INTRODUCTION – Chicago Rehab Network is pleased to present our review of the Department of Planning and Development’s 2017 Second Quarter Housing Progress Reports to the members of the Committee on Housing and Real Estate and the larger Chicago City Council. The nature and scope of developments supported by the Department of Planning and Development in this quarter is impressive. The approved developments for this quarter serve everyone from seniors to the formerly homeless, and range from new construction to projects populating multiple sites and a preservation plan impacting 16 properties to upgrade 196 affordable apartments. The progress this quarter demonstrates the capacity of Chicago’s affordable housing developers as well as the Department of Planning and Development to respond to the growing need for affordable housing across the city in virtually every neighborhood.

The challenge, however, is meeting the need for affordable housing in a hyper-inflated market across most neighborhoods in Chicago. Several recent news outlets have reported the city as witnessing perhaps the most vibrant construction of residential development in the nation¹. The transformation of this city’s urban center is so vast that Tribune critic Blair Kamin frames it as the “Super Loop,” recognizing that high-rise developments are changing the landscape well beyond downtown, in areas reaching to the Stevenson on the south, to North Ave. on the north and from the waterfront to Ashland Ave. westward. Curbed Chicago identifies 57 recent developments, and others remark on the 8,000 new dwelling units being added to the city’s stock. 229,000 people now reside within this “Super Loop,” making it the second largest population center in the state of Illinois, bested only by the City of Chicago itself. This was predicted in 2003-2004 when the city went through its rewrite of the 1954 Zoning Ordinance, with estimates at the time predicting a population of 200,000 by 2020. What was not anticipated were increases in housing insecurity, loss of population in Chicago neighborhoods on the South and West Sides, and the growing affordability gaps in Chicago communities (see CRN’s 2017 Q1 Report).

The shortage of affordable housing across Cook County increased in the last year to 200,000 units, with the highest affordability gaps in two sub regions of the city proper: Washington Park/Jackson Park/Woodlawn on the South Side, followed by Uptown and Rogers Park community areas on the North Side. The Institute of Housing Studies at DePaul University cites the affordability gap at over 112,000 homes. (Institute for Housing Studies estimates of City of Chicago Rental Affordability calculated from American Community Survey PUMS Data 1-Year, 2013-2015).

In response to this burgeoning issue, CRN recognizes that there have been numerous programs and ordinances brought forth by the city to deal with the affordable housing landscape. These include a program to rehabilitate vacant homes and create youth job and training opportunities announced by Mayor Emanuel two weeks ago on September 13th, and the two ARO pilots being discussed by this committee today.

CRN supports the intent of these ordinances; however, we believe further understanding of the root cause of the affordability gap is warranted. Further, based on the dire housing needs that exist, we discourage efforts to use public resources for higher income people (over 60% AMI) and instead urge advocacy to fine tune traditional finance mechanisms for these income groups.

The city is right to adopt a pilot ordinance that "...is intended to promote equitable neighborhood development, increase housing choice for residents of all income levels, minimize displacement of long-term residents from gentrifying neighborhoods...and address disparities in social and economic outcomes for the residents of Chicago...." This is and has been the mission of the Chicago Rehab Network for 40 years and we look forward to collaborating with you to build a more inclusive city. Furthermore, the City's recognition "that additional measures are necessary to increase production of affordable housing, protect vulnerable residents, and create neighborhoods where residents of all incomes can thrive," is a cogent reminder that the city's initiative for One Chicago requires greater housing resources for all.

Moreover, this proactive strategy must be applied in other city areas. Anti-displacement work is difficult but necessary if we are to allow our neighbors to benefit from neighborhood investments. For example, our member, The Renaissance Collaborative, is striving to save the rental housing of over 100 seniors in Bronzeville after learning that their property was put on the market for sale. Only a mission based nonprofit has the resilience, commitment, and tenacity needed to provide such rapid reactions to market forces without a profit motive. The calls we have received about preserving affordable housing around other developing areas of the city such as the Woodlawn, the Jackson Park area, and in the footprint of the Obama Museum and Library demonstrate that all areas require a similar affordability and preservation strategy.

Analysis of Second Quarter 2017 Housing Activities

Since 1994, the Chicago Rehab Network has analyzed the City of Chicago Department of Planning and Development's quarterly housing reports, which are produced in accordance with the City's five year housing plans and follow the Housing and Community Jobs Ordinance. This report covers the second quarter of 2017.

EXECUTIVE SUMMARY

- Through the second quarter of 2017, DPD has invested nearly $150 million in rental, ownership, and improvement programs meeting 61.5% of this year's goal. This is on track to meet planned spending goals, especially compared to last year wherein only 40.5% of the investment target had been reached at this time.
• Through 2017-Q2, City investment has helped add 685 net-new affordable units, meeting 52.7% of the new unit creation goal as calculated by CRN.
• Of these 685 net-new affordable units, 159 are covenanted under the ARO. This is 159% of what was projected for 2017, and speaks to the success of this initiative.
• 178 of the net-new units created are explicitly reserved for seniors, and 186 are reserved for CHA tenants.
• 387 of the net-new units created this quarter may serve families, including 12 generated by the Preserving Communities Together initiative.
• Seven new developments were approved in 2017, all in the second quarter. Four of these benefit in part from Illinois Affordable Housing Tax Credit funding.
• Although 63.4% expended to date through city programs is good progress, a drill down on line items reveals that the AHOF has already been allocated at 160% and HOME at 150%. The LTOS program with IHDA has used 150% of this year’s projected resources and the Donation Tax program is at 100% usage. Additionally, the SF home improvement fund is at 200% of its allocation half way through the year. Clearly demand exceeds supply of current program resources.

AFFORDABLE RENTAL UNIT PRODUCTION SUMMARY— While total spending projections remain down from the previous year, the second quarter of 2017 has been dramatically more productive than the first, with seven new developments contributing 514 (75%) of the 685 net-new units that have been created thus far. The ARO has generated 159 units, meeting 159% of the 2017 goal and demonstrating the power of this ordinance to generate housing and monetary resources. 186 CHA units have been created, although 121 of these are intended to replace the Grove Parc Plaza Development. 178 (26%) of these 685 net-new units created this year to date are reserved for seniors, a figure due in large part to the construction of the Montclare Senior Residences of Englewood (102 units). 12 multi-family units have been created under the Preserving Communities Together program, and no TIF Purchase + Rehab multi-family units have come on line in 2017.

Table 1 – Affordable Housing Dollar Commitments Compared with Annual Goal, 2017 Q2

<table>
<thead>
<tr>
<th>Rental Investments</th>
<th>Ownership Investments</th>
<th>Improvement/Preservation Investments</th>
<th>Total Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD Commitments</td>
<td>$129,641,000</td>
<td>$13,194,406</td>
<td>$7,014,919</td>
</tr>
<tr>
<td>Total Funds Anticipated by Year End</td>
<td>$204,520,000</td>
<td>$25,794,031</td>
<td>$13,299,239</td>
</tr>
<tr>
<td>Percent of Goal Met through Q2</td>
<td>63.4%</td>
<td>51.2%</td>
<td>52.7%</td>
</tr>
</tbody>
</table>

Source: CRN analysis of DPD 2017 Second Quarter Progress Reports
Although Q1 saw large resource commitments due to annual subsidies from the Chicago Low Income Housing Trust Fund (CLIHTF) coming on line, DPD has been much faster to meet investment goals in 2017 as a whole than in the previous year. In 2016, only 40.5% of all planned spending goals had been met through the second quarter, versus a figure of 61.5% this year and the encouraging fact that resource commitments in the areas of rental, ownership, and improvement/preservation investment have all exceeded 50% of their individual targets.

Table 2 – Affordable Housing Unit Commitments Compared with Annual Goal, 2017 Q2

<table>
<thead>
<tr>
<th></th>
<th>Rental Units*</th>
<th>Ownership Units</th>
<th>Improvement/Preservation Units</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD Units</td>
<td>3,641</td>
<td>280</td>
<td>1,068</td>
<td>4,989</td>
</tr>
<tr>
<td>Total Units Projected by Year End</td>
<td>5,450</td>
<td>434</td>
<td>1,769</td>
<td>7,653</td>
</tr>
<tr>
<td>Percent of Goal Met</td>
<td>66.8%</td>
<td>64.5%</td>
<td>60.4%</td>
<td>65.2%</td>
</tr>
</tbody>
</table>

Source: CRN analysis of DPD 2017 Second Quarter Progress Report

When looking at the City’s planned affordable apartment achievements in 2017, it is important to strip away the approximately 3,000 households receiving subsidies through CLIHTF. Of the 5,450 low-income units the City plans to support in 2017, more than half (3,000) will be annual subsidies through the CLIHTF. Many of these subsidies support the same families year to year. Although the CLIHTF is an important, flexible source of public-private housing support for some of the most vulnerable families in our city, counting these units in the same way as new construction or rehabilitation projects receiving City support obscures the number and proportion of new projects moving forward in any quarter or year. To get a clearer look at new affordable apartments being made available for individuals and families in need, CRN strips away CLIHTF subsidies and two key preservation programs that do not directly add new units to the available affordable housing stock in Chicago (Table 3).

Table 3 – Net-New Affordable Housing Unit Commitments in Comparison with Annual Goal, 2017 YTD

<table>
<thead>
<tr>
<th>Total Units Planned for 2017</th>
<th>Total Units Committed in 2017 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Subsidized Rental Units</strong></td>
<td>5,450</td>
</tr>
<tr>
<td>Less Rental Subsidy Units</td>
<td>3,000</td>
</tr>
<tr>
<td>Less Heat Receivership Units</td>
<td>400</td>
</tr>
<tr>
<td>Less MF Troubled Building Initiative Units</td>
<td>750</td>
</tr>
<tr>
<td><strong>Net New Rental Units</strong></td>
<td>1,300</td>
</tr>
</tbody>
</table>
How is this table constructed from DPD’s progress report? In order to calculate how many units receiving City funds this quarter expand the net availability of income-limited apartments, the Rehab Network starts with the City’s projected number of rental units planned to receive subsidy this year (5,450), as well as the City’s report of units completed so far to date (3,641). We then subtract the units covered by those housing programs that are not constructing or rehabilitating rental housing, including rental subsidies under the CLIHTF (-3,000). Next, we compare year-to-date units actually funded (685) with the number of new construction or rehab units the City planned to fund in 2017 (1,300). Looking at the production numbers in this stripped-down way lets us understand how many new affordable apartments may actually be added in Chicago throughout the year.

From this stripped down analysis, we see that the City has provided resources for 685 net-new affordable rental units so far in 2017 (Table 3). This is approximately 52.7% of the annual goal for net-new units, with 159 of these being covenanted under the ARO. The latter figure speaks to the success of the 2015 Affordable Requirements Ordinance, as only 100 units were projected in 2017 and production has reached 159% of this target halfway through the year. There were 514 net-new Multi-Family Rehab and New Construction units generated in Q2 2017, which is especially noteworthy given that zero net-new units were created in this category during the first quarter of this year. In addition, 12 multi-family units have been created under the Preserving Communities Together program (PCT) (Table 5), despite the fact that no projections were given for 2017. Conversely, none of the 140 projected multi-family TIF Purchase + Rehab units have come on line in 2017, which is troublingly consistent with last year wherein projections were the same and only 6 units were created.

Table 4 – Incomes Served by Net-New Units, 2017 YTD

<table>
<thead>
<tr>
<th>Income of tenants served</th>
<th>Net-New Affordable Rental Units</th>
<th>Share of Total Units Produced Per Income Bracket</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-15% AMI</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16-30% AMI</td>
<td>54</td>
<td>8%</td>
</tr>
<tr>
<td>31-50% AMI</td>
<td>254</td>
<td>37%</td>
</tr>
<tr>
<td>51-60% AMI</td>
<td>314</td>
<td>46%</td>
</tr>
<tr>
<td>60-80% AMI</td>
<td>12</td>
<td>2%</td>
</tr>
<tr>
<td>81-100% AMI</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>101+% AMI</td>
<td>51</td>
<td>7%</td>
</tr>
<tr>
<td><strong>YTD Units Committed</strong></td>
<td><strong>685</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td><strong>Total Units Projected by Year End</strong></td>
<td><strong>1,300</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Percent of Goal Met</strong></td>
<td><strong>52.7%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: CRN analysis of DPD 2017 Second Quarter Progress Report
The Area Median Income used for targeting Chicago’s housing resources is set annually and currently is $79,000 for a family of 4, $55,300 for a single person. Many of our funding programs target people with housing needs who earn under 60% AMI – which is $47,400 for a family of four. Who is served under this target? The National Housing Center provides a tool to visualize what affordability looks like for various jobs, available at their website. Using data from Salary.com, HUD Fair Market Rent calculations, and the industry standard that gross rent should not exceed one third of annual income, they demonstrate that even an average one-bedroom apartment is unaffordable to many Chicagoans employed in service jobs. The following chart generated from their online tool (Figure 1) underscores this issue.

**Figure 1 – Chicago, IL, Rental Market Incomes and Annual Rents**

![Chart showing rental market incomes and annual rents in Chicago, IL](chart.png)

*Source: NHC Paycheck-to-Paycheck [Online Tool](https://www.nhc.org)*

**Figure 2 – Net-New Affordable Apartments by Population Served, 2017**
Figure 3 – Net-New Affordable Apartments by Unit Type, 2017

Table 5 – Sources of Net-New Affordable Apartments, 2017 YTD

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Source of Units</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>ARO Rental Units Covenanted</td>
<td>66</td>
</tr>
<tr>
<td>Subtotal Q1</td>
<td></td>
<td>66</td>
</tr>
<tr>
<td>Quarter</td>
<td>Project Name</td>
<td>Units</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Q2</td>
<td>ARO Rental Units Covenanted</td>
<td>93</td>
</tr>
<tr>
<td>Q2</td>
<td>Brainerd Park Apartments - Affordable</td>
<td>27</td>
</tr>
<tr>
<td>Q2</td>
<td>Brainerd Park Apartments - Affordable (CHA)</td>
<td>9</td>
</tr>
<tr>
<td>Q2</td>
<td>Montclare Senior Residences of Englewood - Affordable</td>
<td>102</td>
</tr>
<tr>
<td>Q2</td>
<td>Tierra Linda Apartments - Affordable</td>
<td>34</td>
</tr>
<tr>
<td>Q2</td>
<td>Tierra Linda Apartments - Affordable (CHA)</td>
<td>11</td>
</tr>
<tr>
<td>Q2</td>
<td>New West Englewood Homes - Affordable</td>
<td>12</td>
</tr>
<tr>
<td>Q2</td>
<td>La Casa Norte—Pierce House - Affordable</td>
<td>25</td>
</tr>
<tr>
<td>Q2</td>
<td>Diversey Manor - Affordable</td>
<td>53</td>
</tr>
<tr>
<td>Q2</td>
<td>Diversey Manor - Affordable (CHA)</td>
<td>45</td>
</tr>
<tr>
<td>Q2</td>
<td>Woodlawn Roll—Up - Affordable</td>
<td>24</td>
</tr>
<tr>
<td>Q2</td>
<td>Woodlawn Roll—Up - Affordable (CHA)</td>
<td>212</td>
</tr>
<tr>
<td>Q2</td>
<td>Woodlawn Roll—Up - Market</td>
<td>51</td>
</tr>
<tr>
<td>Q2</td>
<td>Preserving Communities Together - Multi-family</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal, Q2</strong></td>
<td>619</td>
</tr>
<tr>
<td></td>
<td><strong>Total Net-New Units YTD</strong></td>
<td>685</td>
</tr>
</tbody>
</table>

Source: CRN analysis of DPD 2017 Second Quarter Progress Reports

**DEVELOPMENT SUMMARIES** – Seven new multi-family developments have been approved in 2017, all in the second quarter of this year. These projects have created 178 new affordable senior apartments and 186 units reserved for CHA tenants.

**Brainerd Park Apartments**

Constructed in the 21st Ward by Full Circle Communities Inc. and Christian Community Health Center, Brainerd Park Apartments is a 36-unit supportive housing development that will serve formerly homeless families. In addition to support services, the complex will offer residents a library, laundry facilities, parking, an outside play area, and a computer room. The project benefits from $670,376 in 9% LIHTCs generating $7,239,337 in equity, $1,900,000 in multi-family loans, $562,500 in DTCs generating $516,250 in equity, and $1,125,000 in City Land Write-downs.

**Income Targets:**

- 2 one-bedroom apartments at 30% of AMI
- 3 one-bedroom apartments at 50% of AMI
- 1 one-bedroom apartment at 60% of AMI
- 2 one-bedroom apartments at 60% of AMI (CHA)
- 2 two-bedroom apartments at 30% of AMI
- 4 two-bedroom apartments at 50% of AMI
- 3 two-bedroom apartments at 60% of AMI
- 5 two-bedroom apartments at 60% of AMI (CHA)
- 2 three-bedroom apartments at 30% of AMI
- 2 three-bedroom apartments at 50% of AMI
- 4 three-bedroom apartments at 60% of AMI
- 2 three-bedroom apartments at 60% of AMI (CHA)
- 1 four-bedroom apartment at 30% of AMI
- 1 four-bedroom apartments at 50% of AMI
- 2 four-bedroom apartments at 60% of AMI

Total Development Cost: $11.7 million  Cost Per Unit: $323,810

Montclare Senior Residences of Englewood

Serving independent seniors with 102 units of housing in the 16th Ward, Montclare Senior Residences of Englewood will offer amenities such as a library, laundry facilities, activity rooms, and a wellness center. The developer, MR Properties LLC, will offer all units to those earning up to 60% of AMI, with a $1.3 million loan from CLIHTF allowing 22 of said units to be offered to seniors earning less than 30% of AMI. The project also benefits from $1,500,000 in 9% LIHTCs generating $13,948,605 in equity, $6,600,000 in multi-family loans, $680,850 in DTC equity, and $245,327 in City Land Write-downs.

Income Targets:
- 22 one-bedroom/one-bath apartments at 30% of AMI
- 5 one-bedroom/one-bath apartments at 40% of AMI
- 40 one-bedroom/one-bath apartments at 50% of AMI
- 45 one-bedroom/one-bath apartments at 60% of AMI

Total Development Cost: $27.6 million  Cost Per Unit: $270,878

Tierra Linda Apartments

Constructed and operated by CRN member Latin United Community Housing (LUCHA), Tierra Linda Apartments will offer 45 affordable rental units in 12 buildings in the 1st, 26th, and 35th Wards. Amenities include outdoor community spaces, bicycle racks, and parking, and more than half of the units will be accessible—10 for residents with impaired hearing and vision, and 15 for residents with physical disabilities. The project benefits from $1 million in 9% LIHTCs generating $10,798,920 in equity, $5 million in multi-family loans, $910,000 in City Land Write-Downs, and $450,000 in DTCs generating $396,000 in equity.

Income Targets:
- 4 one-bedroom/one-bath apartments at 50% of AMI
- 3 one-bedroom/one-bath apartments at 60% of AMI
- 2 one-bedroom/one-bath apartments at 50% of AMI (CHA)
- 6 two-bedroom/one-bath apartments at 50% of AMI
- 7 two-bedroom/one-bath apartments at 60% of AMI
- 5 two-bedroom/one-bath apartments at 50% of AMI (CHA)
- 6 three-bedroom/two-bath apartments at 50% of AMI
- 8 three-bedroom/two-bath apartments at 60% of AMI
- 4 three-bedroom/one-bath apartments at 50% of AMI (CHA)
New West Englewood Homes

Located in the 16th Ward and serving formerly homeless families, this 12-unit property from Interfaith Housing Development Corp. will offer supportive services at the organization’s neighboring development, Clara’s Village. On-site amenities include parking, patios, community spaces, and a computer lab, and the development benefits from $3,754,940 in multi-family loans and $245,000 in City Land Write-downs.

Income Targets:
- 6 three-bedroom/1.5 bath apartments at 50% of AMI
- 6 three-bedroom/1.5 bath apartments at 60% of AMI

La Casa Norte — Pierce House

In addition to providing new administrative offices for the developer, La Casa Norte—Pierce House will provide 25 units of housing for individuals and families in the 26th ward who are affected by disabilities, at risk of homelessness, and/or currently experiencing homelessness. The development will contain a mix of units available to households earning less than 30% of AMI, and offer a food pantry, teaching kitchen, wellness center, art gallery, and a teen center on site. The project benefits from $4 million in multi-family loans, $3.5 million in TIF funds, and $2,404,333 in DTC equity.

Income Targets:
- 7 studio apartments at 30% of AMI
- 9 one-bedroom/one-bath apartments at 30% of AMI
- 9 two-bedroom/one-bath apartments at 30% of AMI

Diversey Manor

Newly constructed by CRN member Metropolitan Housing Development Corp. in the 30th Ward, this 98-unit development will contain 45 CHA units covered under HUD’s Rental Assistance Demonstration (RAD) program, with all tenants paying no utilities. 76 units will be reserved for seniors, and the project benefits from $710,646 in 4% LIHTCs generating $6,963,634 in equity and $12 million in tax-exempt bonds, which include $4.2 million in permanent financing.
Income Targets:
- 24 studio apartments at less than 60% of AMI ($650/mo)
- 6 studio apartments at less than 60% of AMI ($750/mo)
- 45 one-bedroom apartments at 50% of AMI (CHA, RAD-subsidized)
- 23 one-bedroom apartments at 60% of AMI

Total Development Cost: $20.9 million
Cost Per Unit: $388,316

Woodlawn Roll-Up

Spearheaded by Preservation of Affordable Housing, Inc. (POAH) at 16 sites in the 20th Ward, Woodlawn Roll-Up rehabs 196 rental units that will be transferred to Woodlawn Roll-up Preservation Associates, a partnership that will in turn complete renovations and maintain affordability for the next 30 years. 121 of these units are intended to benefit CHA residents from the former Grove Parc Plaza, and they will continue to maintain their Section 8 Housing Assistance Program (HAP) status accordingly. The project benefits from $12.5 million in tax-exempt bonds including $10,890,000 in permanent financing, $590,745 in 4% LIHTCs generating $5,289,081 in equity, and $1.9 million in multi-family loans.

Income Targets:
- 2 one-bedroom/one-bath apartments at 50% of AMI (CHA)
- 19 one-bedroom/one-bath apartments at Market Rate
- 59 two-bedroom/one-bath apartments at 50% of AMI (CHA)
- 5 two-bedroom/one-bath apartments at 60% of AMI
- 21 two-bedroom/one-bath apartments at Market Rate
- 60 three-bedroom/one-bath apartments at 50% of AMI (CHA)
- 15 three-bedroom/one-bath apartments at 60% of AMI
- 11 three-bedroom/one-bath apartments at Market Rate
- 4 four-bedroom/one-bath apartments at 60% of AMI

Total Development Cost: $24.7 million
Cost Per Unit: $126,093

Policy Updates

RECENT CHANGES TO THE ARO – Late August in conjunction with Alderman Walter Burnett Jr. and Alderman Joe Moreno, Mayor Rahm Emanuel announced a plan to introduce new legislation that will increase affordability requirements for developments in what he identified as rapidly gentrifying areas. Passed after debate by the Committee on Housing and Real Estate on September 25, amendments to the Near North/Near West ordinance are scheduled for the Committee’s reconvened October 10 meeting before both ordinances go before the full City Council on October 11. This proposed enhancement of the ARO on the Near North and Near West sides and along the Milwaukee Avenue Corridor would eliminate the 2015 ordinance’s in-lieu fee option for off-site affordable unit creation, creating an...
estimated 1,000 new affordable units in said target areas over a three-year period. Additionally, along Milwaukee Avenue, the 10% affordable unit mandate for new projects would be increased to 15% for on-site units and 20% for those created off-site, with the income limit applied to potential tenants increasing to 80% of Area Median Income (AMI). As mentioned above, CRN supports the intent of these ordinances; however, we believe further understanding of the root cause of the affordability gap is warranted. Further, based on the dire housing needs that exist, we discourage efforts to use public resources for higher income people (over 60% AMI) and instead urge advocacy to fine tune traditional finance mechanisms for these income groups.

For the Near North and Near West sides, the legislation aims to meet the workforce housing needs that are expected to be generated by the modernization of the North Branch Industrial Corridor, with the city's press release stating that:

In the Near North Zone, the improvements would increase the 10 percent ARO unit obligation to 20 percent. Half of the required units must be built on site or off-site within two miles in the same ARO zone (60 percent AMI/$37,920 for a two-person household). The remainder could be built anywhere in the same pilot area (100 percent AMI/$63,200 for a two-person household).

In the Near West Zone, the improvements would increase the 10 percent ARO unit obligation to 15 percent. Two-thirds of required units must be built on site or within 2 miles and in the same ARO zone (60 percent AMI) and one-third of the required units could be built anywhere within the pilot area (100 percent AMI).

While this legislation attempts to address some of the concerns raised by the 2015 ARO by increasing the mandate for actual affordable unit creation rather than allowing developers to pay into the Affordable Housing Opportunities Fund (AHOF), it is crucial to acknowledge the fund’s rapid growth and ensure that off-site units are created in a timely manner. Having generated $62 million since the ARO’s 2015 revision, and $5,189,376 in 2017 alone, the AHOF continues to be an exceedingly popular option for developers, with this quarter’s report noting that investments therefrom have come into play for five projects in 2017. While total AHOF revenue is readily accessible in the report’s appendices, and this reporting is both necessary and appreciated, it would be of great utility for DPD to provide a quarterly breakdown of this sum. Additionally, we encourage the City to involve community members and advocates in the assessment and refinement of this new ARO pilot by ensuring the monitoring process is transparent and accessible.

HOUSING FOR CHICAGO’S FIRST RESPONDERS – As a result of legislation approved on June 28, 2017, this year’s housing reports have seen the inclusion of $3 million in funding committed to help Chicago’s public safety officers purchase homes in select community areas in need of investment. This Public Safety Officer Home Buyer Assistance Program offers paramedics, fire fighters, and police officers up to $30,000 over a 10–year period for qualified purchases in Auburn Gresham, Austin, Brighton Park, Chatham, East Garfield Park, Englewood, Fuller Park, Gage Park, Humboldt Park, New City, North
Lawndale, South Lawndale, West Englewood and West Garfield Park, with the amount of assistance received depending on how long the home is occupied as a primary residence.

Although the city estimates that this program may help up to 100 officers, none of the 50 projected homes for 2017 have been assisted thus far. This may not be cause for concern given how recently the program came into effect, but it may be necessary to evaluate how participation is encouraged if none of the proposed funding is expended this year. CRN asks that the Department of Planning and Development continue to report on the program and further involve stakeholders at all levels. Nevertheless, it cannot be overstated that neighborhoods are best served by reinvestment across the board, and that safe and affordable housing is a fundamental resource that all Chicagoans need. You can read the city’s press release [here](#).

**NEARLY 1000 LOTS PROPOSED FOR SALE UNDER THE LARGE LOTS PROGRAM—** On September 6, 2017, Mayor Emanuel introduced an ordinance proposing the sale of 952 city-owned lots on the South and West Sides under the existing Large Lots program. Available to local property owners for $1 via quit claim deeds, these residential land parcels are intended to join the nearly 600 lots already transferred under the program in repurposing otherwise vacant land to suit community needs. After concerns were expressed by aldermen about how the program is being administered, approval was deferred as of September 25. Applications and more information can be found on [the program’s website](#).