

Department of Housing
2004-2008 Affordable Housing Plan
Quarterly Progress Report – First Quarter 2004

Analysis by Chicago Rehab Network

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This quarter's report published by the Department of Housing is an informative overview of the affordable housing work occurring throughout the City.

Production Overview:

Units Created By Income January – March 2004							
	0-15% AMI	16-30% AMI	31-50% AMI	51-60% AMI	61-80% AMI	81-120% AMI	Total Units
Multi-Family	1376**	942	568	81	11		2978*
Single-Family	0	1	20	34	61	88	204
Improvements	55	178	220	30	58	46	587

**2018 of these units are rental assistance via the Chicago Low Income Housing Trust Fund.*

***100 of these units have been preserved through the HUD Mark-to-Market contract renewals*

It appears that last years' unspent funds are shown in this 1st 2004 quarterly report as "Additional Funds Available". Over \$28,000,000 is shown as new money available through the Neighborhood Housing Services of Chicago. We are unclear if that is new money or if the City of Chicago is now leveraging NHS' own fundraising and program functions.

In the 4th Quarter 2003 report, we saw the first reporting of the **Mayoral Affordable Requirements Ordinance** reporting 540 affordable units created, this quarter does not report on the impact of that Ordinance at all.

CPAN – the Chicago Partnership for Affordable Neighborhoods program has resulted in the addition of 26 units to the affordable housing stock in 4 wards, with an average write-down of over \$87,000 per affordable unit. Increased marketing and modeling of this program for other wards might increase its utilization.

We believe that in order to make this program truly successful, the affordable units require special property tax policy to ensure the units can remain affordable to both the original and future buyers.

Regarding inclusionary housing policies like CPAN, we must note the introduction of a detailed set-aside ordinance into City Council on May 5th. Set with a 15% affordable set aside with additional cost offsets for developers, we hope that this ordinance will be heard in Committee soon.

We reported last quarter on a critical piece of state legislation in Springfield that requires the continued support of the City of Chicago. This legislation passed both the House and the Senate unopposed – and is awaiting signature from the Governor.

This is an amendment to the SB 2329 Amending Illinois' Federally Subsidized **Housing Preservation Act**, and has received the support of the City of Chicago as it is in line with the goals outlined in the ***Build, Preserve, Lead*** 5-year housing plan.

We have noticed that the legislation is not mentioned in the Quarterly Report, nor in the recent *Housing Chicago* newsletter as being priorities for the Department. This legislation has no fiscal impact – its' importance is that it provides the opportunity for units to be purchased and maintained as affordable when owners are compensated at fair market value. The value of the legislation will be in the ability of the public and private sectors to work together to target resources to enable the acquisition of these projects in order to preserve the affordable rental units associated with the mortgages.

In Chicago, there are over 25,000 assisted units, with 16,700 units eligible for expiration before 2009 and loss of the affordable rental provisions. On the next page we list the community areas and numbers of units at risk of loss if these contracts are not renewed by the owners or sold to able nonprofit or for profit extended use purchasers.

Some areas of the city are more at-risk than others of losing these units: areas of gentrification and increasing values – the “thinning” or public housing transformation communities experiencing huge public investments – areas undergoing large numbers of conversions. Most would agree that as a whole, Chicago cannot afford to lose any rental units – particularly with the private market's inability to fill the need for rental housing.

As this bill is under review in the Governor's office, we ask that our city officials concerned about the preservation of the rental stock contact Governor Blagojevich's office to voice your support for this legislation.

We ask that the Interdepartmental Task Force be informed of the extent of the preservation issue, as it is impacted by actions from many various City departments. We would like to make a presentation about the issue and some of the strategies that might be considered to prioritize these buildings.

We would like to work closely with the Department of Housing over the next quarter to discuss how resources might be targeted in ensure local impact and ways to ensure maximum retention of this rental stock in all of Chicago's neighborhoods.

Assisted Units Expiring Before 2009

Community Area	Properties	Total Units	Assisted
Albany Park	2	135	133
Armour Square	3	402	400
Austin	5	214	214
Avalon Park	2	84	82
Chatham	1	112	112
Douglas	5	520	448
East Garfield Park	1	78	75
Edgewater	3	584	389
Englewood	2	178	177
Garfield Ridge	2	338	338
Grand Boulevard	9	1016	783
Greater Grand Crossing	4	1004	976
Gresham	1	173	154
Humboldt Park	1	29	29
Hyde Park	2	184	88
Irving Park	1	72	72
Kenwood	5	712	536
Lake View	5	796	626
Lincoln Park	3	193	191
Logan Square	4	224	220
Loop	3	990	350
Lower West Side	3	267	267
Morgan Park	1	60	60
Near North Side	9	2712	1221
Near South Side	1	250	90
Near West Side	8	1513	1292
North Center	1	99	98
North Lawndale	3	1345	1338
North Park	1	240	240
Oakland	1	163	115
Rogers Park	3	122	121
South Chicago	3	222	221
South Lawndale	1	61	61
South Shore	11	833	618
Uptown	16	2859	2323
Washington Park	4	345	301
West Englewood	1	60	60
West Garfield Park	2	100	100
West Pullman	1	180	174
West Ridge	1	100	99
West Town	4	889	554
Woodlawn	8	1109	954
Total	147	21567	16700

Source: US Housing & Urban Development