



MISSION

The Chicago Rehab Network is a multi-cultural, multi-racial coalition of community-based organizations which revitalize neighborhoods primarily through the development and rehabilitation of housing for low-income community residents. CRN and its members are dedicated to empowering communities without displacement and to building a strong affordable and accessible housing development movement in Chicago, throughout Illinois, and across the nation. CRN strives to meet the needs and promote the common goals of its members which foster socially and economically viable communities.

CRN Analysis of the City of Chicago's Second Quarter 2018 Housing Report

Bouncing Back: Five-Year Housing Plan, 2014-2018

Presented October 1, 2018, Chicago City Council Committee on Housing & Real Estate

As we move into the last year of the modest Bouncing Back plan, we are faced with housing challenges that must be addressed. Changes in population, for instance, require public policy responses and program adjustments to support communities losing population as well as those households and communities most at risk of losing housing stability.

We have to do better and together we can. Many goals from the previous Chicago 5-year plans were met, though each was pegged to a limited pool of resources. This next Plan occurs during increasing income inequality and its consequential turbulence for the City, neighborhoods, and our neighbors. This next Plan must address this instability by expanding what works and facing some big challenges. Certainly more money and greater leadership are required.

You can see below in **Figure 2** the comparison of resource commitments over the last 5 Housing Plans with the current Plan just exceeding what was set out in 1993. We have seen a reduction of Corporate Funds to \$14 million last year from a high of \$32 million in 2008 prior to significant ARO receipts.

While a portion of these billion plus commitments are due to reductions in Federal funding, CDBG and Corporate Fund dollars are flexible and more can be committed to housing that is affordable.

Figure 1 – Projected Funding vs. To-Date Actual Commitments, Bouncing Back 2014-2018 Plan

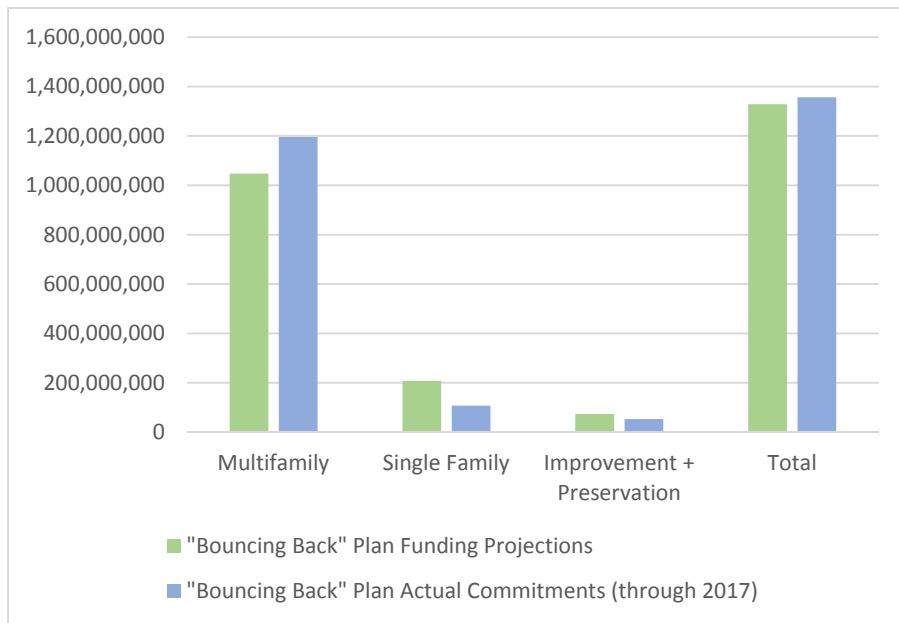
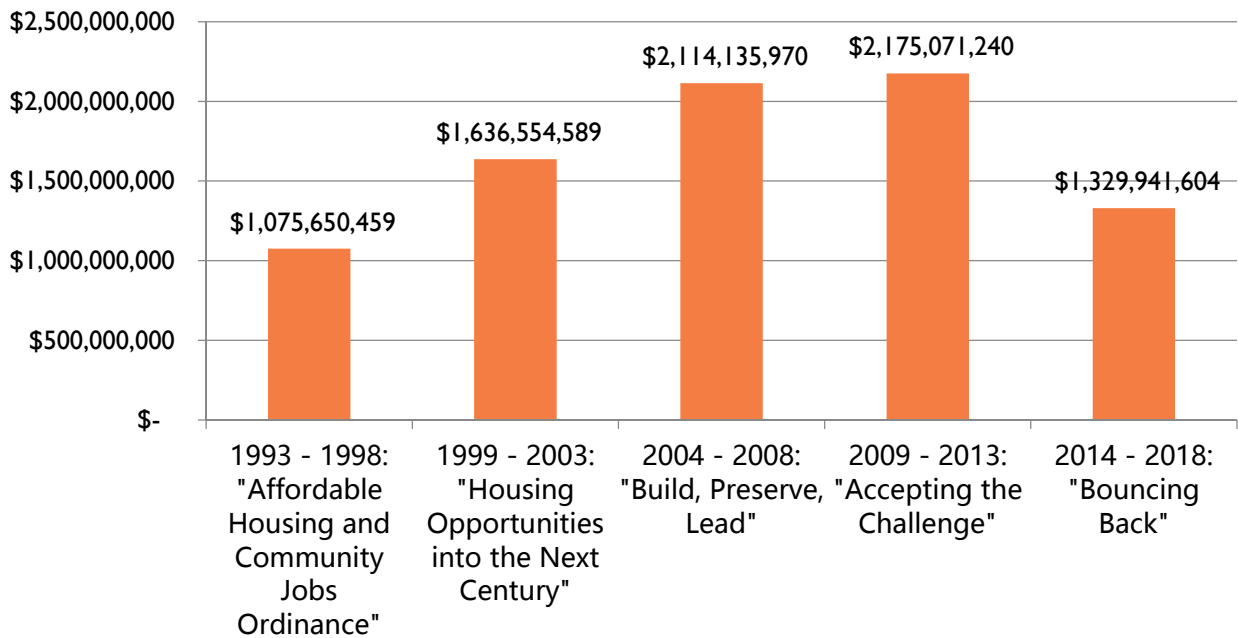


Figure 2 – A Comparison of Five Year Housing Plan Totals in 2013 Dollars



As we are coming to the end of the 5th Housing Plan, we want to share a few observations as to current topics.

Bold action is needed which will require millions more in subsidy and financing. The consequences of not addressing real housing needs will be more expensive in the long run. The capacity exists to eliminate the 120,000 unit shortfall (as reported by the Institute for Housing Studies at DePaul University) in affordable housing, and the City's leadership should target that number.

Plainly state, the next the City needs a Plan which go beyond previous plans. **Whether through dedication of Corporate Fund, Capital Fund, or General Obligation Bonds, or other sources, this Plan must triple past commitments.**

The chart on **Page 4** depicts the evolving department configurations and corresponding corporate funding allocations for the past ten years: in 2017 it received the lowest level of support.

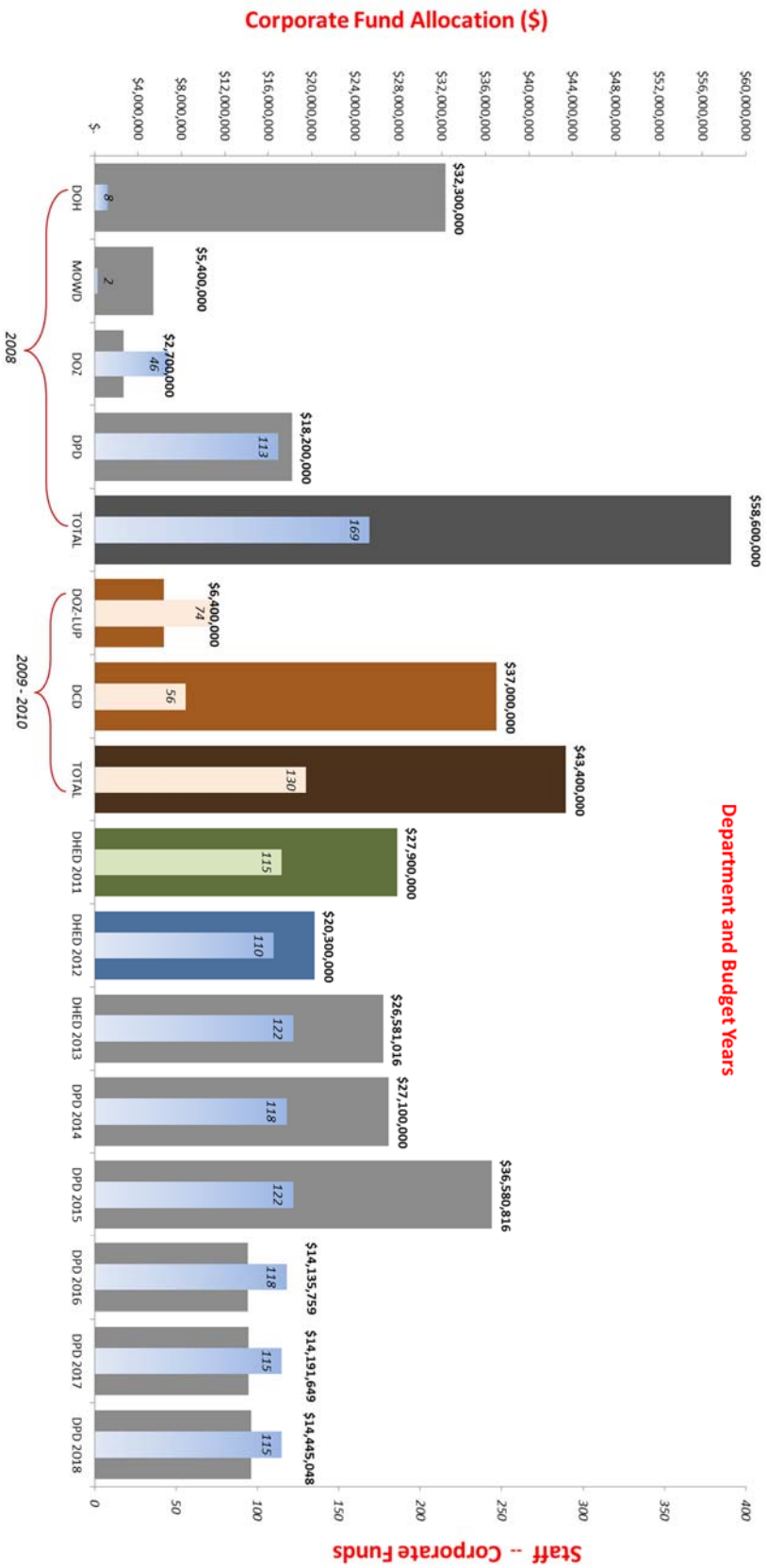
Mayor Emanuel is recommending a return to the original department structure. Without question, the Bureau of Housing desperately needs the \$32 million in Corporate Fund support that it had in the past. We appreciate the intent to prioritize and give cabinet-level parity to housing. However, we do not think a separate Housing Department will achieve more efficiency nor will it create or preserve more housing. **Removing DOH from land use functions/responsibilities in planning and zoning will have unintended and disruptive consequences and we are not in support of the change.**

As we outline in our *Five Strategies toward Housing Stability for All Chicagoans* we call for an impact analysis on land-related legislation. If the city were to implement such an impact analysis, it would force a consideration of intended and unintended outcomes of policy and land matters. For example, the 606 trail has had an unintended, though expected, impact of destabilizing long term residents and accelerating displacement. **An Impact Analysis and public discourse could have set policies in place to prevent the rapid and undirected change occurring in those communities which are having a disparate impact on people of color.**

Additionally, as the **City creates a new Qualified Action Plan (QAP), it should reflect an allocation that commits to not less than 50% of the low income housing tax credits be awarded to local non-profit CDCs.** More than fifteen years ago, the City made a similar commitment by designating half of all the low income housing tax credits to support the Plan for Transformation. But in fact, there remains a significant network of CDCs and the need for new ones. There is no better guarantee of long-term affordability than investing in these local nonprofit institutions of community building.

Over a 10 year period, Corporate Fund allocations to housing have changed dramatically. The chart below shows mergers among related departments and the resulting changes in Corporate Fund dollars and staffing levels. In 2018, over \$14 million in Corporate Funds are dedicated to the Department of Planning and Development which includes 3 bureaus compared to the \$32 million appropriated in 2008 towards just housing purposes.

City of Chicago 10 Year Review of Housing Commitment from the Corporate Fund



Analysis of Second Quarter 2018 Housing Activities

Since 1994, the Chicago Rehab Network has analyzed the City of Chicago Department of Planning and Development's quarterly housing reports, which are produced in accordance with the City's five year housing plans per the Affordable Housing and Community Jobs Ordinance. This report covers the second quarter of 2018.

EXECUTIVE SUMMARY

- **A total of 442 net-new units were produced by one project in Q2.**
- **Q2 saw the addition of 122 ARO units covenanted from 10 projects**
- **Over \$9.7 million collected in ARO in lieu of funds during 2018**
- **During Q2, DPD invested just over \$38 million in rental, homeownership, and improvement programs combined.**

Over half of the rental goals have been met for 2018. It has been accomplished by utilizing the Chicago Low Income Housing Trust Fund (CLIHTF) Rental Subsidy Program allocating \$16,310,894 in the first quarter representing 112% of their total funds anticipated for the year. The CLIHTF is a vital program serving some of Chicago's poorer households while providing economic support to participating landlords across the city.

The table on **Page 6** provides a 15-year lookback at the funding of this nationally recognized program. This table breaks out the investments into the fund between 2001 and 2016 from the state rental support program, federal grants, and corporate funds as well as the new ARO/AHOF. The year with the highest total was 2007 with \$30,573,499 total, serving 2,548 households, with \$6,678,499 of that coming from corporate funds. The following year had \$7.4 million in corporate funds, the highest in this lookback.

2016 saw the lowest amount of corporate funds committed, at \$500,000. *For the new five year plan (commencing 2019) CRN recommends increasing the corporate support to the Trust Fund, enough to serve 3x the households while not decreasing the other funding streams, keeping them at the same level adjusted for inflation. This would stabilize an additional 5400 households per year.*

Chicago Low Income Housing Trust Fund - 15 year lookback

	Households Served	State Rental Support Program	Federal Grants	Corporate Funds	ARO/AHOF	Total
2001	2000	\$ 6,052,309	\$ 1,800,000	\$ 5,700,000		\$ 13,552,309
2002	2000	\$ 6,100,000	\$ 5,700,000	\$ 2,900,000		\$ 14,700,000
2003	2000	\$ 6,530,000	\$ 6,700,000	\$ 6,100,000	\$ 22,000	\$ 19,352,000
2004	2000	\$ 7,505,000	\$ 3,600,000	\$ 6,175,000	\$ -	\$ 17,280,000
2005 RHSP - Passed	2000	\$ 7,100,000	\$ 1,700,000	\$ 6,400,000	\$ -	\$ 15,200,000
2006	2355	\$ 7,120,000	\$ 1,827,000	\$ 7,100,000	\$ 2,000,000	\$ 18,047,000
2007	2548	\$ 17,300,000	\$ 1,795,000	\$ 6,678,499	\$ 4,800,000	\$ 30,573,499
2008	3139	\$ 10,700,000	\$ 3,600,000	\$ 7,400,000	\$ 2,600,000	\$ 24,300,000
2009	2912	\$ 16,200,000	\$ 3,309,000	\$ 7,060,000	\$ 560,000	\$ 27,129,000
2010	2894	\$ 7,300,000	\$ 1,597,000	\$ 7,330,000	\$ 900,000	\$ 17,127,000
2011	2843	\$ 4,700,000	\$ 106,288	\$ 7,330,000	\$ 1,600,000	\$ 13,736,288
2012	2666	\$ 10,728,500	\$ -	\$ 6,256,700	\$ 1,500,000	\$ 18,485,200
2013	2691	\$ 500	\$ -	\$ 6,849,263	\$ 920,000	\$ 7,769,763
2014	2813	\$ 1,221,999	\$ -	\$ 6,804,633	\$ 1,700,000	\$ 9,726,632
2015	2830	\$ -	\$ -	\$ 4,000,000	\$ 5,000,000	\$ 9,000,000
2016	2687	\$ 14,560,210	\$ -	\$ 500,000	\$ 11,656,997	\$ 26,717,207

Data gathered by CRN from CLIHTF Audits and/or Annual Reports.

Includes \$1.3 from Parking Meter	Includes \$1 million from Skyway Funds
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Table 1 –Housing Dollar Commitments Compared with Annual Goal, 2018 Q2

	Rental Investments	Ownership Investments	Improvement/ Preservation Investments	Total Investments
YTD Commitments	40,573,217	15,979,670	8,821,708	65,374,595
Total Funds Anticipated by Year End	276,451,000	23,663,691	21,079,014	321,193,705
Percent of Goal Met through Q1	14.7%	67.5%	41.9%	20.4%

Table 2 –Housing Unit Commitments Compared with Annual Goal, 2018-Q2

	Rental Units*	Ownership Units	Improvement/ Preservation Units	Total Units
YTD Units	3,936	201	1,031	5,168
Total Units Projected by Year End	5,854	497	2,198	8,549
Percent of Goal Met	67.2%	40.4%	46.9%	60.5%

To get a clearer look at *new* affordable apartments being made available for individuals and families in need (what we refer to as “net-new” units), CRN removes CLIHTF-subsidized units and two key preservation programs (Heat Receivership and Multifamily Troubled Building Initiative) that do not directly add new units to the available affordable housing stock in Chicago (Table 3).

Table 3 – Net-New Housing Unit Commitments in Comparison with Annual Goal, 2018

	Total Units Planned for 2018	Total Units Committed in 2018	Total Units Committed in 2018-Q2
Total Subsidized Rental Units	5,854	3,936	869
Less Rental Subsidy Units	2,812	2,721	59
Less Heat Receivership Units	400	159	26
Less MF Troubled Building Initiative Units	750	414	213
Net New Rental Units**	1,892	642	571

Table 4 shows that of the 642 rental homes committed so far in 2018, 62% are affordable, with 33 units serving households at 51-60% AMI and 11 units serving households at 61-80% AMI. 27 units, or 38% of total units, are market rate. So far in 2018, no new or rehabbed units are affordable for households at or below 50% AMI. Figure 5 shows the proportion of units produced in each income bracket over the entire Five Year Plan so far, again demonstrating that the majority of rental units serve those households whose incomes are at 51-60% of AMI. The next largest group is 31-50% AMI, with the fewest rental units serving those at or below 15% AMI.

Table 4 – Incomes Served by Net-New Rental Units, 2018 YTD

		Net-New Rental Units	Share of Total Units Produced Per Income Bracket
<i>Income of tenants served</i>	0-15% AMI	-	-
	16-30% AMI	-	-
	31-50% AMI	-	-
	51-60% AMI	576	90%
	61-80% AMI	20	3%
	81-100% AMI	19	3%
	101+% AMI	27	4%
YTD Units Committed		642	100%
Total Units Projected by Year End		1,892	

Table 5 – Sources of Net-New Units, 2018 YTD

Quarter	Source of Units	Units
Q1	Albany Park Initiative	42
Q1	ARO Rental Units Covenanted	29
<i>Subtotal, Q1</i>		71
Q2	Caroline Hedger Apartments	449
Q2	ARO Rental Units Covenanted	122
<i>Subtotal, Q2</i>		571
Total Net-New Units YTD		642

Figure 6 – Single Family Homes Produced by AMI, 2014-2018

Since the beginning of this plan, the City has funded 1849 single family homes.

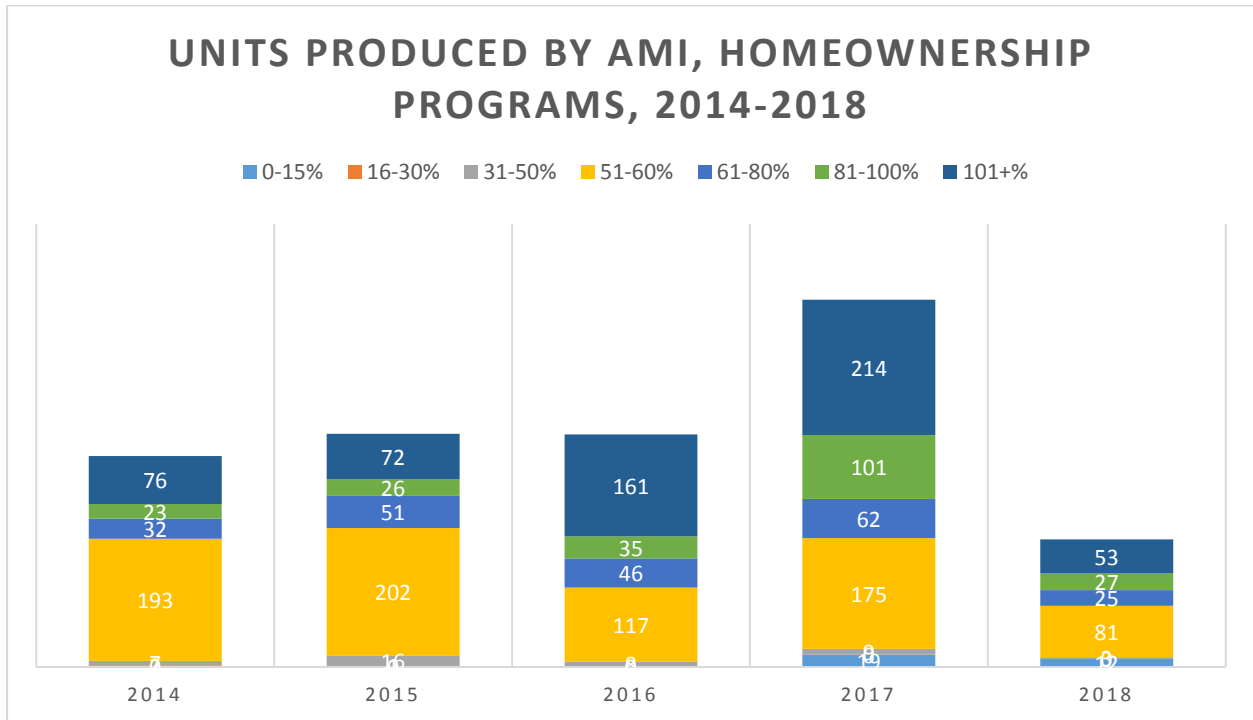
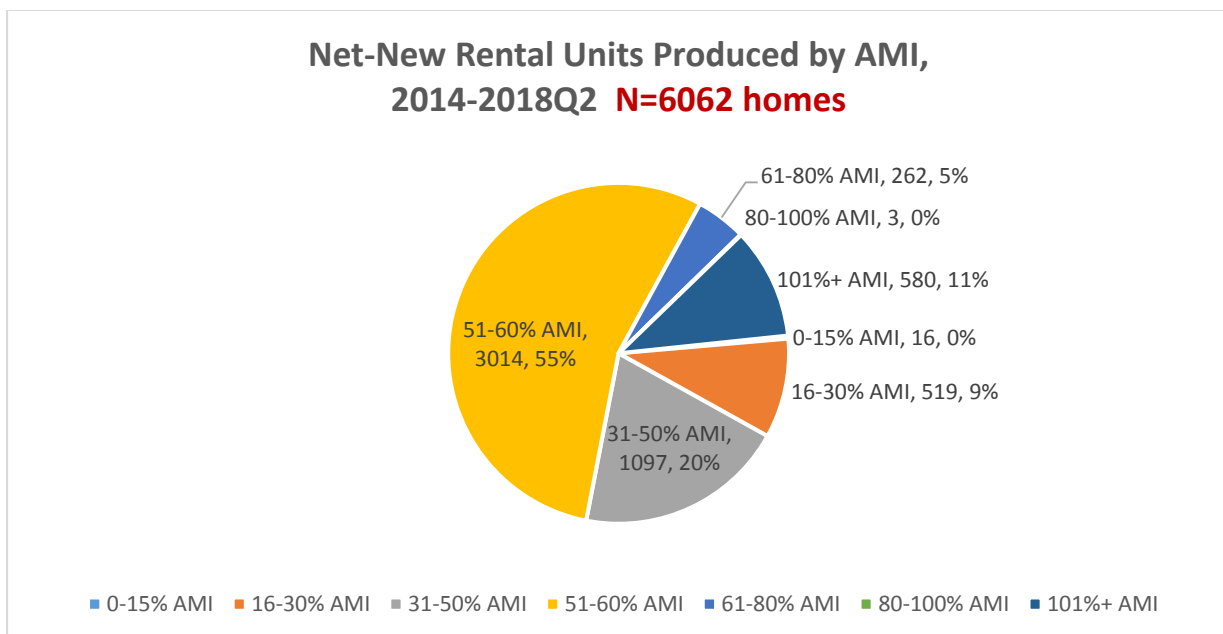


Figure 7 – Net-New Rental Units Produced by AMI, 2014-2018 Q2



AFFORDABLE REQUIREMENTS ORDINANCE

2ND QUARTER 2018 ACTIVITY

The Chart below shows ARO activity during the 2nd Quarter. Q2 saw the addition of 122 ARO units covenanted from 10 projects Over \$9.7 million collected in ARO in lieu of funds during 2018.

Project Name	Ward	ARO Trigger	ARO Version	Zone	Total ARO-subject Units	Actual Fees In-lieu	Off-site Admin Fee	On-site Units Proposed	Off-site Units Proposed
1040 W Huron	27	Zoning Change and PD	2015 ARO	Near North Pilot	196			39	0
2496 N Milwaukee	32	Zoning Change	2007 ARO	2007 ARO	220			22	0
4210 N Western Ave	47	Zoning Change	2015 ARO	Higher Income	48			5	0
3720 N Ashland	47	Zoning Change	2015 ARO	Higher Income	12	\$ 125,000		0	0
3122 N Broadway	44	Zoning Change	2015 ARO	Higher Income	19			2	0
4906 N Clark	47	Zoning Change	2015 ARO	Higher Income	54			5	0
845 W Adams St.	25	Zoning Change and PD	2015 ARO	Downtown	275	\$ 3,675,000		7	0
5050 N Broadway	48	Zoning Change and PD	2015 ARO	Higher Income	345			35	0
975 W Wilson	46	Zoning Change and PD	2015 ARO	Higher Income	149	\$ 1,000,000		7	0
935 W Washington	25	Zoning Change and PD	2015 ARO	Downtown	358	\$ 4,725,000		9	0