

2016 Olympics and Chicago Neighborhoods

The International Olympic Committee has shortlisted Chicago as a 2016 Olympic host city. The Windy City will now compete with Madrid, Tokyo, and Rio De Janeiro for the IOC's final selection in October of 2009. With final bids due by this October, City government, the 2016 bid committee, and private developers are far along in their preparations to host the Olympics. The Applicant File gives a partial look at the bid, but the full picture will not emerge until the "bid book" is released this October. Here is a sample of current public and private activities in the Chicago bid process, as well as a look at other cities' hosting experiences, concluding with the Chicago Rehab Network's preliminary recommendations.

Public and Private Financing

- Tax Increment Financing (TIF) districts in areas where the largest Olympic facilities will be built are capturing considerable tax revenue for City-designated development.
- Chicago 2016 has raised over \$40 million in private dollars to support the bid, and the City of Chicago has pledged \$500 million in insurance and its full financial liability and legislative support to secure investment in the Games.



An artist's rendering of the Olympic Stadium (the centerpiece of the Games) in Washington Park., which has created a local Olympic advisory council.

Housing and Land

- The City will acquire and seek to redevelop Michael Reese Hospital and a number of other properties in association with the development of the Olympic Village and the Bronzeville TIF district. Saying that the Olympic Village will be developed regardless of the outcome of the 2016 bid, the development would set aside only the mandatory 10% of the roughly 6,000 units as affordable. Residents recently approved a requirement that would mandate 32% affordable units in a large-scale housing development in San Francisco.
- Plans to redevelop Lake Meadows—a moderate income residential community just south of the Olympic Village site—will triple the population of that development and "price out" many current residents. Further planned development to the south would dramatically alter the South Lakefront in anticipation for the Games.



Image courtesy of Chain's Chicago Business

- Siting permanent and temporary venues in public areas from the south lakefront to Lake County has at times drawn opposition, support, and concern from local residents and advocates due to the potential impacts to public land, natural areas and long-term affordability.

Other Olympics

- In London, which will host the 2012 Summer Games, costs on some venues tripled from their original estimate. The construction and production for the London Games is now estimated at \$19 billion.
- Barcelona's Games, which many saw as a success, spurred a 240% increase in new home prices in the six years leading up to the Games. Such an event would put ownership out of reach for many Chicago residents.
- Atlanta, the most recent American host of the Summer Games, witnessed the loss of public housing and affordable units, an estimated 30,000 people displaced, and the violation of the rights of homeless at the hands of the city's police.

This data from the Centre on Housing Rights and Evictions (COHRE)—an international authority on Olympics and other "mega-events"—shows that, even without the massive displacement seen elsewhere, there exists a potential for negative impact to affordability for any host.

The Chicago Rehab Network's —Best Practices for Neighborhoods and the 2016 Olympics—

Above all, these recommendations come out of CRN's understanding that safe, decent, affordable housing is a foundational value for a healthy urban environment. In the interest of strengthening Chicago's foundation, we present these recommendations.

Establish a variety of mechanisms to promote and preserve long-term affordability

—The Applicant File promises to *seek a city council ordinance to control prices of hotels and other services to make the Games affordable for visitors*. While understanding the distinction and legal precedent that favors controls on consumer prices over those on rents, the Olympics pose a serious enough threat to affordability that they merit a change in precedent. CRN supports an ordinance establishing rent controls in areas hosting the Games in accordance with the findings of the impact study, extending the same attention to affordability to residents as is already committed to visitors.

Conduct a Housing Impact Study—Understanding the latest census data that shows a decrease of rental households and growing housing cost burdens that affect more than 40% of both renters and owners citywide, CRN advocates a housing impact study that would mandate strategies that minimize displacement and preserve affordability across the city. The Chicago 2016 Applicant File describes Chicago's infrastructure as a tailor-made host for the Olympic Games. The Chicago Urban League has conducted a study on the potential effect of the Olympics on Chicago's economy. Still, there has yet to be concrete study of how the Games will affect Chicago's housing environment. Such a study would specifically address affordability opportunities for different income levels and different impacted communities.

Create a Social Impact Advisory Committee—Sydney's 2000 Games conducted a Preliminary Social Impact assessment that created 37 recommendations to ensure the Olympics had a benign impact on the community's most vulnerable citizens before, during and after the event. Eventually, Sydney created a Social Impact Advisory Committee (SIAC) and a Homelessness Protocol of government members as well as advocates to implement these recommendations. SIAC made recommendations to the Games organizing group, and issued periodic report cards for the Games' social impacts. CRN recommends a similar organization in Chicago to exist independently of the bid committee.

Research Community Benefits Agreement—Community Benefits Agreements (CBA) have been a way for neighborhoods to share in the economic prosperity of private development where they live. Potential CBAs would include provision for more affordable units in the Olympic Village after the Games targeting of jobs, use of land trusts, resource benefits for housing linked to Olympic generated revenues, and detail strategies and resources for inclusive local growth. Any CBAs would need to be grounded in the city legislative process for maximum accountability.

The bottom line for the Games' impact on Chicago and the housing environment in general is that all levels of stakeholders and decision makers consider neighborhoods as more than just places on a map. While rising rents, new construction, and escalating home prices have been touted as indicators of revitalization for neighborhoods, the same factors have prevented people from keeping their homes and harmed social, political, and economic networks for residents that stayed and then had to leave. Chicago must consider neighborhoods as people and place bound together, and we must not let the Olympics or any other event that promises to put Chicago on the world map do so without first making sure that it will benefit Chicagoans and their neighborhoods. In fact, we believe that getting the bid right on housing and neighborhoods will result in a stronger endorsement both for Chicago residents and for the Chicago Olympic bid.

Sources: Chicago Department of Planning and Development Website, BBC news services, Chicago Urban League, Chicago Rehab Network 2007 Housing Factsheet, Centre on Housing Rights and Evictions, Chicago Tribune, Chicago Sun-Times, Online Opinion: Australia's e-journal of Social and Political Debate.

Olympic Bid Timeline

2008	January 2008 —Initial bid (Applicant File) submitted to the IOC
	June 2008 —The IOC short-listed four host cities: Madrid, Tokyo, Chicago, and Rio De Janeiro. Each pay \$500,000 candidature fee to continue. Chicago ranks third.
	August 2008 —Olympics Games Observer Programme, Beijing
2009	October 2008 —Final Bid Book, which includes full financial details, due.
	February 2009 —Final Application due to the IOC
	May/June 2009 —IOC committee visits short-listed host candidates for evaluation
	September 2009 —Report on candidates by IOC Evaluation Committee
	October 2009 —IOC announces winner of 2016 bid

2010

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