



Commissioner Andrew Mooney
City of Chicago Department of Planning and Development
121 N. LaSalle St, 10th Floor
Chicago, IL 60602

January 14, 2015

Dear Commissioner Mooney:

The Chicago Rehab Network supports the Department of Planning and Development's efforts to enhance the Affordable Requirements Ordinance (ARO). This voluntary program has yielded results: approximately \$53 million since its inception in 2003. Following through on plans stated in "Bouncing Back", the 2014-2018 Five Year Housing Plan, DPD convened a diverse group of stakeholders who recommended amendments to the ARO that will increase affordable housing resource and unit production for Chicago. This willingness to engage with community development groups and the private development community alike represents the type of innovative policies necessary to meet the affordability challenges the future holds for our communities.

This ordinance improves the ARO—a policy that has strengthened city housing options—by amending the currently existing "Density Bonus loophole" that has, by some estimates, cost the city over \$20 million in in-lieu fees since 2007. Closing this loophole will add critically needed additional resources to the Affordable Housing Opportunity Fund. In addition to reforming the Density Bonus, the ordinance takes an important step forward by requiring that some units actually be built. Whether onsite or off, these units will add to the net-new affordable housing in the city. In a Chicago where 1 out of 2 households are struggling to afford their homes, every new unit and housing support is important. CRN tracks the progress of the City's housing programs, including net-new housing development and the ARO, through our analysis of the Department's quarterly report; we will adjust our analysis to account for these updates to the ARO.

The enhanced ARO will require continuous engagement to implement successfully— not only from the City, but also a variety of partners, including the Rehab Network. Along with monitoring the implementation of an enhanced ARO through DPD's quarterly reporting, there will be important work developing the capacity of all parties involved to take advantage of this complex program. In partnership with DPD, we will use our expertise to help the private development community interface with community organizations, residents and leaders to fully leverage the resources provided through an enhanced ARO. We will bring to bear our over 35 years of training and capacity building experience in



Chicago's housing and community development field to help make the implementation of this new ordinance as successful as possible.

Moving forward, this third enhancement of the ARO shows how effective linked development can be in sharing the city's prosperity across all its neighbors and neighborhoods. CRN encourages this body and all who have gathered here today to consider the success of the ARO, one tool for delivering much-needed resources, and how similar principals might be applied to other revenues, such as convention and tourism dollars collected through the Metropolitan Pier and Exposition Authority and the hotel tax, or potential revenues from casino or other gaming sources. The need for housing resources in our communities is such that with a menu of innovative approaches and other linkage-type policies, we can help build a city where prosperity is wide-spread and ample housing choices exist for all who choose to live in and contribute to Chicago.

Sincerely,

A handwritten signature in black ink that reads "Kevin F. Jackson". The signature is written in a cursive style with a large, stylized "K" and "J".

Kevin F. Jackson

Executive Director
Chicago Rehab Network