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New Federal Programs, Olympics Call For Urgent Attention To Rental Housing Creation and Preservation

City to report on its housing production at a public hearing on August 11, 2009.

CHICAGO ó With millions of dollars coming down the Federal pipeline to stabilize neighborhoods and the possibility of hosting the 2016 Olympics, significant changes are coming to Chicago's neighborhoods that could lead to the loss of affordability and displacement.

“In a city where rental housing has always had a strong presence, we need to make sure that the City brings in additional tools such as the Citywide Land Trust in order to protect the city's investment and preserve affordability,” says Kevin Jackson, Executive Director of Chicago Rehab Network, who recently fielded questions from concerned Chicagoans on the impact of foreclosures in their communities in the August 10th episode of Chicago Public Radio's [Eight Forty-Eight](#).

It was only a few years ago when the steep rise in homeownership and the wave of condominium conversions led to a decline in rental housing in Chicago. Renter-occupied units decreased by 14 percent from 2000 to 2007, according to the Chicago Rehab Network's Affordable Housing Fact Sheet.

But despite the increase in homeownership, Chicagoans were actually earning less and spending considerably more on housing; there was a sixfold increase in homeowners spending \$2,000 or more per month on housing, while the median household income decreased by 5 percent to \$45,505. A household would need to earn at least \$85,000 to be able to afford a \$2,000 monthly mortgage.

In order to respond to the housing crisis, the Department of Community Development will receive \$80.4 million of American Reinvestment and Recovery Act (ARRA) funds in addition to \$55 million for the Neighborhood Stabilization Program and \$5.4 million in Community Development Block Grants (CDBG-R) for foreclosure mitigation.

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... candidacy to host the 2016 Olympics presents an
... City's resources to preserve affordability. Housing price
inflation and increases in rents and property taxes, which can displace long-term
residents, are well-documented in the experiences of past Olympic host cities.

In addition to the Citywide Land Trust, Chicago Rehab Network recommends the following policies to preserve affordability during this critical time:

- Exercise the Affordable Housing Preservation Ordinance in order to protect city investment in housing and strengthen renters' ability to maintain their housing
- Create a Circuit Breaker program to reduce the impact of property tax increases as a result of housing price inflation
- Institute a process to uphold the principles set forth in the Chicago 2016 Memorandum of Understanding and to publicly report on how these principles are being achieved, especially the affordability requirements for the proposed Olympic Village.

These recommendations are included in Chicago Rehab Network's analysis of the City of Chicago's affordable housing production progress report for the First Quarter of 2009. The Department of Community Development will present a report on their production and activities at the Housing and Real Estate Committee hearing on **August 11, 2009 at 10:30 am in Council Chambers at City Hall 121 N. LaSalle**. The Chicago Rehab Network will be there to present its analysis to the Committee.

The 1st Quarter Progress Report is the first from the City's fourth renewal of the Five Year Affordable Housing Plan, *Accepting the Challenge*, passed by the Council on February 12.

The full CRN analysis is available online at www.chicagorehab.org

The Chicago Rehab Network (CRN) is a citywide coalition of community-based development organizations. Founded in 1977 by community groups seeking to pool expertise and share information, the coalition membership consists of over 40 housing organizations representing over 60 city neighborhoods. Over the years CRN's members have created tens of thousands of affordable housing units and made a visible impact on some of Chicago's most disinvested communities, while preserving affordable housing in some of its most rapidly gentrifying ones. Visit www.chicagorehab.org for more information.

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