Rents had been affordable at Lorrington Apartments in Chicago’s Logan Square neighborhood since 1985, but by February 2007, the owner’s Section 8 contract was expiring, and he was ready to sell. Finding a buyer interested in converting the units to condominiums in this popular neighborhood where housing costs have been rising steadily was going to be easy.

Fortunately, a cross section of public, private and nonprofit agencies were aware of the property and were committed to maintaining it as an affordable rental asset in the community.

Logan Square Neighborhood Association, helped bring the parties together and kept residents involved throughout the process. Community Builders, Inc., the nation’s largest nonprofit developer, acquired, rehabilitated and now manages the building. Pre-development financing was provided by Chicago Community Loan Fund, a nonprofit lender specializing in emerging markets. Crucial financing was provided by both the State of Illinois (Donation Tax Credits and Housing Trust Fund) and the City of Chicago (bonds and CDBG funds).

Cooperation by each of these agencies was key and resulted in ensuring long-term affordability at this project until 2027.
Private Developers Own Most of the Region’s Affordable Housing

Dorchester Towers is a 51-unit apartment building that sits on 2.5 acres in suburban Dolton in the middle of a community composed primarily of single-family homes. When it came on the market in 2000, Mayor William Shaw asked Community Investment Corporation (CIC), a nonprofit financial intermediary, if it would be possible to rehabilitate the property and keep it affordable.

CIC not only believed it was possible, it provided financing and identified a qualified buyer, Khamolaw Beard, Jr. (above), with experience in rehabilitating affordable housing. Critical financing also came from the Cook County Assessor’s Class 9 program, which reduces taxes by 40 percent on older buildings when developers upgrade major systems and commit to keeping at least one-third of the units affordable to low- and moderate-income people.

Extensive landscaping at Dorchester Towers, plus substantial interior repairs, resulted in a building more attractive than the original complex, which enhances the surrounding community.
The diminishing supply of affordable housing is not just a Cook County issue—it’s happening in communities around the state. Woodstock, Illinois, a picturesque, historic suburb northwest of Chicago, has become a magnet for families seeking to exchange the hustle and bustle of city life for a quieter, small-town atmosphere.

But, while new residents can help revitalize older communities, they often cause property values to rise too rapidly, squeezing out existing residents. With new subdivisions dotting the highways leading into Woodstock and $300,000 to $400,000 homes sitting on its perimeter, Walden Oaks, a 192-unit apartment building was a prime target for gentrification.

To preserve affordable housing in this community, Hispanic Housing Development Corporation, a highly regarded Chicago nonprofit developer, used a mixed-income model. Some of the apartments are market rate, but 150 homes are made affordable for holders of a housing choice voucher (formerly Section 8). These residents pay one-third of their income for rent, and government subsidies make up the difference between that and the market-rate rent.
Rehabilitating Older Buildings Enhances Quality of Life in the Community as a Whole

Many units of affordable housing in Cook County are lost when owners of older buildings reach retirement age and decide to sell the property. Spacious units—some with four or five bedrooms—made this 100-year-old, 96-unit property in Chicago’s rapidly gentrifying Mid-South area a great place for families.

Most residents of this building would have been forced to move if—as was likely—it had been sold to make way for market-rate condominiums. Instead, national nonprofit NHT/Enterprise Preservation Corporation teamed up with a local for-profit developer, Chicago Community Development Corporation, to purchase and renovate the building while keeping the units as affordable rentals.

Financing from the City of Chicago and the Illinois Housing Development Authority, among other entities, permitted a complete overhaul that included new, energy-efficient heating, plumbing and electrical systems; new windows, kitchens and baths; and a security system.

Other improvements, including a new community room, as well as an inside courtyard play area for children, enhanced the overall value of the property to both the community and residents.
Richard Koenig, executive director of Housing Opportunity Development Corporation, hesitated when he was first asked to redevelop Morton Grove Senior Housing, a 56-unit apartment building with an expiring Section 8 contract. He knew from first-hand experience that community backlash to these types of projects—even when they involve seniors—could be fierce.

But the Village of Morton Grove, a community primarily composed of moderate-income homeowners, takes pride in its ethnic diversity and large immigrant population. Built out and landlocked, with an aging population, city leaders knew they were not likely to be able to replace existing affordable housing once it was lost. Village Trustees decided that keeping existing residents would serve the community better than converting the property to market-rate condominiums. As a result, Morton Grove embraced the project and transferred more than half the Village’s private activity bond cap to execute it.
Community Organizations Play a Critical Role in Preserving Affordable Housing

Moody Bible Institute, the owner of Morningside Apartments in Chicago’s trendy Gold Coast, had a long-term contract with the Illinois Housing Development Authority (IHDA) to rent all of its apartments to low-income seniors. Suddenly, even though the seniors hadn’t seen fresh paint or carpeting in over a decade, Moody Bible Institute started converting empty apartments into hotel units for the school’s parents and alumni and rehabilitating units for student use.

To help resolve the situation, Jane Addams Senior Caucus and Sargent Shriver National Center on Poverty Law brought together Illinois Housing Development Authority (IHDA), U.S Department of Housing and Urban Development (HUD) and the building’s longtime residents.

Because it worked in the community, Jane Addams Senior Caucus knew of another nearby affordable rental property—Maple Point Apartments—that was in danger of closing because it didn’t have enough tenants. Working with the owner of Maple Point, the parties reached an agreement in which Moody Bible would keep all remaining units affordable until 2033 and Maple Point would take over approximately half of the units formerly located in Morningside Apartments.

This deal created a win-win situation in which seniors held on to affordable housing in a good neighborhood and Moody Bible was accommodated in its growing need for student housing.