Analysis of the Fourth Quarter 2015 Housing Report

Bouncing Back: Five Year Housing Plan, 2014-2018

Presented March 22, 2016

INTRODUCTION –Chicago Rehab Network is pleased to present our review of the Department of Planning and Development's 2015 Housing Progress Reports to the members of the Committee on Housing and Real Estate and Chicago City Council at large. The last few months have been filled with policies aimed at improving our neighborhoods, particularly those with the greatest economic challenges. From proposed changes to the Downtown Density Bonus to create a new Neighborhood Growth Fund to the new Homebuyer Assistance Program becoming available through the Chicago Infrastructure Trust, lots of new tools are being created to encourage growth in our city. We applaud the intention of the City in building linked development policies; linked development has been one plank in CRN's policy platform for more than ten years because of the importance of tools that can help spread prosperity. However, with all these new programs and policies emerging, it is important to get the details right. When the Department of Buildings fast tracks demolition in police districts facing high rates of crime, the intention is clearly to help remove opportunities for crime to happen. Yet, there will be problems down the road if properties are removed too quickly, without thought to redevelopment potential. Just as abandoned buildings can be a catalyst for criminal activity, a lack of infill can depress property values and discourage investment. Both issues impact neighborhood security and quality of life. So as all of these programs come together, we urge you to take a close look at the fine print, and to consult with your neighborhood-based groups to develop measured assessment of potential benefits and drawbacks of new programs. The housing and community development needs in our neighborhoods are such that participation from everyone with a stake in the processes is needed to move the city forward in an equitable way. We look forward to sharing our perspective.

Analysis of Fourth Quarter 2015 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 fourth quarter of 2015.

EXECUTIVE SUMMARY

- Through the fourth quarter of 2015, DPD exceeded planned spending goals, reaching 133% of funds intended for this year's housing goals, investing $254 million on affordable rental, home ownership and preservation goals.

- In 2015, City support has helped to add 1,312 new affordable apartment units to the Chicago market through various programs. This is 103% of the annual goal for new income-limited apartments.
- Of the net-new units committed through 2015-Q4, 38% were for families, 22% were for seniors and 4% were for veterans. 294 units (22%) across five developments will be reserved for CHA tenants.
- Of the net-new rental units, the vast majority (68%) were for households making 50-60%AMI, or between $38,000 and $45,600 per year for a family of four.
- City support is need to free critical housing funds being held hostage in Springfield.
- CRN calls for a public hearing on proposed Density Bonus rewrite and a property tax tool to insulate residents from displacement near the 606 and Obama Library.

AFFORDABLE RENTAL UNIT PRODUCTION SUMMARY– In 2015, the Department of Planning and Development exceed planned spending goals by 33%—adding an extra $84 million to citywide housing programs overall. This is primarily a consequence of the success of multifamily programs, where the City exceed the goal by 45%, or $92 million. Within multifamily programs, 4% Low Income Housing Tax Credits provided about $44 million in project equity: more than five times the goal for 2015. Can DPD give us some insight into the overwhelming success of 4% credits this year?

Strong performance in multifamily programming obscures some weakness in programs for home owners, where 368 households were assisted purchasing homes and 1,689 owners with rehabbing their homes. In both cases, this is about 20% short of the year's goals, meaning that 556 fewer than planned owners received purchase or rehab assistance. Notably, the TIF Neighborhood Improvement Program (TIF-NIP) allocated a little less than $1 million toward a 2015 goal of $2.5 million. Given the complexity of the TIF program in general, can the Department clarify for the public the nature of the impediments to this rehab program?

Table 1 – Affordable Housing Dollar Commitments Compared with Annual Goal, 2015 YTD

	Rental Investments	Ownership Investments	Improvement/ Preservation Investments	Total Investments
First Quarter Commitments	$63,832,778	$7,418,436	$2,015,462	*$73,266,676*
Second Quarter Commitments	$68,986,655	$4,916,867	$3,357,140	*$77,260,662*
Third Quarter Commitments	$36,177,547	$8,084,936	$4,703,697	*$48,966,180*
Fourth Quarter Commitments	$129,733,719	$6,700,705	$2,275,994	*$138,710,418*
2015 Commitments	**$298,730,699**	**$27,120,944**	**$12,352,293**	***$338,203,936***
Total Funds Anticipated by Year End	$206,436,492	$33,048,328	$14,648,694	*$254,133,514*
Percent of Goal Met through Q4	145%	82%	84%	*133%*

Source: CRN analysis of DPD 2015 Fourth Quarter Progress Reports

The City's unit commitments in 2015 lag achievements in resource allocation, with affordable rental programs reaching 93% of the annual goal in 2015 (table 2), as compared to 145% of the resource goals (table 3). This mismatch points to ongoing challenges delivering quality affordable housing due to the escalating cost and complexity of these deals. At our March 3 membership meeting, Commissioner Reifman committed to working with CRN members to create actionable steps to address the root causes of these rising costs in Chicago. We will update the Committee as this process unfolds and engage you as solutions emerge that will depend on your leadership to move forward.

Table 2 – Affordable Housing Unit Commitments Compared with Annual Goal, 2015

	Rental Units*	Ownership Units	Improvement/ Preservation Units	Total Units
First Quarter Units	3,541	77	281	*3,899*
Second Quarter Units	699	103	477	*1,279*
Third Quarter Units	337	91	581	*1,009*
Fourth Quarter Units	632	93	1,686	*1,064*
2015 Units	**5,209**	**368**	**1,686**	***7,260***
Total Units Projected by Year End	5,625	473	2,137	*8,235*
Percent of Goal Met	93%	77%	79%	*88%*

Source: CRN analysis of DPD 2015 Fourth Quarter Progress Report

When looking at the City's unit achievement in 2015, it is important to strip away the approximately 3,000 households receiving subsidies through the Chicago Low Income Housing Trust Fund (CLIHTF). Of the 5,209 low-income units the City supported in 2015, a little more than half (2,839) were annual subsidies through the CLIHTF. The 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 subsides and two key preservation programs that do not directly add to the available affordable housing stock in Chicago (table 3).

Table 3 – Net-New Affordable Housing Unit Commitments in Comparison with Annual Goal, 2015

	Total Units Planned for 2015	Total Units Committed in 2015
Total Subsidized Rental Units	5,625	5,209
Less Rental Subsidy Units	*2,960*	*2,839*
Less Heat Receivership Units	*600*	*465*
Less MF Troubled Building Initiative Units	*750*	*593*
Net New Rental Units**	1,315	1,312

Source: CRN analysis of DPD 2015 Fourth Quarter Progress Report

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 (5,625), as well as the City's report of units completed so far to date (5,209). We then subtract the units covered by those housing programs that are not constructing or rehabilitating rental housing, including rental subsidies under the CLIHTF (-2,839). Next, we compare year-to-date units actually funded (1,312) with the number of new construction or rehab units the City planned to fund in 2015 (1,315). Looking at the production numbers in this stripped-down way lets us understand how many new affordable apartments are actually being added in Chicago throughout the year.

From this stripped down analysis, we see that the City has provided resources for 1,312 net-new affordable rental units so far in 2015 (table 3). This is spot on, achieving 100% net-new units planned for 2015. Of these 1,315 units, the vast majority were for households making less than 60% Area Median Income ($45,600 for a family of four; $31,920 for individuals). In addition, 121 of these units (9%) are intended for households making more than the Area Median—45 for families making up to 120% AMI ($91,200 for a family of four; $63,840 for individuals) through the Neighborhood Stabilization Program and 75 units that constitute the market rate component of mixed-income developments[1] (table 4).

While we recognize that market rate housing is intentionally included in the redevelopment of CHA properties under the Plan for Transformation, we continue to maintain that housing that is not income tested should not be counted toward the total affordable housing financed by the City in 2015.

[1] This figure includes one janitor's unit at 65th Infantry Regiment Veteran's housing.

Table 4 – Incomes Served by Net-New Affordable Multifamily Developments, 2015

		Net-New Affordable Rental Units	Share of Total Units Produced Per Income Bracket
income of tenants served	0-15% AMI	-	-
	16-30% AMI	61	5%
	31-50% AMI	222	17%
	51-60% AMI	896	68%
	60-80% AMI	12	-
	81-100% AMI	-	-
	101+% AMI	121	9%
YTD Units Committed		**1,312**	**100%**
Total Units Projected by Year End		1,315	
Percent of Goal Met		100%	

Source: CRN analysis of DPD 2015 Fouth Quarter Progress Report

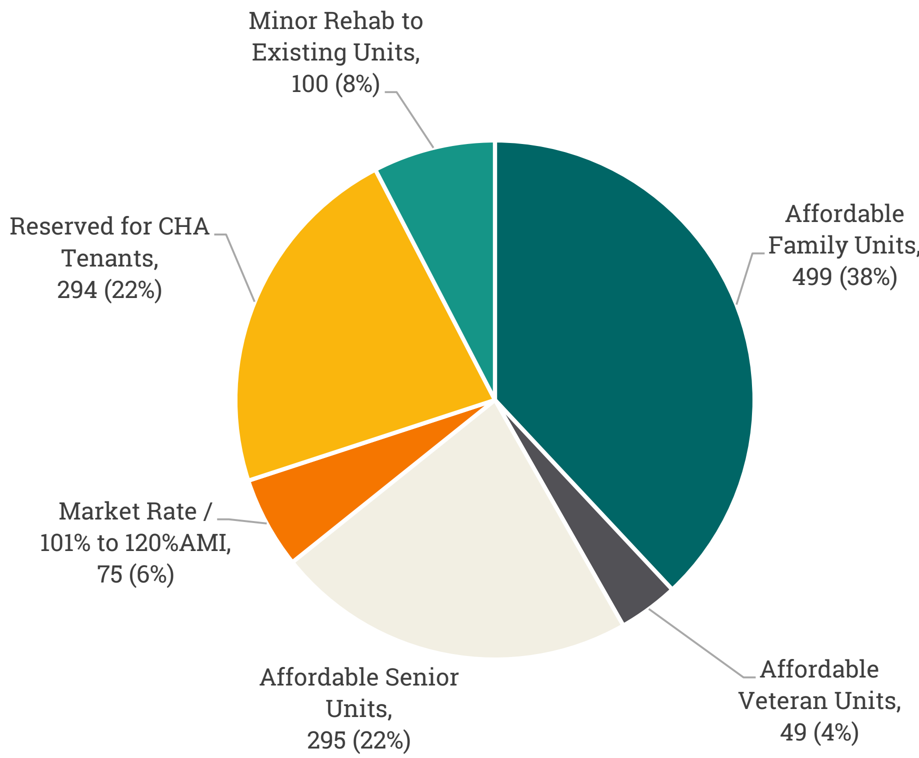
What is the source of these 1,312 new affordable apartments, and who are they intended to house? Taking a deeper look at the origin of these 1,312 net-new units sheds some light on the different kinds of developments being achieved through City initiatives (table 5). In 2015, 38% of units planned will serve families, 22% will serve seniors, 4% will serve veterans, and 22% will be reserved for CHA tenants (chart 1). All of these development types are important in our communities. CRN appreciates the Department's commitment to investing in the diverse housing types needed to meet the challenges on the ground in neighborhoods, with a special recognition of increased attention to funding family housing.

Table 5 – Sources of Net-New Affordable Apartments, 2015

Quarter	Source of Units	Units
Q1	ARO Rental Units Covenanted	24
Q1	Multifamily Neighborhood Stabilization Units	67
Q1	65th Infantry Regiment Veteran's Housing - Affordable	49
Q1	Park Place Family Apartments - Affordable	78
Q1	Hilliard Homes Window Replacement	100
	Subtotal, Q1	318
Q2	ARO Rental Units Covenanted	11
Q2	Multifamily Neighborhood Stabilization Units	6
Q2	Harvest Homes - Affordable	36
Q2	Jeffrey Towers Apartments - Affordable	92
Q2	Jeffrey Towers Apartments - CHA	43
Q2	Montclare Senior Residences SLF of Lawndale - Affordable	108
Q2	Montclare Senior Residences SLF of Lawndale - Market	12
Q2	City Gardens - Affordable	30
Q2	City Gardens - Market	21
Q2	City Gardens - CHA	25
	Subtotal, Q2	384
Q3	ARO Rental Units Covenanted	28
Q3	Multifamily Neighborhood Stabilization Units	15
Q3	St. Edmund's Oasis - Affordable	39
Q3	St. Edmund's Oasis - CHA	19
Q3	J. Michael Fitzgerald Apartments - Affordable	63
	Subtotal, Q3	164
Q4	ARO Rental Units Covenanted	14
Q4	Clybourn and Division Apartments - CHA	26
Q4	Clybourn and Division Apartments - Affordable	26
Q4	Clybourn and Division Apartments - Market Rate	32
Q4	Fannie Emanuel Apartments - CHA	181
Q4	Midway Pointe Senior Residences - Affordable	85
Q4	Midway Pointe Senior Residences - Market	10
Q4	Nelson Mandela Apartments - Affordable	72
	Subtotal, Q4	446
	Total Net-New Units YTD	1,312

Source: CRN analysis of DPD 2015 Quarter Progress Reports

Chart 1 –Net-New Affordable Apartments by Population Served, 2015*



Source: CRN analysis of DPD 2015 Progress Reports

*"Minor Rehab to Existing Units" describes a planned window renovation at historic Hilliard Homes

DEVELOPMENT SUMMARIES - City Council approved funding for four developments during 2015-Q4:

Clybourn and Division Apartments

Clybourn and Division Apartments is the next step in the redevelopment of the former site of public housing at Cabrini Green. Constructed through a partnership between Brinshore and Michaels on the triangle shaped lot that used to be home to City Farms (which has moved to another site nearby), this mixed income building will contain 26 CHA units, 26 affordable units, and 32 units renting at the market rate. The facility will also contain a daycare center and ground floor commercial space. City support for this project includes 9% LIHTCs generating $13 million in equity, $8 million in TIF funds, and a $4 million land donation creating the basis for Illinois Affordable Housing Tax Credits providing $2 million in equity.

Income Targets:

- 16 one- to three-bedroom units at or below 60% of AMI
- 10 one- to three-bedroom units at or below 80% of AMI
- 26 one- to three-bedroom units reserved for CHA tenants
- 32 one- to three-bedroom units renting at the market rate

Total Development Cost: $39 million   Cost Per Unit: $465,089

Fannie Emanuel Apartments

In Fannie Emanuel Apartments, the CHA will be taking over the renovation of its own deteriorated senior building in West Garfield Park near Washington and Pulaski. Originally developed as Park View Apartments, this senior facility closed in 2007 due to mechanical system failure. Architects from Holabird and Root have designed a new metal façade that can update the building's appearance while also shoring up masonry issues. Building systems will also be modernized through this rehab, which will return 181 units for seniors in the community with income less than $31,920 (single person) or $36,480 (couple). City support for this development includes 4% LIHTCs generating $26 million in equity as well as $35 million in tax exempt bond authority.

Income Targets:

- 181 one-bedroom units at or below 60% of AMI

Total Development Cost: $64 million   Cost Per Unit: $355,631

Midway Pointe Senior Residences

Developed by the Perlmark Group, Midway Pointe Senior Residences in Garfield Ridge on 47th just north of Midway Airport will add 95 units for independent seniors with income less than $31,920 (single person) or $36,480 (couple). A variety of facilities including a library, kitchen, and media room will be available onsite to enhance social programming provided for residents. City support for this development includes 9% LIHTCs generating $8 million in equity, $2 million in TIF, and a $4.5 million DPD loan.

Income Targets:

- 36 one- or two-bedroom units at or below 50% of AMI
- 49 one- or two-bedroom units at or below 60% of AMI
- 10 one- or two-bedroom units renting at the market rate

Total Development Cost: $20 million   Cost Per Unit: $213,276

Nelson Mandela Apartments

Bickerdike Redevelopment Corporation will be expanding their assets in West Humboldt Park through the construction of 8 infill apartments on scattered sites south and southwest of Humboldt Park. Named for former South African President and Nobel Peace Prize recipient Nelson Mandela, these apartments will serve primarily households making less than 60% of AMI, or $45,600 for a family of four. City support for this development includes 9% LIHTCs generating $18 million in equity and $6.5 million in TIF assistance.

Income Targets:

- 15 one-bedroom units at or below 50% of AMI

- 36 two-bedroom units at or below 60% of AMI
- 21 three-bedroom units at or below 80% of AMI

Total Development Cost: $27 million   Cost Per Unit: $375,870

Policy Updates

MAYOR'S NEIGHBORHOOD OPPORTUNITY BONUS - In February, the Mayor's Office announced their intent to overhaul the City's Downtown Density Bonus program, which currently provides opportunities to build denser buildings in the downtown zoning area in exchange for various public amenities. These amenities can take the form of preferred design elements included in the buildings themselves as well as payments into funds intended to improve proximate assets like the Riverwalk or Pedway system (Table 6). Many of the preferred design elements in the bonus menu are holdovers from 1970s planning preferences and do not reflect contemporary best practices (like arcades) or are something developers no longer need encouragement to do, like underground parking.

Although the details of the Mayor's proposal for the "Neighborhood Opportunity Bonus" have yet to be made public, the general contours of the idea can be understood through press releases and coverage. It appears to contain two primary elements:

- expand the downtown zoning area to include the West Loop to Ogden/Ashland, the Near North Side south of Division to the Chicago River at Goose Island, River West north of the Kennedy, Chinatown, and Motor Row east to McCormick Place
- eliminate some or all of the current Density Bonus menu items in favor of a new bonus that is intended to provide $40-$50 million over the next three years for economic development initiatives in "underserved neighborhoods"[2]

Conceptually similar to the Affordable Requirements Ordinance, this economic development program appears to take a linked development approach to broadly sharing the city's prosperity. However, as noted by Crain's Greg Hinz, "the devil is in the details.[3]" We look forward to reviewing the actual ordinance and offering comment at a very necessary public hearing on this new program. The Committee on Housing a Real Estate's leadership is critical in initiating an open, public comment process before the ordinance comes to City Council to ensure any changes will be able to provide the maximum public benefit.

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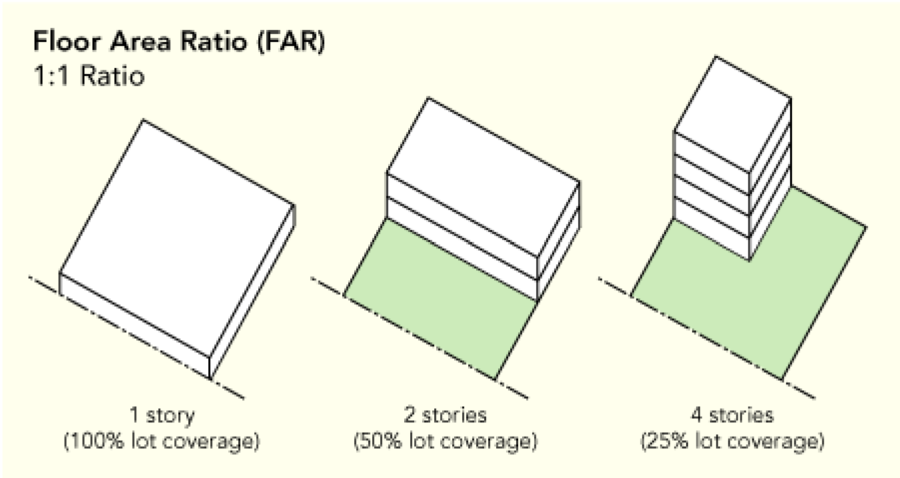
[2] Mayor's Office Press Release, "*Mayor Emanuel Announces Major Initiative to Further Drive Neighborhood Development*," 2/18/16 http://www.cityofchicago.org/city/en/depts/mayor/press_room/press_releases/2016/february/Drive-Neighborhood-Development.html

[3] Crain's Chicago Business, *"Emanuel's downtown plan well-intended, but has risks,"* 2/18/16 http://www.chicagobusiness.com/article/20160218/BLOGS02/160219833/emanuels-downtown-plan-well-intended-but-has-risks

Diagram: Floor Area Ratio

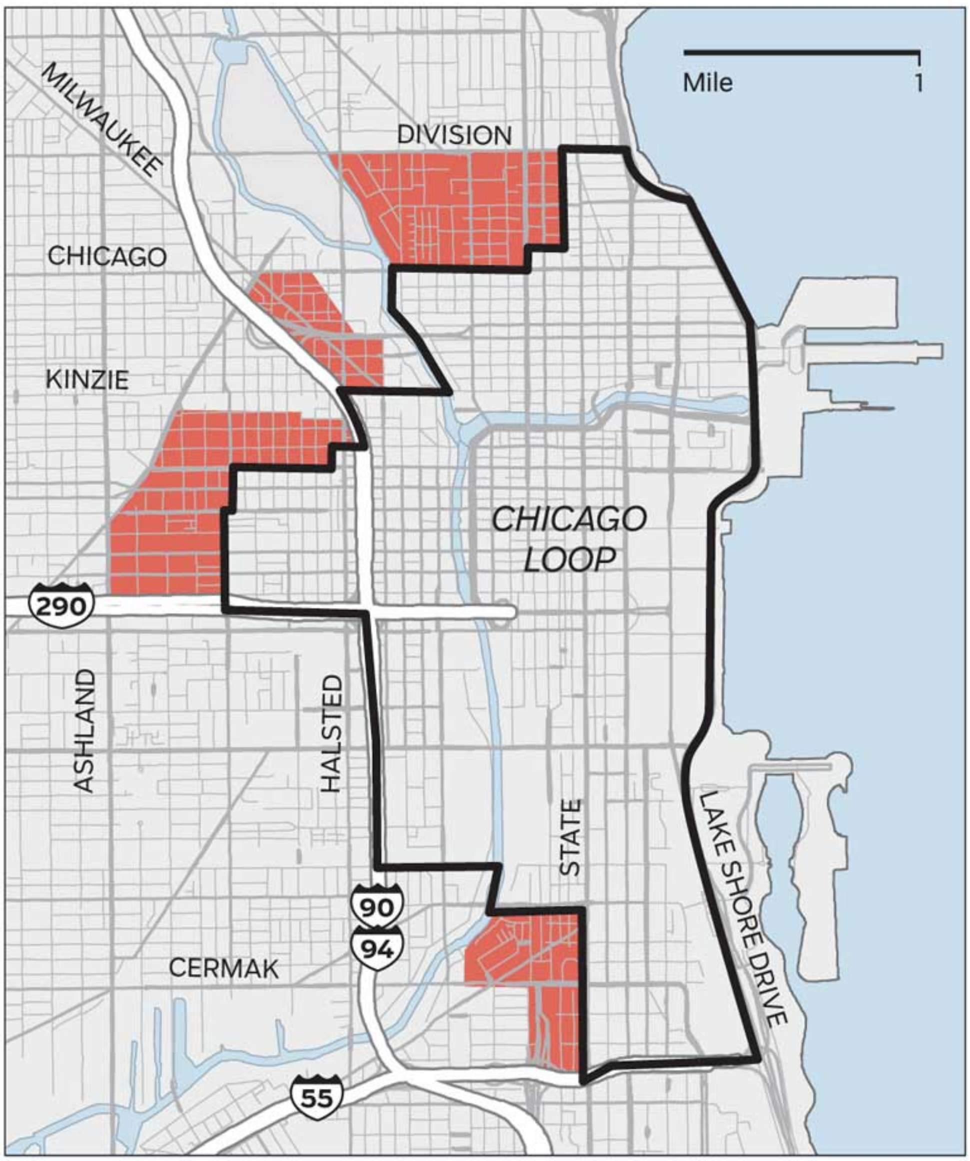


Source: City of Los Angeles Housing and Community Investment Department

Table 6: City of Chicago Density Bonus Menu (§ 17-4-1000)

PUBLIC BENEFIT/AMENITY	MAXIMUM BONUS
DESIGN BONUSES - APPROVED BY ZONING ADMINISTRATOR	
Affordable Housing	1 FAR in dash 7 1 FAR in dash 10 25% of base FAR in dash 12 25% of base FAR in dash 12*
Public Plazas and Pocket Parks	6 FAR
Chicago Riverwalk Improvements	No maximum
Winter Gardens	3 FAR
Indoor Through-Block Connections	No maximum
Outdoor Through-Block Connections	No maximum
Sidewalk Widening	No maximum
Arcades	2 FAR
Water Features in Public Open Spaces	1 FAR
Upper-Level Setbacks	25% of base FAR
Lower-Level Planting Terraces	No maximum
Green Roofs	2 FAR
Underground Parking and Loading	30% of base FAR
Parking Concealed by Occupiable Space	25% of base FAR

FINANCIAL CONTRIBUTIONS - APPROVED THROUGH PLANNED DEVELOPMENT PROCESS	
Off-Site Park/Open Space Contributions	20% of base FAR
Streetscape Improvements	20% of base FAR
Transit Infrastructure Improvements	20% of base FAR
Pedway Improvements	20% of base FAR
Adopt-A-Landmark	20% of base FAR
Chicago Public Schools Capital Improvements Fund	25% of base FAR in dash 10 30% of base FAR in dash 12 or 16



Map 1: Proposed Expansion of Downtown Zoning District, 2016 [4]

Source: City of Chicago via Chicago Tribune 2/17/16

[4] http://www.chicagotribune.com/news/local/politics/ct-rahm-emanuel-neighborhood-development-20160217-story.html

CRITICAL HOUSING FUNDS HELD UP IN SPRINGFIELD – As the Illinois budget battle rages on, $275 million housing and supportive service dollars are being held hostage. There are eight dedicated funds that cannot be disbursed without appropriation authority, despite the fact that they are separate from General Revenue Funds and therefore will not contribute to the budget deficit. The lack of these funds is becoming catastrophic for CDCs and the families that depend on them for housing. CRN members stated at a recent membership meeting that the hold up of HOME dollars will cause them to stop construction already underway, triggering a variety of penalties in the other layers of financing and putting the projects in real risk of failure. According to the Chicago Coalition for the Homeless and Housing Action Illinois, there are <u>20 such affordable rental projects already underway in Illinois that are being placed in jeopardy by $26.5 million in HOME dollars held hostage in Springfield</u>. Together, these developments represent <u>an additional $250 million in public and private resources</u> already committed to these projects. Your leadership is needed now to help move the bills to release these funds (SB 2603 / HB 4955). Please take a moment to call your partners in Springfield to let them know what these dollars mean in our neighborhoods. (See attached SB 2603 / HB 4955 fact sheets for more information).

On top of these funds, another key resource—the Illinois Affordable Housing Tax Credit (Donation Tax Credit)—continues to languish un-renewed in Springfield. Created as a bi-partisan initiative in 2001, the Donation Tax Credit must be renewed every five years by the Illinois legislature. If it is not renewed now, the credit will sunset at the end of this year and thereby disappear as a source of equity for affordable housing. <u>In 2015 alone, nearly a third of the affordable developments receiving City support used the Donation Tax Credit as a source of equity, wherein it provided $6 million in equity to seven projects: St. Edmund's Tower Annex, Cornerstone Apartments, Milwaukee Avenue Apartments, St. Edmund's Oasis, J. Michael Fitzgerald Apartments, and Clybourn and Division Apartments</u>. Please act now to help us preserve this critical resource. (See attached fact sheet for more information).

MOUNTING CONCERN OVER DISPLACEMENT – As we consider future investments like an Englewood elevated trail and the siting of the Obama Library that will shape property values along with the built environment, it is a good moment to consider the effects of the 606 trail on the northwest side neighborhoods. The City's significant property tax increase will start to take effect soon, exacerbating the situation in communities already experiencing gentrification pressures. Members working in West Town, Logan Square, Bucktown, and Humboldt Park report with concern mounting anecdotal evidence that real estate sales are accelerating and rents are going up all around the trail. As property values increase in these communities, it becomes more and more difficult to create new permanently affordable units to help long-time residents stay in and enjoy the growing amenities of the neighborhood.

In order to protect affordability in communities residents have worked for year to improve, we need to develop a better approach to insulating both owners and renters against spikes in property value subsequent to a significant investment by the City or some other entity. We encourage the City with the leadership of Alderman to convene a conversation with the Cook County Assessor's Office to explore the creation of multi-year protective zones to smooth the negative tax consequences of these major investments.

A New Norm for Chicago's Neighborhood Economic Vitality

Over the next three years, Mayor Rahm Emanuel will implement a new norm in Chicago's neighborhood economic development where our most thriving areas will help our underserved neighborhoods and communities. It will leverage every tool available to drive investment and opportunity to neighborhoods struggling with high unemployment and crime.

This new approach will expand initiatives that are working and make bold new reforms that will accelerate job and economic growth while creating more resources for underserved areas. In the coming months, the Emanuel Administration will unveil and implement initiatives to strengthen the link between City procurements and neighborhood jobs and build a bridge between thriving and underserved communities.

The first major new initiative under this strategy – to be introduced in an ordinance to the City Council this Spring – will be reforms to the zoning code that will accelerate growth in the downtown and in economically vibrant neighborhoods while generating new revenue for investment in underserved neighborhoods. Under these new reforms, the City expects to generate tens of millions of dollars over the next few years to support neighborhood economic growth.

These reforms will take effect immediately upon passage of the ordinance and will include:

- ***A New Neighborhood Opportunity Bonus.*** Downtown developments will be able to pay for a Neighborhood Opportunity Bonus in exchange for the ability to build denser projects. The revenue from obtaining these bonuses will be invested in a new Neighborhood Growth Fund that will support jobs and development that benefit underserved neighborhoods.

- ***Eliminating Bonuses and Loopholes that Do Not Support Neighborhood Growth.*** The proposal will also eliminate outdated bonuses and close loopholes in the current downtown bonus system that provide limited public benefit. Currently, the City provides additional density to developments for including features like winter gardens, underground parking garages and outdoor plazas. The Mayor's proposal will ensure that density bonuses are provided to benefit objectives like growth and job creation in underserved neighborhoods.

- ***Establishing a Neighborhood Growth Fund.*** Revenue generated by the economic opportunity bonus will be invested into a fund that can only be used to support business development and job growth in neighborhoods grappling with poverty, high unemployment, and other indicators of underinvestment by the private market. For example, the Fund could support projects like reviving a commercial retail corridor or bringing a new grocery store to a food desert. Similar to the affordable housing process, the City Council will approve projects. Additionally, the City will engage residents and community, nonprofit, and for profit stakeholders in an open process for development proposals. A publicly accessible report on the Neighborhood Growth Fund will be provided to the City Council on an annual basis and the City will post information on all projects supported by the fund.

- ***Expanding Access to Downtown Zoning and Bonuses.*** According to a 2013 Crain's analysis of Census data, Chicago has the fastest growing urban center in the country. The Mayor's reforms will help accelerate this growth by allowing for additional development in areas adjacent to zoning districts currently designated as "downtown." Developers can take advantage of this incentive by working with their aldermen and the Department of Planning and Development through the existing rezoning process. Revenue from this incentive will be deposited in the Neighborhood Growth Fund.

Support HB 4955 (Welch)

FY16 Appropriations to Create Affordable Housing and End Homelessness

(30 Sponsors as of 2/29/16: Welch-Ford-G. Harris-Feigenholtz-Ammons, Williams, Evans, Costello, Martwick, Hernandez, Guzzardi, Gabel, Harper, Soto, Flowers, Sims, Willis, Lilly, Mussman, W. Davis, Conroy, Fine, Chapa LaVia, Burke, Acevedo, Turner, Reaves-Harris, Wallace, Cassidy and Thapedi)

The State of Illinois has 8 dedicated funds to create affordable housing and end homelessness. These funds cannot be spent without appropriations authority.

- Abandoned Residential Property Municipality Relief Fund
- Affordable Housing Trust Fund
- Assistance to the Homeless Fund
- Federal HOME Investment Partnership Program Fund
- Foreclosure Prevention Graduated Program Fund
- Foreclosure Prevention Program Fund
- Health and Human Services Trust Fund (Portion Appropriated for Permanent Supportive Housing and DMH Bridge Subsidy Program)
- Rental Housing Support Program Fund

These dedicated funds have their own revenue sources and are separate and apart from General Revenue Funds (GRF). Spending these dedicated funds would not increase the state budget deficit.

Appropriations of $274.7 million from these dedicated funds and $35.3 million in GRF could:

- Serve approximately 73,000 low-income people through the following Illinois Department of Human Services Programs: Emergency and Transitional Housing, Homeless Prevention, Homeless Youth, Supportive Housing Services and the DMH Bridge Subsidy Program.
- Assist 100,000 people who are members of households in need of housing counseling to avoid foreclosure or to prepare to buy a home through the Foreclosure Prevention Program.
- Fund 14,640 affordable housing units for low-income households through the Affordable Housing Trust Fund, federal HOME funds and the Rental Housing Support Program.

Releasing these funds and a small amount of GRF will create the homes, jobs, local tax revenue and economic activity that our state desperately needs.

- Currently $26.5 million in contracted federal HOME funds are outstanding to 20 affordable rental housing developments and 12 home repair and homeownership programs. For the rental projects, without HOME funds an additional $250 million in additional private and public sources committed for these projects are at-risk.
- In FY 2015, 3,957 households who received these funds were able to retain their housing with an average grant of $1,001. Because of the budget impasse, zero households have been assisted in FY 2016 due to lack of access to the Affordable Housing Trust Fund and GRF. This has caused many families to become homeless, which makes it extremely difficult for adults to maintain employment and for children to attend school.

For more information contact: Bob Palmer, Policy Director, Housing Action Illinois at 312-282-3959 (cell) or bob@housingactionil.org or Niya Kelly, Policy Specialist, Chicago Coalition for the Homeless at 504-256-7533 (cell) or niya@chicagohomeless.org.

Support SB 2603 (Hunter)

FY16 Appropriations to Create Affordable Housing and End Homelessness

(7 sponsors as of 2/29/16: Hunter-Collins-Martinez-Van Pelt-Lightford, Mulroe and Steans)

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Releasing these funds and a small amount of GRF will create the homes, jobs, local tax revenue and economic activity that our state desperately needs.

- Currently $26.5 million in contracted federal HOME funds are outstanding to 20 affordable rental housing developments and 12 home repair and homeownership programs. For the rental projects, without HOME funds an additional $250 million in additional private and public sources committed for these projects are at-risk.
- In FY 2015, 3,957 households who received these funds were able to retain their housing with an average grant of $1,001. Because of the budget impasse, zero households have been assisted in FY 2016 due to lack of access to the Affordable Housing Trust Fund and GRF. This has caused many families to become homeless, which makes it extremely difficult for adults to maintain employment and for children to attend school.

Housing Action Illinois

A stronger Illinois begins at home

For more information contact: Bob Palmer, Policy Director, Housing Action Illinois at 312-282-3959 (cell) or bob@housingactionil.org or Niya Kelly, Policy Specialist, Chicago Coalition for the Homeless at 504-256-7533 (cell) or niya@chicagohomeless.org.

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Illinois Affordable Housing Tax Credit Fact Sheet

***SB0083 / HB3711**, the **Illinois Affordable Housing Tax Credit** – IAHTC (a.k.a. Donation Tax Credit) encourages private investment to qualified non-profit affordable housing development sponsors with tax credit equal to 50% of the donation on their Illinois tax liabilities.*

The IAHTC is a critical source of financing for affordable housing developments across Illinois. Created as a bi-partisan initiative in 2001, the IAHTC must be renewed every five years by the Illinois legislature. **We must ACT NOW to ensure the IAHTC continues stimulate public-private investment in the Illinois economy.**

Since its passage in 2001, the Illinois Affordable Housing Tax Credit has:

- Motivated the donation of $360 million in assets like land, buildings, and long-term leases from private sources to affordable housing development in Illinois.
- Provided key financing for property-tax paying developments representing over $3.3 billion in invested in 51 of 59 Illinois State Senate Districts.
- Preserved or created over 17,000 homes stabilizing seniors, families, veterans and people with disabilities in communities across Illinois.
- Supported more than 25,000 jobs with over $1 billion in wages and business income. *(see reverse for more details)*

current language

(35 ILCS 5/214)

Sec. 214. Tax credit for affordable housing donations.
(a) Beginning with taxable years ending on or after December 31, 2001 and until the taxable year ending on December 31, 2016, a taxpayer who makes a donation under Section 7.28 of the Illinois Housing Development Act is entitled to a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to 50% of the value of the donation.

SB083 language

(35 ILCS 5/214)

Sec. 214. Tax credit for affordable housing donations.
(a) Beginning with taxable years ending on or after December 31, 2001 and until the taxable year ending on December 31, 2021, a taxpayer who makes a donation under Section 7.28 of the Illinois Housing Development Act is entitled to a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to 50% of the value of the donation.

Economic Impacts of Illinois Affordable Housing Tax Credit-Funded Developments

Following a method developed by the National Association of Homebuilders, CRN estimates that affordable housing developed since 2002 through the Illinois Affordable Housing Tax Credit has supported 26,537 jobs, delivered over $1 billion in wages and generated over $217 million in state and local taxes and fees.

IAHTC OUTCOMES

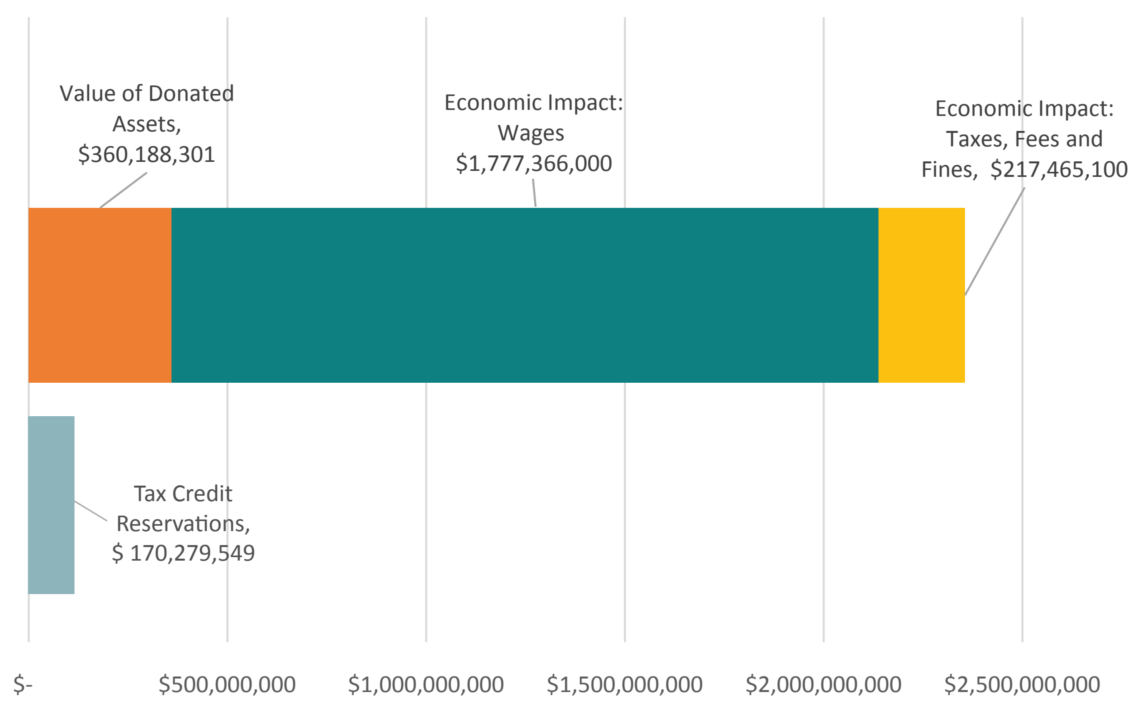
Total Units	Total Development Cost	Total Donations	Total Tax Credits*
17,740	$ 3,319,409,446	$ 360,188,301	$ 170,279,549

Through 2014, the IAHTC has provided key financing for the creation or preservation of more than 17,000 homes representing over $3.3 billion invested in Illinois communities. It also inspired the donation of $360 million in assets through public-pivate partnerships.

GRAND TOTAL ECONOMIC IMPACT

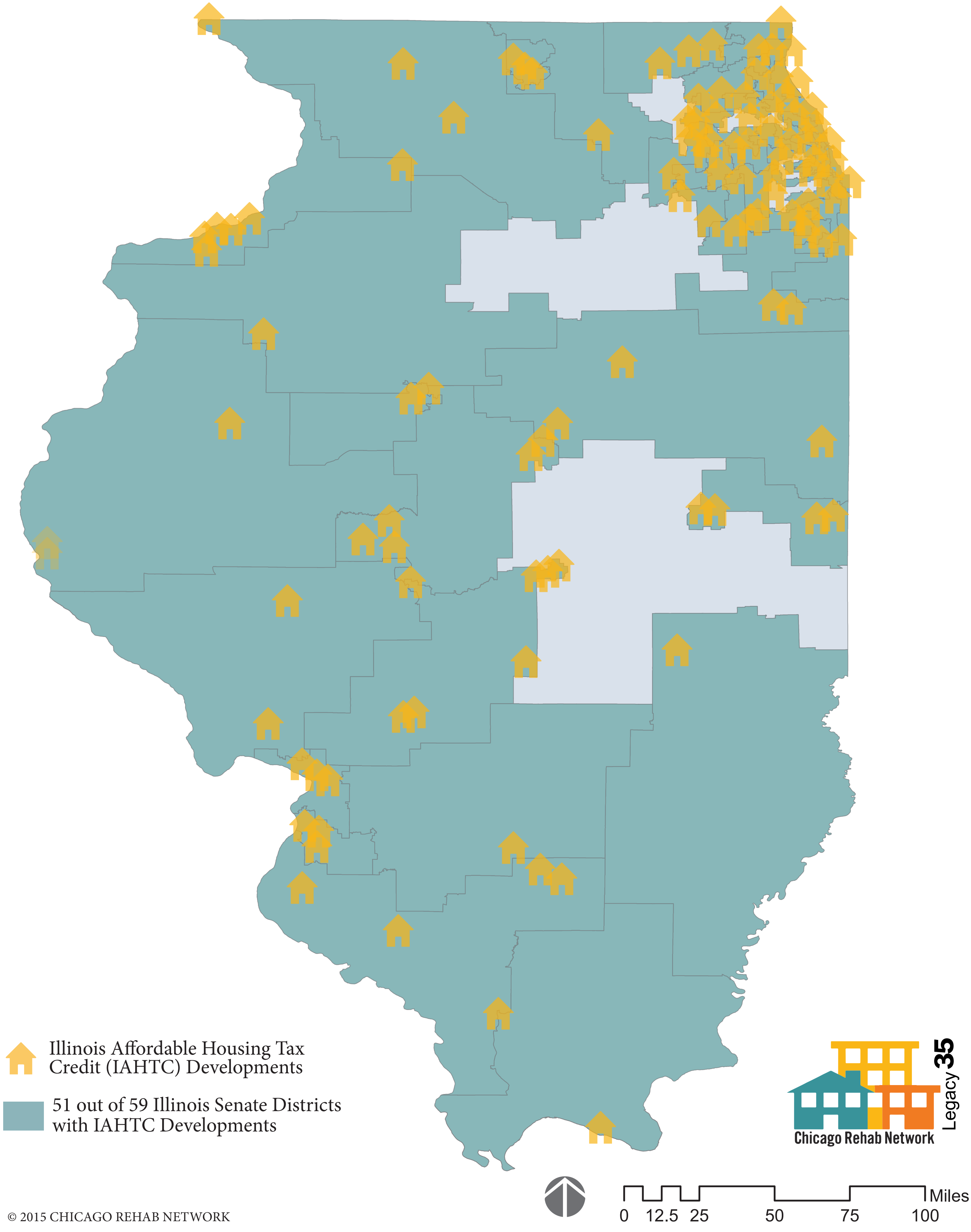
Total Wages and Business Owners' Income	Total Local & State Taxes, Fees & Fines	Total Jobs
$1,777,366,000	$217,465,100	26,537

ILLINOIS AFFORDABLE HOUSING TAX CREDIT ECONOMIC IMPACT, 2002-2014



*Source: National Association of Home Builders (2010) "The Local Economic Impact of Typical Housing Tax Credit Developments." This model uses national averages produced by the NAHB Housing Policy Department. * Some data missing.*

Illinois Affordable Housing Tax Credit Properties, 2002 to 2014



Illinois Affordable Housing Tax Credit Units by Illinois State Senate District, 2002 to 2014

Illinois State Senator	Illinois State Senate District	Total IAHTC Units
Antonio Muñoz	1	118
William Delgado	2	358
Mattie Hunter	3	1,769
Kimberly A. Lightford	4	147
Patricia Van Pelt	5	2,112
John J. Cullerton	6	757
Heather A. Steans	7	861
Ira I. Silverstein	8	168
Daniel Biss	9	400
John G. Mulroe	10	25
Martin A. Sandoval	11	0
Steven M. Landek	12	0
Kwame Raoul	13	2,632
Emil Jones, III	14	691
Napoleon Harris, III	15	99
Jacqueline Y. Collins	16	473
Donne E. Trotter	17	0
Bill Cunningham	18	167
Michael E. Hastings	19	137
Iris Y. Martinez	20	189
Michael Connelly	21	108
Michael Noland	22	737
Thomas Cullerton	23	275
Chris Nybo	24	512
Jim Oberweis	25	151
Dan Duffy	26	51
Matt Murphy	27	211
Dan Kotowski	28	0
Julie A. Morrison	29	21
Terry Link	30	281

Illinois State Senator	Illinois State Senate District	Total IAHTC Units
Melinda Bush	31	184
Pamela J. Althoff	32	129
Karen McConnaughay	33	0
Steve Stadelman	34	17
Dave Syverson	35	12
Neil Anderson	36	664
Darin M. LaHood	37	123
Sue Rezin	38	0
Don Harmon	39	219
Toi W. Hutchinson	40	260
Christine Radogno	41	0
Linda Holmes	42	128
Pat McGuire	43	243
William E. Brady	44	68
Tim Bivins	45	295
David Koehler	46	87
John M. Sullivan	47	77
Andy Manar	48	305
Jennifer Bertino-Tarrant	49	51
Wm. Sam McCann	50	302
Chapin Rose	51	0
Scott M. Bennett	52	197
Jason A. Barickman	53	186
Kyle McCarter	54	32
Dale A. Righter	55	81
William R. Haine	56	185
James F. Clayborne, Jr.	57	215
David S. Luechtefeld	58	229
Gary Forby	59	88