Emanuel presents five-year housing plan to city council

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By: Natalie Moore

AP/File
Chicago mayor Rahm Emanuel.

Chicago Mayor Rahm Emanuel will present a five-year housing plan to city council on Wednesday that calls for investing $1.3 billion to produce or preserve 41,000 units of housing.

"Bouncing Back" tries to address forces that have battered Chicago - namely the foreclosure crisis and a population decline of 200,000 people from 2000 to 2010 -- with a focus on putting vacant and foreclosed properties back into the mix.

The city wants to unload the 8,000 residential parcels it owns.

"We would like to create a much smoother and more efficient process for getting those parcels back out to people who can use them, make larger lots for example," said Andrew Mooney, commissioner of planning and development.

For example, a program called Englewood Estates in the Englewood neighborhood would allow residents to acquire city-owned lots. These kind of side-lot programs aren't new and are criticized because owners must still pay taxes on the properties. Mooney said he will work with city council to work out possible incentives.

Other initiatives in the 2014-18 housing plan include accelerating the micro market recovery program, which slows down the red tape process to put troubled buildings in court and find new property owners; down payment grants for first-time homeowners, pressuring banks to do better neighborhood lending and foreclosure counseling.

Another growing challenge faces residents.

According to the Chicago Rehab Network, half of Chicagoans are rent burdened - they pay more than 30 percent of their income on rent. The same goes for homeowners in the city.

Kevin Jackson, executive director of the housing advocacy group, said the city's plan does little to address that hardship.

"Housing insecurity in Chicago is expanding," said Jackson who was on the steering committee for the plan. "Given the housing insecurity, we haven't seen a proportionate response from the city in terms of what we should be doing for housing in our neighborhoods."

The median income also fell during the last census period. Mooney said as household incomes improve, hopefully families will be less burdened.

"The economy is going to have a more dramatic impact on family rental burden and home ownership burden than what the city itself can provide, in terms of subsidy," Mooney said.

This is the fifth city housing plan in the last two decades and it runs from 2014-18. This time around, the plan has a missing word in its title, and that's rankled some advocates.

"The mayor took 'affordable' out of the name. That was indicative to us and troubling," said Leah Levinger, of the Chicago Housing Initiative.

Mooney said the city had the responsibility to look at the entire city because of the unexpected recession. He said previous housing plans worked under the assumption of a rising housing market.

"It would've been at our peril to have ignored what was going on in the housing market, generally, as we hope to climb out of what happened to the city over these last few years," Mooney said.

According to the plan, more than 75 percent of the units will go to households earning 60 percent of the area median income, or $44,000 for a family of four.

Housing activity has plummeted in the city. Building permit activity peaked at 15,000 units in 2006 and 2007 and fell to less than 1,300 in 2009, according to the plan. But there are bigger trends to consider in Chicago. The population has decreased by more than 900,000 since 1950. There's a correlation between where vacant land sits idle, and the loss of manufacturing jobs in those neighborhoods.

The plan is less than the $1.5 billion spent from 2009-13. Mooney said the reduction reflects cuts from federal and local resources.

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