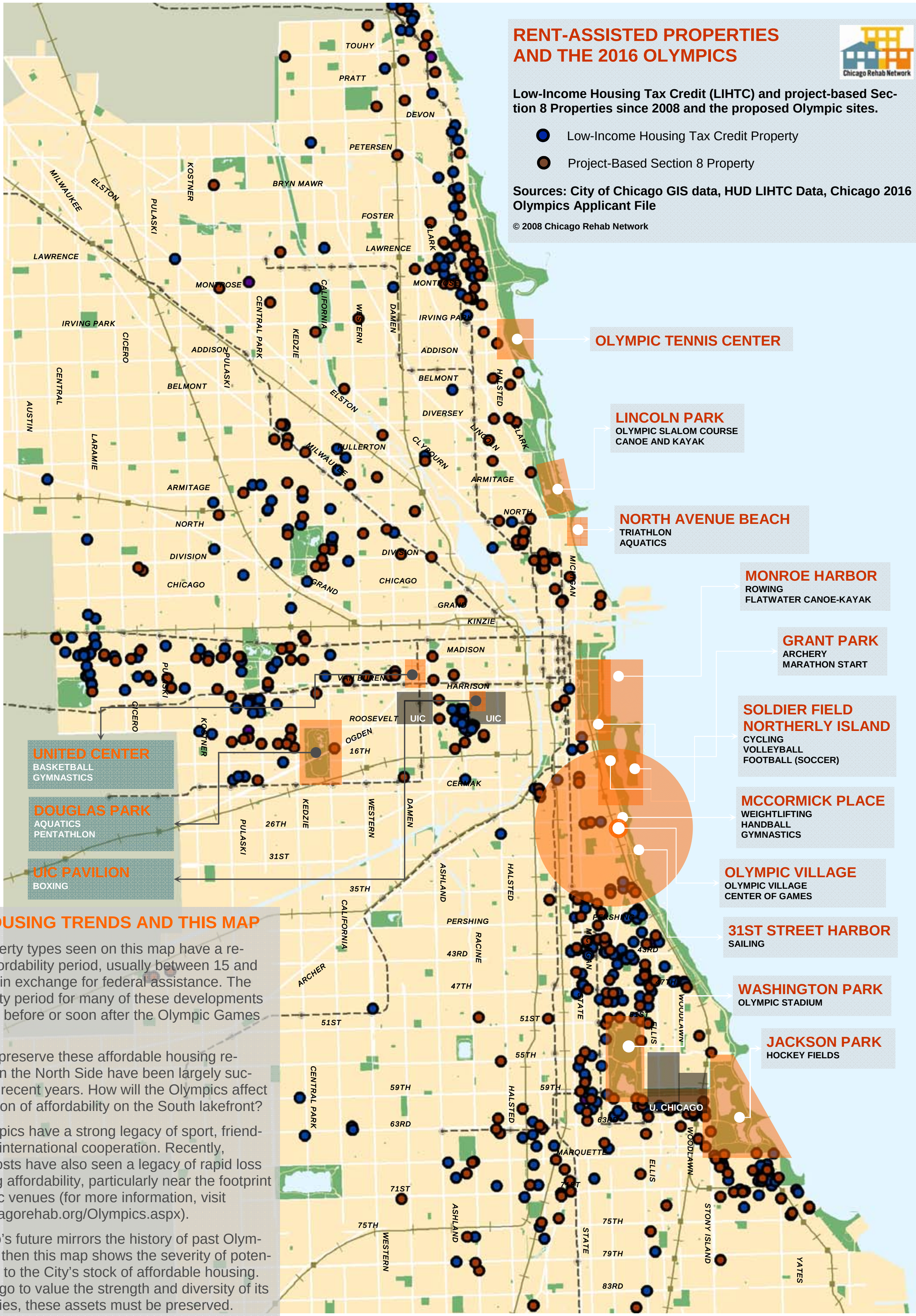
Sources: 2000 U.S. Census; 2006, 2007 American Community Survey; Chicago Tribune Price Pulse; Foreclosure data from RealInfo.net; HUD Federally-Assisted Housing Database, HUD Fair Market Rents and Income limits; *A Picture of Chicago Foreclosures*: monthly reports on foreclosures in Chicago, CRN 2008. Available at www.chicagorehab.org

RENT-ASSISTED PROPERTIES AND THE 2016 OLYMPICS

Low-Income Housing Tax Credit (LIHTC) and project-based Section 8 Properties since 2008 and the proposed Olympic sites.

- Low-Income Housing Tax Credit Property
- Project-Based Section 8 Property

Sources: City of Chicago GIS data, HUD LIHTC Data, Chicago 2016 Olympics Applicant File



KEY HOUSING TRENDS AND THIS MAP

Both property types seen on this map have a required affordability period, usually between 15 and 30 years, in exchange for federal assistance. The affordability period for many of these developments will expire before or soon after the Olympic Games in 2016.

Efforts to preserve these affordable housing resources on the North Side have been largely successful in recent years. How will the Olympics affect preservation of affordability on the South lakefront?

The Olympics have a strong legacy of sport, friendship, and international cooperation. Recently, Games hosts have also seen a legacy of rapid loss of housing affordability, particularly near the footprint of Olympic venues (for more information, visit www.chicagorehab.org/Olympics.aspx).

If Chicago's future mirrors the history of past Olympic hosts, then this map shows the severity of potential losses to the City's stock of affordable housing. For Chicago to value the strength and diversity of its communities, these assets must be preserved.