



CRN Analysis of the Third Quarter 2020 Housing Report

One Chicago: Five-Year Housing Plan, 2019-2023

Presented February 16, 2021 to the Chicago City Council Committee on Housing & Real Estate

Introduction

The Department reports a robust set of policy initiatives during the third quarter 2020. These initiatives are more than we have seen in past years and are in no small way due to the changing environment created by the COVID-19 pandemic. Multiple programs were created to provide much needed assistance:

- for the rental community with \$33 million through the Housing Assistance Grant Program (\$2,000 - \$3,000 grants to households earning 60% or less of AMI)
- for the single-family community with \$3.5 million through the Mortgage Assistance Program (up to \$3,000 grants for households up to 120% AMI)
- for tenants, \$500,000 for COVID-19 Eviction Program (LCBH)
- and a new online portal: chi.org/housinghelp to prevent homelessness, foreclosure, lock outs, and evictions, with \$8 million to DFSS rental assistance

We look forward to updates for these programs in the 4th Quarter report. Fortunately, more stimulus resources have been committed to the city, county, and state from the federal government.

The Woodlawn Preservation Ordinance lays out five goals to support current residents in the shadow of the Obama Presidential Center (OPC) to protect against displacement with commitments of City-owned lots and \$4.5 million for rehab as well as a right of first refusal for tenants in buildings with 10 or more units. This is a noteworthy accomplishment for the Department, the lead alderwomen (Taylor and Hairston), and the community leadership facilitated by Kenwood Oakland Community Organization (KOCO) and others.

Two other policy initiatives presently underway are outlined: ARO revisions based on the Committee's deliberations and the new eTOD policy recommended by a separate committee.

We appreciate the efforts of the volunteers involved with this work. We will caution to be on guard for unintended consequences to changing the ARO, as it has been instrumental in the success of multiple housing programs contributing much more than is often portrayed in recent descriptions. For example, 50% of AHOF is dedicated to the LIHTF annually. The LIHTF serves the lowest-income households and supports property owners' operations across the city. The AHOF has received \$214,464,823 since inception with \$6,336,526 being generated in 3Q 2020.

These initiatives underscore not only the range of housing activities necessary to have One Chicago succeed, but also the leadership and partnerships required to provide housing affordability in all communities. The pandemic has demonstrated the nexus of affordable housing and health care and the role local organizations will need to play in leading toward an equitable recovery that addresses the racial wealth gap. Members of the community development corporation (CDC) community have been anchor institutions in meeting housing needs for essential workers and warrant support. We are active with these organizations and the Department on a number key policy efforts to craft solutions:

- property tax relief to provide greater stability in mission-based CDCs' operations
- addressing appraisal gaps that have prevented access to capital in south and west side communities
- renewing the Illinois Affordable Housing Tax Credit which has been an essential resource (\$26 million annually) for affordable housing across the state
- building the infrastructure for cooperative housing as a viable housing option for our communities—we have launched the Center for Shared Ownership (CSO) in collaboration with Chicago Community Loan Fund

We look forward to our ongoing collaboration with the Committee on Housing and Real Estate to bring new policies and resources for affordable housing for Chicago.

Breakdown of Quarterly Housing Activities

Since 1994, the Chicago Rehab Network has analyzed the City of Chicago Department of Housing's (previously the Department of Planning and Development's) quarterly housing reports, which are produced in accordance with the City's five-year housing plans and follow the Housing and Community Jobs Ordinance. This report covers the third quarter of 2020.

Note: CRN distinguishes “net-new” units from the unit count provided by the Department of Housing. Previously, DOH included units receiving Heat Receiver Program and Multifamily Troubled Buildings Initiative subsidies, as well as units receiving rental assistance, in their count of new affordable rental housing units each quarter. While we acknowledge the necessity and impact of these assistance programs, we have traditionally not included them in our own count of units because they are not in fact units being newly built or preserved and therefore increasing the overall supply of affordable units. This count that does not include Heat Receiver Program, Multifamily Troubled Buildings Initiative, and rental assistance units is referred to here as “net-new.”

CRN has continually made this distinction in our reporting and testimony, and in 2019, DOH announced that they would separate out those units receiving rental assistance in order to distinguish these units from newly built and preserved units. This is an important step toward accountability and transparency; CRN has continued to also remove Heat Receiver Program and Multifamily Troubled Buildings Initiative units from our net-new count. Those charts not labelled “net-new” include these units as well as units receiving rental assistance, unless noted otherwise.

Key Data: Resources, Units, Income Levels

Sources of Net-New Units, 2020 Year-to-Date

Quarter	Source of Units	Units
Q1	ARO Rental Units Covenanted	100
	<i>Subtotal, Q1</i>	100
Q2	ARO Rental Units Covenanted	1
Q2	Casa Veracruz Apartments	155
Q2	Emmett Street Apartments	100
Q2	South Chicago YMCA	101
	<i>Subtotal, Q2</i>	357
Q3	ARO Rental Units Covenanted	128
Q3	Opportunity Investment Fund	77
	<i>Subtotal, Q3</i>	205
	Total Net-New Units YTD 2020	662

Incomes Served by Net-New Rental Units, 2020 Year-to-Date

		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	101	15%
	51-60% AMI	439	66%
	61-80% AMI	2	<1%
	81-100% AMI	59	9%
	101+% AMI	61	9%
YTD Net-New Units Committed		662	
Total Net-New Units Projected by Year End		1,722	

Creation & Preservation Housing Dollar Commitments Compared with Annual Goal, 2020 Year-to-Date

	Rental Investments	Ownership Investments	Improvement /Preservation Investments	Total Investments
2020 YTD	\$103,770,084	\$9,669,754	\$6,012,988	\$119,452,826
2020 Anticipated	\$217,340,000	\$28,540,000	\$18,159,449	\$264,039,449
Percent of Goal Met, 2020-Q3	47.7%	33.9%	32.6%	45.2%

Note: Does not include rental assistance

Net-New Housing Unit Commitments in Comparison with Annual Goal, 2020 Year-to-Date

	Total Units Planned for 2020	Total Units Committed in 2020
Total Rental Units	2,972	910
Less Heat Receivership Units	500	50
Less MF Troubled Building Initiative Units	750	198
Net New Rental Units	1,722	622

Rental Assistance Compared with Annual Goal, 2020 Year-to-Date

	Funds	Units Served
2020 TYD	\$18,192,370	2,801
2020 Total Anticipated	\$17,600,000	2,700
Percent of Goal Met	103.4%	103.7%

Creation & Preservation Housing Unit Commitments Compared with Annual Goal, 2020 Year-to-Date

	Rental Units	Ownership Units	Improvement /Preservation Units	Total Units
2020 TYD	910	95	587	1,592
Total Units Projected by Year End	2,972	465	2,140	5,577
Percent of Goal Met, 2020-Q1	30.6%	20.4%	27.4%	28.5%

Note: Does not include rental assistance