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PRESS RELEASE

Gov. Blagojevich Signs Preservation Legislation

CHICAGO – At a time when production is at an all-time low, and the need for affordable housing continues to grow, Governor Blagojevich today signed critical legislation (SB2329) into law that will provide the opportunity to preserve a shrinking rental stock.

Before 2009, over 33,000 units of federally assisted, privately owned, rental housing will come to the end of their affordability restrictions in Illinois. Illinois has severe housing challenges, with the 2000 census finding over 800,000 cost burdened households and no increases in the supply of rental housing over the last decade.

Lead sponsor Senator Iris Martinez, says “this legislation sets a national precedent for allowing tenants the timetable and the process to preserve their affordable units.”

The Federally Assisted Housing Preservation Act expands the scope of the existing act in several areas:

- Building eligibility is expanded to include buildings financed with federal low-income housing tax credits, Section 8 subsidies, and various HUD mortgage insurance programs
- Increases the number of situations in which owners of assisted housing must give tenants notice and extends that notice period from 6 months to 12 months.
- Offers an opportunity for tenants to purchase their buildings to preserve their affordability
- Grants Tenant Associations the ability to partner with non-profit development agencies or other private parties in making these purchases.

While Congress has all but eliminated funding for new Federally Subsidized projects, it has committed to funding renewals of current contracts. Owners, however, are not required to stay in the program, and may choose to opt out and convert units to market rate rentals or condominiums. Existing tenants may receive housing vouchers, which they may be able to use in their current unit if the building stays affordable.

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Otherwise, they will be competing for units in a tight rental market. Building-by-building an invisible crisis is taking shape. “This new policy will preserve affordable housing in neighborhoods throughout Chicago and the state. With production of new affordable units low, it is vital that we protect existing housing opportunities for low-income families,” said Representative Julie Hamos, lead sponsor of the bill in the House.

Chicago

CRN’s analysis of HUD’s database shows that between 2004 and 2009, more than 18,000 units are at risk of being lost in Chicago alone. Some of the hardest hit communities are:

Lakeview	626 units
Near North Side	1,135 units
Greater Grand Crossing	1,007 units
Woodlawn	954 units
Near West Side	1,699 units
Uptown	2,480 units
North Lawndale	1,362 units

Regional Impact of the Crisis

Many suburban communities are already struggling to meet demand for scarce rental apartments. The loss of valuable Section 8 units will only make matters worse. Northeastern Illinois, excluding Chicago, has more than 8,000 units that will expire between 2004 and 2009. Communities include:

McHenry County	336 units
Will County	363 units
Cook County (excluding Chicago)	2,865 units
DuPage County	2,009 units
Kane County	1,057 units
Lake County	1,853 units

Statewide Impact of the Crisis

Thousands of units in Illinois are also threatened by expiring Section 8 contracts, including homes in these counties:

Tazewell County	450 units
McLean County	146 units
Vermillion County	298 units
Sangamon County	254 units
Madison County	558 units

St. Clair County	627 units
Winnebago County	683 units
DeKalb County	760 units
Rock Island County	1,064 units
Peoria County	2,181 units

CRN’s work on preserving the rental stock began in late 1999, prior to the introduction of its Valuing Affordability Campaign. **Valuing Affordability** is a multi-year campaign to create a social, political and economic climate that values affordable housing. Through public awareness, political leadership, and sound policy and resource proposals, we can reverse the trend toward scarce and expensive housing. Together, government, nonprofit organizations, and informed business and community citizens can build strong neighborhoods by preserving affordable housing where it exists and creating opportunities for a wide variety of housing in all communities.

The Chicago Rehab Network is a 25-year-old non-profit coalition of community-based developers and advocates who work to increase resources and equitable policies for affordable housing. It’s members are Access Living, ACORN Housing Corp., Ambassadors For Christ Development Corporation, Antioch Foundation, Bethel New Life, Bickerdike Redevelopment Corp. Brighton Park Neighborhood Council, Center for Neighborhood Technology, Central City Housing Ventures, Heartland Housing/Century Place, Chicago Better Housing Association, Chicago Coalition for the Homeless, Chicago Mutual Housing Network, Chicago Roseland Coalition Community Control, Circle Christian Development Corp, Claretian Associates, Community Renewal Society, Deborah’s Place, Eighteenth Street Dev. Corp., Fulfilling Our Responsibility Unto Mankind, Genesis Housing Development Corporation, Hispanic Housing, Housing Resource Center, Interfaith Organizing Project of Greater Chicago, Jewish Council on Urban Affairs, Kenwood Oakland Community Organization, Lakefront Supportive Housing, Latinos United, Latin United Community Housing Association, Lawndale Christian Dev. Corp., Logan Square Neighborhood Association, Metropolitan Housing Dev. Corp., Northwest Austin Council, OK Share, Organization of the North East, Peoples Reinvestment and Development Effort, Roseland Christian Homes, Shorebank Neighborhood Institute, The Resurrection Project, Voice of the People, Wabash “Y” Renaissance Corp., Woodlawn East Community and Neighbors. Further information is available at 312.663.3936 or www.chicagorehab.org.

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