

Chicago Rehab Network  
**Analysis of DOH 3<sup>rd</sup> Quarter Report**

1997  
 Most recent report

We are pleased to see that the Department of Housing has assisted developers in creating and preserving 7,000 units of affordable housing this year. We are particularly pleased that the 3<sup>rd</sup> quarter report shows that Mortgage Revenue Bonds were used for a second multi-family housing project this year. Since this was to be a major avenue for developing multi-family units in the 1993 original commitment, we hope to see an increase in the number of projects utilizing this kind of funding.

The 3<sup>rd</sup> quarter report states that DOH has already exceeded their yearly goal for housing creation. This is, in part, due to the fact that the City Mortgage Program has exceeded its goals by 30%. While we support the creation of homeownership opportunities for those who need assistance, we want to be sure that the focus on rental housing for those at lower income levels is not lost. In particular, we want to emphasize the importance of the Multi-Family Rehab and New Construction Program.

The Multi-Family Rehab and New Construction Program is critical because it is the primary way that CDBG and HOME funds are distributed for rental housing development. While this program produces the most units of any DOH program, we are concerned that its production levels are behind goal, as the following table shows.

	YTD Units created	5-Year Goal	Percent of Goal completed	Percent of Goal to be on target
Multi Family Rehab and New Construction	4,648	7,933	60%	75%

In addition, we are concerned that some of the projects in the Multi-Family Rehab and New Construction Program have rents that are above or right at the area median rent level. This highlights the need for a discussion about the priorities for DOH funding and whether assistance should be provided to projects that essentially create market rate apartments. It also indicates the problems of using the PMSA median income standard in the City of Chicago.

Some examples from 1997 projects:

Project Address:	2800-14 West Montrose		Area Median Rent:	1 BR- \$492
Project Rents:	1 BR- \$490 and \$580			
Project Address:	114 N. Parkside and 5644-4 W. Washington		Area Median Rent:	2 BR- \$587
Project Rents:	2 BR- \$550, \$575 and \$600			
Project Address:	Michigan Plaza (5700 block, 5900 block, and 6048-58 S. Michigan		Area Median Rent:	1 BR- \$412
Project Rents:	1 BR- \$400			
	2 BR- \$500			2 BR- \$486
Project Address:	743-55 N. Central Avenue & 557-65 N. Pine		Area median rent:	2 BR- \$499
Project Rents:	2 BR- \$465-\$485			