



2007 CRN POLICY PLATFORM – CHICAGO

The Chicago Rehab Network's Policy Platform calls for recognizing affordable housing as a fundamental priority for Chicago's economic growth. For our city to maintain a strong and sustainable environment for its families, affordable housing must be placed on equal footing with city projects as prominent as airport expansion, the Olympic bid, or the development of Millennium Park. Currently, with only an annual commitment of less than one half of one percent of the City budget to housing—and half of that directed to the public housing redevelopment—we are on a course guaranteed to lose one of our most important assets. The CRN Platform therefore calls for a major re-prioritization of City policies.

The Platform highlights three fundamental requisites for a strong city: vibrant neighborhoods, strong leadership, and sufficient resources for housing affordability. Our primary recommendation calls for the City investment of **\$40 million per year** dedicated to the development of affordable rental housing. Other important strategies include a moratorium on condo-conversions, the city-led acquisition and transfer of troubled/expiring buildings for affordable housing, and the creation of an accessible and efficient information system to communicate City policies and allow residents and leaders to engage each other in the issues that affect their communities.

PRESERVE NEIGHBORHOODS

City policies should be adopted to ensure that affordable rental units are not lost. While the state and federal government must also play a role, the City must take the first step to institutionalize processes that preserve its dwindling rental stock for current and future Chicagoans. Preserving what we have demands City leaders make determined and proactive policy choices.

Recommendations

- Take actions to **acquire and transfer expiring and troubled properties** to qualified purchasers for recapitalization as affordable rental housing. Over 8,000 units of federally-assisted housing are at risk of expiring by the end of 2009.
- Invoke a **moratorium on condo conversions** until an effective tracking policy can be developed to understand and effectively mitigate displacement forces, and ensure that neighborhood improvements benefit long-term local residents.
- **Inventory publicly owned land and bank appropriate parcels** for affordable rental housing in the Chicago Community Land Trust, prioritizing parcels in gentrifying communities. The development of the USX site in South Chicago, for example, should include planning for affordable housing based on the needs of existing local residents as a priority.
- Halt the loss of family-size (2-4 bedroom) rental units by dedicating policies and resources towards **re-growing the stock of family-size apartments** in the City's housing program allocations. Over 50% of all units produced by the City's Low Income Housing Tax Credits (LIHTC) between 2000 and 2005 were 1-bedroom units.
- Ensure the application of **mixed income developments that consider neighborhood context** and prioritize the needs of the local place-based housing market. The planned demolition of Lathrop Homes for redevelopment as mixed-income, for instance, is a misapplication that ignores local context.

✓ Recent Census data reveals that between 2000-2005, Chicago lost over 71,000 rental units. This is the largest five-year loss of rental housing in almost 2 decades.

✓ There are over 8,000 units of federally assisted housing pending expiration in the city. If affordability on these rental units is lost, it would cost upwards of \$2 billion dollars to replace.

✓ The USX site represents 580 acres of undeveloped land. This constitutes a major opportunity for the City to respond to the needs of local residents.

EXPAND LEADERSHIP

Strong leadership depends on opportunities for civic engagement and quality discourse around public policy. Unlike at the federal (www.thomas.gov) and state levels (www.ilga.gov), where information systems are in place that promptly track legislative activity and initiatives, Chicago citizens lack any coherent communication system to inform them of such activities at the City level. City leaders and residents deserve a system that enables them to understand and engage in the workings of local government as it impacts their communities.

Recommendations

- Implement a constantly **updated information system that efficiently tracks and communicates** all proposed, considered, and approved City policies.
- Increase **transparency in the Departments of Planning, Zoning, Building, and Construction/Permits** to allow for better utilization of public resources, based on the reporting model exemplified by the Department of Housing.

COMMIT RESOURCES

CRN believes the City has the capacity and leadership to craft a solution for affordable housing that is proportionate to the need of its citizens. Historically, CRN has recommended increased City resource commitments via corporate resources, such as hotel taxes and dedicated portions of transaction taxes. Today, as the evidence is mounting in favor of rebuilding the stock of affordable housing, we call again for an increased resource commitment that would at minimum alleviate the impact of the redirection of pre-existing resources into public housing redevelopment.

Recommendations

- Commit **\$40 million per year to affordable rental development**. This level of support represents the 50% of resources that have been diverted from rental housing programs into public housing redevelopment during the Plan for Transformation. During 2006, that meant a loss of \$40 million.
- Pass the amendments to the expanded **Affordable Requirements Ordinance**. This is an important step towards maximizing opportunities to stimulate private investment into affordable housing. A next step would be ensuring transparency in the collection and expenditure of ARO funds into affordable housing investments.
- Create a **mechanism to measure the negative impacts on affordability** brought on by unfunded mandates and regulatory processes. This would require streamlining and coordinating city governmental efforts among departments and sister agencies.
- Minimize and/or **eliminate regulatory barriers on government-assisted housing developments**. As development costs continue to skyrocket, key decision-making bodies must work together to synergize the use of city assets and diminish costs where appropriate.
- Redefine the **guidelines for city assistance to accord with city median income** rather than the significantly higher-income regional indicator. Because City investments to affordable developments are based on the Chicago metro-region median (\$75,400), rather than the city median (\$41,000), this has the practical effect of diluting scarce resources away from those who need it most. Currently, many single-family housing programs extend to households earning up to 120% of median income, the equivalent of \$90,500 for a family of four.

✓The 10-year CHA Plan for Transformation was recently extended by 5 years. This means another 5 years of major rental housing resources (\$40 million in 2006) diverted to public housing redevelopment.

✓With the rapid growth of the Latino population, under-investment in family housing development has even greater costs. A recent analysis of LIHTC spending (2000-2005) reveals that only 44% of LIHTC dollars have gone towards rental housing with 2BR or more. This has meant diminished emphasis on family housing, the traditional funding focus of the Department of Housing.