



City of Chicago  
Richard M. Daley, Mayor

Department of Housing  
Marina Carrott  
Commissioner

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JUL 31 1996

31ST WARD  
CITY HALL OFFICE

July 31, 1996

To: The Honorable Ray Suarez, Chairman  
City Council Housing Committee

From: Marina Carrott, Commissioner *M. Carrott*  
Department of Housing

Re: DOH Second Quarter 1996 Report

I am pleased to present this report of the Department of Housing's (DOH) housing creation and preservation activities during the second quarter of 1996. On an aggregate basis, our year-to-date employment of funds is right on target, with just over 50% of our total resources committed as of June 30. However, the department had achieved 73% of our 1996 goal for new units created with our assistance, and 53% of our goal for units preserved, at the end of the second quarter.

As is commonly the case, the pattern of resource employment and units created or preserved varied from program to program. I offer the following comments on the most significant of these variances, without repeating comments which were made in the course of the department's first quarter, 1996 report:

AFFORDABLE HOUSING BOND INITIATIVE: Although none of the \$2,000,000 of funds budgeted for interest rate write-downs or other subsidies in conjunction with the issuance of multi- or single-family housing bonds (by the City of Chicago or the Illinois Housing Development Authority [IHDA]) had been committed by June 30, we have identified a substantial multi-family rehabilitation project which will fully absorb these funds (and several million dollars more), and expect to seek City Council approval of this transaction prior to the close of the year.

AFFORDABLE RENTS FOR CHICAGO (ARC): This program of the Chicago Low Income Housing Trust Fund is funded with the proceeds of prior years' federal Home Investment Partnership (HOME) funds. Because no new HOME dollars were allocated to the trust fund in 1996, no resources were included in our 1996 budget. Moreover, all of the units which received assistance from this program during the second quarter have been



netted from our total unit count, as they also received DOH financing.

CDBG FLOAT LOANS: Although no CDBG float loans were recommended for approval during the second quarter, a small transaction is in our pipeline, for which we will seek City Council approval prior to year-end.

TAX INCREMENT FINANCING: Although no TIF funds were committed by June 30 of this year, DOH will have achieved our goal of employing \$2 million of TIF proceeds for affordable housing creation during the third quarter.

CITY MORTGAGE: Dollars committed in the first and second quarters represent the majority of the proceeds which were made available to participating lenders as a result of the sale of the first tranche of the single-family mortgage revenue bonds which fund this program. A second sale took place in June, with additional funding available on June 17. We anticipate that all of these resources will be fully committed prior to year-end.

MORTGAGE CREDIT CERTIFICATE (MCC) PROGRAM: The relatively low second quarter volume reflects the fact that DOH did not accept mortgage credit certificate applications during a three month public notice period required in conjunction with the approval of additional bond volume cap to support this program.

POLICE HOMEBUYER: The department is pleased to report that we have experienced increased interest in this program designed to provide an incentive for Chicago Police Officers to purchase homes within designated lower-income communities. It is our intention to seek additional budget authority to continue this initiative in 1997.

MULTI-FAMILY REHAB AND NEW CONSTRUCTION: No additional multi-family units were approved for financing during the second quarter. However, our use of resources remains on target, and we anticipate a full commitment of our funds prior to year-end.

CHOP II: The lack of reported activity under this single-family acquisition and rehab program is the result of the timing of our subrecipient's

(Neighborhood Housing Services [NHS] of Chicago) submission of vouchers for reimbursement. It is our understanding that the majority of the funds committed to NHS for this program have in fact been employed.

SINGLE-FAMILY REHAB LOANS: We continue to experience modest, but increased, demand for single-family rehabilitation loans. Having employed all of our budgeted 1996 resources for this program, we are now using up funds carried over from previous years. These carry-over dollars and the number of units they are anticipated to assist were not reflected in our 1996 projections, but will not significantly impact our results compared to plan.

LOW-INCOME HOUSING TAX CREDITS: 73% of the City's 1996 tax credits were awarded during the second quarter, as a result of a first round of tax credit applications from developers who do not require additional financing from DOH. A schedule of these awards is included in this report. During the second quarter, DOH also accepted applications for a second round of tax credit awards from developers who will need additional DOH assistance. We have received applications totalling almost \$8,000,000 for our remaining \$1,100,000 of 1996 tax credits.

EMPOWERMENT ZONE FUNDS: During the second quarter, the department worked with applicants responding to an Empowerment Zone/Enterprise Community NOFA for financing for affordable housing. Four initiatives were awarded a total of \$2,188,000. (A schedule of Empowerment Zone awards for housing is included with this report.) Two of the awards represent incremental financing for rental projects which will also receive assistance from DOH. The remaining two represent homeownership programs.

EMERGENCY HOUSING ASSISTANCE PROGRAM (EHAP): Demand for the EHAP program remains extremely strong. We have imposed a temporary moratorium on new applications in order to reserve a portion of our funds for the repair and replacement of heaters when the weather turns cold. Because of demonstrated need for this program, we will seek budget authority to expand the number of households we can serve in 1997.

HOME REPAIRS FOR ACCESSIBLE AND INDEPENDENT LIVING (HRAIL): Reported activity for the HRAIL program reflects the timing of the contracting and vouchering process. HRAIL funds will be fully employed prior to the end of the year.

HOUSING ABANDONMENT PREVENTION PROGRAM (HAPP): The limited expenditure of funds for the HAPP program should not be interpreted as a lack of progress or success in this effort to save rental properties from abandonment. At this time, five petitions for the appointment of receivers (the first step in the process of obtaining title to buildings with substantial code violations, so that they can be re-awarded to responsible owners) are pending before the court. Limited receivers have been appointed for three buildings; in one instance, it appears that the receiver will be discharged because the current owner has made the necessary repairs. In fact, HAPP is proving to be an extremely effective code enforcement tool. When faced with the prospective loss of title, this year-to-date four owners of properties with a total of 72 units have brought their buildings into compliance. These units are not reflected in the DOH production count because we did not invest hard dollars in their rehabilitation; nevertheless, DOH's administration of the HAPP program is directly responsible for the repairs being made.

FACADE PROGRAM: 48 applications for a total of \$400,000 of facade improvements had been qualified as of June 30; we are deferring the reporting of this activity until the work has been completed.

WEATHERIZATION: The virtually complete expenditure of funds awarded by the State of Illinois Department of Commerce and Community Affairs for the fiscal year ended March 31 represents the termination of DOH participation in the Weatherization program. Responsibility for administering the program has been assumed by the Community and Economic Development Association of Cook County.

LEAD-SAFE HOMES: Our lead elimination program continues to experience delays as a result of a shortage of qualified contractors who are interested in participating in this program.

FORECLOSURE PREVENTION: This program did not become operational until the end of the second quarter.

In addition to those funds which were awarded by the City of Chicago, DOH supported applications which led to the award of subsidies to affordable housing developments located in Chicago by IHDA and the Federal Home Loan Bank (FHLB). IHDA awarded low-income housing tax credits sufficient to generate approximately \$2,700,000 of equity for two developments totalling 186 units. FHLB awarded \$1,644,000 of subsidies to eight organizations for various undertakings including the rehabilitation and new construction of SRO's and other multi-family housing.

In closing, it is worth remarking that June 30, 1996 marked the mid-point in Mayor Daley's five-year \$750 million affordable housing initiative. As of that date, the combined efforts of the Department of Housing and the Low Income Housing Trust Fund have resulted in expenditures, including funds for housing creation and preservation, operating costs and delegate agency contracts, which are precisely on target with the Mayor's commitment, a total of \$375 million. Given uneven patterns of program usage in general and throughout a calendar year in particular, the implementation of new programs and reductions in the estimated demand for other programs since the Mayor's announcement, and the vicissitudes of life in general, I cannot honestly explain how we were able to hit this goal so precisely, except to believe that fortune smiles on those who are working for a worthwhile cause.

Thank you for the opportunity to make this report. I look forward to discussing it with the members of the Housing Committee.

**EMPOWERMENT ZONE COMMITMENTS**  
 January 1 - June 30, 1996

	Amount	Units	INCOME LEVEL					
			0-15%	16-30%	31-50%	51-60%	61-80%	
The Resurrection Project Pilsen & Little Village	600,000	50			50			
Bethel New Life Westside Empowerment Zone	145,000	20				10	10	
Fund for Community Redevelopment 811 E. 46th St./4001 S. Ellis	1,272,990	102			99	3		
Upward Bound 1241 S. Central Park/ 1236 S. Sawyer	170,000	10				5	5	
	<b>2,187,990</b>	<b>182</b>	<b>0</b>	<b>0</b>	<b>149</b>	<b>18</b>	<b>15</b>	

CITY OF CHICAGO  
 DEPARTMENT OF HOUSING  
 LOAN CLOSINGS - SECOND QUARTER  
 APRIL 1 - JUNE 30, 1996

<u>DEVELOPER/PROJECT</u>	<u>APPROVAL DATE</u>	<u>LOAN CLOSING DATE</u>
Community Housing Partners III LP 7000-04 South Eggleston et al	February 7, 1996	April 18, 1996
18th & Wabash Corporation 1801 South Wabash	March 6, 1996	June 20, 1996
Vision House 514 East 50th Place	March 26, 1996	June 21, 1996

CITY OF CHICAGO DEPARTMENT OF HOUSING  
 SRO FIRE SAFETY FINANCING PROGRAM

APPROVED RECOVERABLE GRANTS

2ND QUARTER, 1996

WARD	INCOME GROUP	AMOUNT	SRO UNITS	LOCATION/PROJECT
39	31-50%	\$45,000	90	Ainslie Building 3206 W. Ainslie
48	31-50%	\$19,500	39	Fullerton Manor 828 W. Fullerton
43	16-30%	\$34,000	68	Chataine 4911 N. Winthrop
	31-50%	<u>\$98,500</u>	<u>197</u>	Total
	16-30%	<u>68</u>		
		<u>129</u>		
		<u>197</u>		



**CAPP FINANCING REPORT**  
**January 1, 1996 - June 30, 1996**

<u>Approval Date</u>	<u>Borrower</u>	<u>Address</u>	<u>Units</u>	<u>CAPP Financing</u>	<u>Total Project Cost</u>	<u>Income Level</u>
2/10/96	Isaiah Community Development Corporation	3505 W. Jackson	3	85,000	231,650	61-80%
5/03/96	NHS Redevelopment Corporation	5734 S. May	2	31,500	63,000	61-80%
5/30/96	Isaiah Community Development Corporation	3509 W. Jackson	3	85,000	235,300	61-80%
6/14/96	Lisa Woods	5414 S. Wells	3	85,000	262,083	51-60%
			<u>11</u>	<u>286,500</u>		

DOH PRODUCTION AND EXPENDITURE COMPARISON TO PLAN (January 1 - June 30, 1996)

	1996							1996						
	Available Funds	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	YTD Expenditures	% of Goal	Projected Units	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	YTD Units	% of Goal
<b>HOUSING CREATION</b>														
Affordable Housing Bond Initiative	2,000,000					0	0.00%	44					0	0.00%
Low Income Housing Trust Fund														
Dedicated Revenue Stream	4,100,000	4,138,372	0			4,138,372	100.94%	1,500	1,513	0			1,513	100.87%
Supportive Housing	840,000	0	0			0	0.00%	150	0	0			0	0.00%
Affordable Rents for Chicago (ARC)	--	540,000	394,455			934,455	--		14	11			25	--
DBG Float Loans	5,000,000	3,500,000	0			3,500,000	70.00%	167	167	0			167	100.00%
Max Increment Financing	2,000,000	0	0			0	0.00%	100	0	0			0	0.00%
Single Family Mortgage Revenue Bonds (City Mortgage)	48,000,000	18,705,826	2,029,491			20,735,317	43.20%	480	204	20			224	46.67%
Mortgage Credit Certificate Program	38,526,024	12,336,715	6,451,621			18,788,336	48.77%	475	112	57			169	35.58%
Police Homebuyer	80,000	5,000	25,000			30,000	37.50%	16	1	5			6	37.50%
Utility Fee Waivers	450,000	87,272	136,040			223,312	49.62%	10	2	3			5	50.00%
Multifamily Rehab & New Construction	45,344,500	23,154,332	0			23,154,332	51.06%	984	517	0			517	52.54%
CME Multifamily Prgms	\$25,437,000													
DBG Multifamily Prgms	\$8,300,000													
Corp/HOME Match	\$3,087,500													
Section 108	\$6,000,000													
Mental Rehab														
Supportive Housing Program	\$2,520,000													
Housing Opportunities for Persons with AIDS (HOPWA)	N/A					0	--						0	N/A
OP II	810,000	0	0			0	0.00%	81	0	0			0	0.00%
PP Financing	400,000	85,000	201,500			286,500	71.63%	16	3	8			11	68.75%
Single Family Rehab	750,000	648,528	214,982			863,510	115.13%	18	1	7			8	44.44%
BG	\$250,000													
ME	\$500,000													

DOH PRODUCTION AND EXPENDITURE COMPARISON TO PLAN (January 1 - June 30, 1996)

		1996					YTD Expenditures	% of Goal	1996					YTD Units	% of Goal
		Available Funds	First Quarter	Second Quarter	Third Quarter	Fourth Quarter			Projected Units	First Quarter	Second Quarter	Third Quarter	Fourth Quarter		
New Homes for Chicago		2,425,000	540,000	455,000											
Corporate	\$1,425,000					995,000	41.03%	100	31	19				50	50.00%
HOME-Deep Subsidy	\$1,000,000														
Low Income Housing Tax Credits		17,400,000	--	12,678,031		12,678,031	72.86%	580	--	440				440	75.86%
Empowerment Zone				2,187,990		2,187,990				182				182	
Total Housing Creation		168,125,524	63,741,045	24,774,110	0	0	88,515,155	52.65%	4,721	2,565	752	0	0	3,317	70.26%
Less Multiple Benefit Units									(1,068)	(493)	(163)			(656)	
Net Housing Creation									3,653	2,072	589	0	0	2,661	72.84%
<b>HOUSING PRESERVATION</b>															
DBG															
HAP		3,400,000	653,332	2,179,969											
-RAIL		2,960,000	283,503	631,879		2,833,301	83.33%	1360	287	491				778	57.21%
APP		1,000,000	0	0		915,382	30.93%	740	30	108				138	18.65%
Heat Receiver		100,000	53,087	0		53,087	53.09%	133	0	0				0	0.00%
Multifamily Building Improvement Loans			0	51,806		51,806	--	700	464	0				464	66.29%
Acade '96		2,100,000	0	0		0	0.00%		0	70				70	N/A
DBG	\$1,000,000					0	0.00%	525	0	0				0	0.00%
Corporate	\$1,100,000														
Authorization		3,900,000	1,879,859	1,706,282		3,586,141	91.95%	1,150	955	205				1,160	100.87%
Lead-Safe Homes Initiative		1,700,000	147,190	10,163		157,353	9.26%	212	25	2				27	12.74%
Enclosure Prevention		200,000	0	0		0	0.00%	40	0	0				0	0.00%
CO Fire Safety Improvements		1,204,000	461,404	98,500		559,904	46.50%	2,408	1,106	197				1,303	54.11%
Total Housing Preservation		16,564,000	3,478,375	4,678,599	0	0	8,156,974	49.25%	7,268	2,867	1,073	0	0	3,940	54.21%
Less Multiple Benefit Units									0	0	(70)			(70)	
Net Housing Preservation									7,268	2,867	1,003			3,870	53.25%
Total Creation + Preservation		184,689,524	67,219,420	29,452,709	0	0	96,672,129	52.34%	11,989	5,432	1,825	0	0	7,257	60.53%
Total Creation + Preservation									10,921	4,939	1,592	0	0	6,531	59.80%

Based on lender survey. Exact number and income breakdown to be confirmed in future reports.

DOH PRODUCTION AND EXPENDITURE COMPARISON TO PLAN (January 1 - June 30, 1996)

		Units by Income Level						
Comments		0-15% \$0-8,000	16-30% \$8-16,250	31-50% \$16,250-27,050	51-60% \$27,050-32,450	61-80% \$32,450-41,600	81-120% \$41,600-64,900	Total Units
Affordable Housing Bond Initiative		0	0	0	0	0	0	0
Low Income Housing Trust Fund Dedicated Revenue Stream Supportive Housing		923	590	0	0	0	0	1,513
Project Based Rental Subsidy		0	0	0	0	0	0	0
Affordable Rents for Chicago (ARC) 0% Subordinate Mortgages		0	25	0	0	0	0	25
CDBG Float Loans First Mortgage Construction Financing		167	0	0	0	0	0	167
Tax Increment Financing Tax Increment Revenues for Housing		0	0	0	0	0	0	0
Single Family Mortgage Revenue Bonds (City Mortgage) First Mortgage Permanent Fin & Down Payment Assistance		0	0	0	0	0	0	224
Mortgage Credit Certificate Program Federal Tax Credits for Home buyers		0	5	21	23	41	79	169
Police Homebuyers		0	0	0	0	0	6	6
City Fee Waivers Units generated by Fee Waivers @ \$45,000/unit		0	0	5	0	0	0	5
Multifamily Rehab & New Construction HOME Multifamily Prgms CDBG Multifamily Prgms Corp/HOME Match Section 108 Rental Rehab Supportive Housing Program		234	56	226	1	0	0	517
Housing Opportunities for Persons with AIDS (HOPWA)		0	0	0	0	0	0	0
CHOP II		0	0	0	0	0	0	0
CAPP Financing		0	0	0	3	8	0	11
Single Family Rehab CDBG HOME		1	2	0	1	2	2	8

DOH PRODUCTION AND EXPENDITURE COMPARISON TO PLAN (January 1 - June 30, 1996)

Comments	Units by Income Level						Total Units
	0-15% \$0-8,000	16-30% \$8-16,250	31-50% \$16,250-27,050	51-60% \$27,050-32,450	61-80% \$32,450-41,600	81-120% \$41,600-64,900	
New Homes for Chicago Corporate HOME-Deep Subsidy	0	0	0	0	10	40	50
Low Income Housing Tax Credits	78	6	351	5			440
Empowerment Zone			149	18	15		182
Total Housing Creation (Less Multiple Benefit Units)	1,403 (334)	684 (39)	752 (280)	51 (3)	76 0	127 0	3,317 (656)
Net Housing Creation	1,069	645	472	48	76	127	2,661

**HOUSING PRESERVATION**

CDBG							
EHAP	Emergency Home Repairs	132	400	246	0	0	778
H-RAIL	Accessibility Improvements	39	50	34	8	7	138
HAPP	Housing Abandonment Prevention Program	0	0	0	0	0	0
Heat Receiver		0	0	290	164	10	464
Multifamily Building Improvement Loans		70	0	0	0	0	70
Facade '96		0	0	0	0	0	0
CDBG							
Corporate							
Weatherization	Funds from Department of Energy and Health and Human Services	870	290	0	0	0	1160
Lead-Safe Homes Initiative		0	6	18	0	0	27
foreclosure Prevention		0	0	0	0	3	0
SRO Fire Safety Improvements		88	530	685	0	0	1,303
Total Housing Preservation (Less Multiple Benefit Units)		1199 (70)	1276	1273	172	17	3,940 (70)
Net Housing Preservation		1,129	1,276	1,273	172	3	3,870
Total Creation + Preservation		2,602	1,960	2,025	223	93	7,257
Net Total Creation + Preservation		2,198	1,921	1,745	220	93	6,531

\*Based on lender survey. Exact number and income breakdown to be confirmed in future reports.

Units Accessing Multiple 1996 DOH Programs

	Units by Income Level						Total Units
	0-15% \$0-8,000	16-30% \$8-15,000	31-50% \$15-26,000	51-60% \$26-31,000	61-80% \$31-41,000	61-80% \$31-41,000	
<b><u>HOUSING CREATION</u></b>							
<b>CDBG Float Loans</b>							
CCDC/Engelwood*	167						167
<b>Multifamily Rehab &amp; New Construction</b>							
Central Woodlawn Limited Partnership*			84				84
Grant Memorial/Drexel St. Properties*		14	47				61
CCDC Engelwood*	167						167
<b>ARC</b>							
Grant Memorial/Drexel St. Properties*		14					14
Central Woodlawn Limited Partnership*		11					11
<b>Empowerment Zones</b>							
These Resurrection Project (These units will be counted as loans are committed)			50				50
Fund for Community Redevelopment*			99	3			102
<b>Total</b>	<b>334</b>	<b>39</b>	<b>280</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>656</b>
<b><u>HOUSING PRESERVATION</u></b>							
<b>Multifamily Building Improvement Loans</b>							
Lakefront SRO/4626 N. Magnolia	70						70
<b>Total</b>	<b>70</b>						<b>70</b>

\* Primary assistance provided by DOH Tax Credits (1995).

**NEW HOMES FOR CHICAGO PROGRAM**  
**JANUARY 1 - JUNE 30, 1996**

DEVELOPMENT	PROJECT DESCRIPTION	CITY SUBSIDY	CITY COUNCIL APPROVED	CITY						Total Units
				0-16% \$0-8,000	17-30% \$8-15,000	31-50% \$15-26,000	51-60% \$26-31,000	61-80% \$31-41,000	81-120% \$41-62,000	
PILSEN JOINT VENTURE III Isaiah Community Dev. Group & The Resurrection Project	21 Buildings 31 Units Pilsen Ward 25	540,000	3/6/96						31	31
NEW HOMES FOR ROSELAND JV NIISRC & THIRUSH	19 Units Roseland	180,000 275,000*	4/16/96					10	9	19
Standard Subsidy	41 Units	720,000								
Deep Subsidy	9 Units	275,000						10	40	50
Totals	50 Units	995,000						10	40	50

\*Deep Subsidy Funding

**1996 LOW INCOME HOUSING TAX CREDIT RECIPIENTS**

Developer	Project Address	Tax Credit Allocation	Equity Generated	# of Units	INCOME LEVEL					Syndicator
					0-15%	16-30%	31-50%	51-60%	61-80%	
Faith Residence Circle Christian Development Corp.	5644-56 W. Washington 114 N. Parkside	383,161	2,048,932	62			60	2		NEF
Tabernacle Apartments Lawndale Christian Development Corp.	1852 S. Hamlin/1857 S. Springfield 1800 S. Central	260,279	1,355,797	42			42			NEF
LR Development (B. Abrams)/ Winthrop Partners L.P.	6214 N. Winthrop	164,833	897,514	93			93			McDONALD
Mayfield Apartments LP Century Place Dev./TIA	148 N. Mayfield	167,130	907,908	39	39					NEF
Rezmar/Fund for Community Redevelopment	811 E. 46th St./4001 S. Ellis	870,594	4,628,000	102			99	3		CEF
Southeast Chicago Dev. Comm. (SCDCOM)	9001 S. Commercial	110,000	570,880	15			15			NEF
St. Leonard's House	50 N. Hoyne	218,461	1,100,000	42			42			NEF
Thresholds	500 W. Englewood	217,841	1,169,000	45	39	6				NEF
		<b>2,392,299</b>	<b>12,678,031</b>	<b>440</b>	<b>78</b>	<b>6</b>	<b>351</b>	<b>5</b>	<b>0</b>	

Note: Equity based on latest estimates provided by Developers.