



To: Alderman
From: CRN
Date: October 29, 2008
RE: Comments on Chicago 2009 Proposed Budget: Zoning, Land Use, Community
Development, and Housing

Housing and neighborhood development require close interaction among community organizations and with the Departments of Zoning, Housing, and Planning. The reorganization of these functions into new departments (along with MOWD, Human Services, etc) has raised questions about how the business of neighborhood development will be conducted and coordinated.

1. While funds committed from Other Grants exceed the 2008 amount to all three departments, in the 2009 budget, there is a \$31 million dollar reduction in corporate and CDBG funds committed to the new Zoning and Land Use and Community Development Departments.

A cursory review of the staffing levels shows a reduction of 87 city workers. While this may be a reduction due to attrition, there could be implications for delivery of services.

2. Four important commissions have operated under Planning and Development: the Chicago Plan Commission, the Commission on Chicago Landmarks, the Chicago Development Fund, and the Community Development Commission. While very critical decision-making and allocating bodies, these entities are not shown in the City Budget and it is not clear where they will sit in the overall reorganization of city government.
3. The inventory of city-owned land and land sale programs have been under the umbrella of Planning and Development. How will these activities be integrated into the new Zoning and Land Use Department in a manner which encourages community development and affordable housing?
4. Utilization and coordination of financing through Tax Increment Financing districts has become an important part of neighborhood development. Which Department of city government will be accountable for managing TIF districts and allocating funds?
5. The foreclosure crisis will change the face of the City and who can live here for decades to come. It is notable that, short of the \$50+million dollar federal grant (Neighborhood Stabilization Program) to be received in 2009, the budget does not show additional commitments towards the foreclosure crisis.

The federal grant for foreclosure rescue activities through the Neighborhood Stabilization Fund should be viewed as seed money. Additional resources – credit enhancement, TIF funds, New

Market Tax Credits for example – must be allocated to reoccupy the foreclosed stock – both multifamily and single family homes. The consequences of not investing more will be devastating to the tax base, the workforce, community stability, and the overall desirability of the City as a whole.

6. The Affordable Housing Opportunities Fund that has been established and funded through the proceeds from the in-lieu of funds from the downtown density bonus is not found in the budget. The Affordable Housing Opportunities Fund needs to be readily accounted for in the 2009 budget. Last year the Department of Housing estimated collecting \$13mm for appropriations in 2008. (DOH projected \$13.5 mm for 2009 in the second quarterly report)
7. What are the plans to expedite the drawout and pay out functions for contractor reimbursement with particular attention to MBE/WBE enterprises within this reorganization?
8. As the activities and commitments made through Chicago 2016 relate directly to the allocation of government authority and resources, the budget commitments for Olympic planning and preparation should be made transparent.

Comparison of 2008-2009 City Budgets – Selected Departments

	Corporate	CDBG	Other Grants	Staff
Zoning				
2008	\$ 2,734,985.00	\$ -	\$ -	46
2009	\$ 6,389,847.00	\$ -	\$ 8,309,000.00	74
DPD				
2008	\$ 16,593,121.00	\$ 9,588,690.00	\$ 20,833,000.00	153
2009	\$ -	\$ -	\$ -	0
DOH				
2008	\$ 32,281,713.00	\$ 34,828,482.00	\$ 102,953,000.00	168
2009	\$ -	\$ -	\$ -	0
DCD				
2009	\$ 36,275,777.00	\$ 36,939,012.00	\$ 163,796,000.00	206

Staff Changes	
staff 2008	367
staff 2009	280

Funds Dedicated	2008	2009
Corporate	\$ 51,609,819.00	\$ 42,665,624.00
CDBG	\$ 44,417,172.00	\$ 36,939,012.00
Other Grants	\$ 123,786,000.00	\$ 172,105,000.00
Total	\$ 219,812,991.00	\$ 251,709,636.00