

Media Alert
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Thousands of Tenants to Face Confusion, Uncertainty as Section 8 Contracts Expire

**Advocates and Public Officials Commit to Solutions on Friday, March 16th
8:30 a.m. – 11:30 a.m., 17 E. Monroe, 3rd Fl.**

Chicago could lose up to 1,431 units of affordable housing this year as contracts for project-based Section 8 expire. “It’s an invisible crisis,” says Kevin Jackson of Chicago Rehab Network (CRN). “Seniors and low-income families with children are being forced out of homes where many have lived for the last 15 to 20 years. If we don’t do something now, we’ll lose this critical housing.”

Project-based Section 8, a federally funded program launched in the 70’s to promote affordable housing creation, guarantees operating subsidy for landlords who contract with the Department of Housing and Urban Development (HUD) and agree to keep their units affordable. Between 2000 and 2005, though, approximately 30,000 Section 8 units under contract statewide will expire, including approximately 21,000 in Chicago; bad news for a region grappling with public housing re-development and a tight rental market where landlords take the opportunity to convert to condominiums or raise rents.

“Everyone recognizes that we need more affordable housing, but we are not doing enough to save the housing we already have,” says Jim Grow of the National Housing Law Project. “Over the years, the federal Section 8 Program has proven itself to be a great resource for low-income housing. But when owners “opt-out” we lose affordable units, and federal dollars, for good.”

Chicago Rehab Network, Tenants United for Housing and the National Housing Law Project hope to raise awareness about the issue this **Friday, March 16th, 2001, 8:30 a.m. to 11:30 a.m. at the Palmer House Hilton, 17 E. Monroe** when a broad base of advocates, residents and politicians commit to policy and resource solutions to the crisis. “It is a compelling problem; one that we have to get a handle on,” says Joyce Probst, policy director for CRN. Senator William Peterson (R, Long Grove) and Senator Barak Obama (D, Chicago) will be on hand to talk about state legislation that will generate dollars for housing preservation, and Cook County Commissioner Bobbie Steele is expected to discuss solutions at the county level.

“We have proposals that will provide current owners with incentives to stay in the Section 8 program. And we have the ability to facilitate nonprofit purchases of this housing. We just need the political will,” says Probst.

Every year Chicago will lose more units.

So far, Chicago has lost 306 units of mostly well-managed and well-kept Section 8 units--buildings like McGill in Hyde Park, and Clark and Chestnut Apartments on the near north side. **Owners of 500 additional units have notified HUD of their intent**

to leave the affordable housing program within the next year. Communities like Uptown, North Lawndale, Woodlawn, Near West Side, Greater Grand Crossing and Lakeview could be hit hardest. Advocates project that, at this rate, Chicago's affordable housing stock could be reduced by as many as 5,000 units by 2005.

Where will tenants go?

Vicky Stapleton of the Hyde Park West Tenant's Association, whose landlord may leave the subsidy program next year, says the uncertainty and confusion caused by owner 'opt-outs' is extremely stressful. "A lot of people in our complex have been here for years, we're like a family. Our greatest concern is the degree of uncertainty about the future. It really hurts us."

Darrell Kelly of Tenants United for Housing has been working with fixed income seniors and families who've been told they'll have to compete with public housing tenants and Section 8 voucher holders in the extremely tight affordable housing market. According to Kelly, "Tenants are scared they'll lose their housing. Seniors, especially, are afraid they'll be homeless. They're on fixed incomes facing deadline pressures and money pressures with no help for security deposits or moving costs."

What about landlords?

"When the owners needed us and got their money from the government to build here, we were valuable for them," says Olga Kipnis, tenant at Rienzi Plaza, a Section 8 building in Lakeview. "Now they don't need us. The owner has never answered our letters. He refuses to meet with us. We have not received any answers to our questions."

Dan Burke, a private housing developer and expert on Section 8 preservation recognizes that landlords will need an economic incentive to keep their buildings affordable, "For years, these long-term subsidy programs have enabled owners to maintain these assets. But with contracts expiring in such a tight market we need to think about meaningful ways to encourage landlords to stay in the Section 8 program or to transfer their property to a purchaser that will preserve it as affordable housing."

Friday's event is sponsored by Chicago Rehab Network, Tenants United for Housing and the National Housing Law Project. Speakers at the event will include Senator William Peterson (R, Long Grove), Barak Obama (D, Chicago), Alderman Ray Suarez, Cook County Commissioner Bobbie Steele, Commissioner Jack Markowski of the Chicago Department of Housing. Residents, Nonprofit owners and Section 8 experts will also be available.

A contact list of residents, advocates, organizers and developers is available. We are happy to help arrange interviews. Please call us at 312/663-3936.

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