



CRN Analysis of the Third Quarter 2019 Housing Report

One Chicago: Five-Year Housing Plan, 2019-2023

Presented 02/11/2020, Chicago City Council Committee on Housing & Real Estate

Good morning Chairman Osterman, members of the Committee on Housing and Real Estate, Department of Housing officials. Thank you for the opportunity to present our analysis of the City's Third Quarter 2019 Housing Report as part of the *One Chicago* Five-Year Housing Plan, 2019-2023.

As we begin 2020, we anticipate a robust 4th quarter report soon to round out 2019 and the first year of *One Chicago*. The 3rd quarter report has little activity in terms of new multifamily development. We recognize there has been transition in the City's leadership and departments, and appreciate a renewed sense of focus on neighborhood development with particular attention to the south and west sides of the city. We cannot underscore the importance of investing in neighborhoods and recommend increasing housing resources to finance development in the south and west side neighborhoods as a means to counter the depopulation that is occurring. We appreciate Mayor Lightfoot's focus on the neighborhoods and her call for an anti-poverty summit to focus on the long-term sustainability of local communities. While the emphasis is rightly required, affordable housing remains a critical part of the equation to safeguard against displacement as neighborhoods improve. Planning for affordability assures racial equity for our city. [As we remarked in our comments on the City's housing budget](#), the Department of Housing budget remains "woefully inadequate." We recommend that the corporate funding for the DOH should return to the 2008 level of \$32.3 million (see chart below).

Furthermore, we believe there should be review of establishing the Neighborhood Opportunity Fund and [its impact on housing resources generated by the ARO](#) and what was previously known as the Downtown Density Bonus.

The urgency of affordable housing is being recognized across the country as well as here locally, as evidenced media coverage from [Channel 7 ABC's Building a Better Chicago](#) feature on affordable housing to the [Atlantic Monthly](#) writing, "The Great Affordability Crisis Breaking America: In one of the best decades the American economy has ever recorded, families were bled dry" (February 7, 2020).

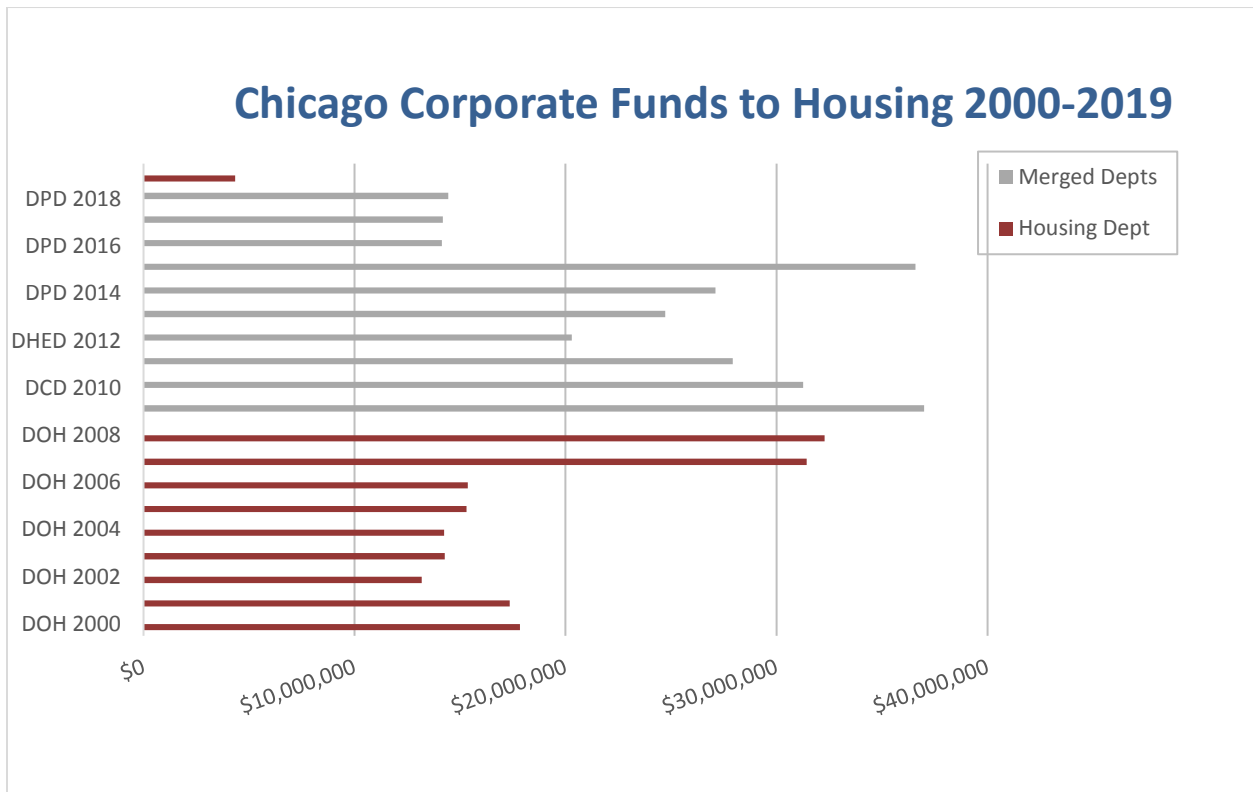
The POTUS released his [2021 budget](#) on Monday, February 10, 2020 and the prospects for affordable housing are grim. According to the [National Low Income Housing Coalition's analysis](#):

"Overall, the administration proposes to cut HUD by an astounding \$8.6 billion or 15% below 2020 enacted levels, not including those cuts offset by increased FHA receipts." All of us will have to reach out to our appointed and elected officials and as in previous years of the present administration to have the housing budget made whole and strengthened.

We applaud the growing investments and attention to neighborhoods by both the public and private sector. The infusion of new capital could be an opportunity to create pilot programs such as an Appraisal Gap Financing Initiative. Such an initiative would encourage people to stay in the city and upgrade their homes. If implemented, policy recommendations such as an Impact Analysis on development would

strengthen our communities by better enabling planning for balanced development and by better understanding who benefits from development. We have specific recommendations outlined in our [Five Strategy Platform](#) that we intend to work on with the Department. Addressing displacement and redlining, identifying resources, expanding community based development, promoting leadership and accountability is our mission. [We were encouraged the Illinois House Progressive Caucus has established an affordable housing taskforce and held two hearings recently.](#)

Both disinvestment and gentrification are driving displacement in Chicago, causing low-income communities and communities of color to move as costs rise, affordable housing is lost, and communities fail to receive the investment they deserve. As these changes accelerate, they undermine the character of the city and region, exacerbating racial inequities and threatening our history as a stronghold for working families. The challenge remains to prevent displacement in all neighborhoods.



Analysis of Third Quarter 2019 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 third quarter of 2019.

Key Data: Resources, Units, Income Levels

Table 1 – Sources of Net-New Units, 2019

Quarter	Source of Units	Units
Q1	Cicero Senior Lofts	62
Q1	ARO Rental Units Covenanted	94
Q1	Opportunity Investment Fund*	129
<i>Subtotal, Q1</i>		285
Q2	Sarah's on Sheridan	38
Q2	Southbridge – Phase 1	206
Q2	Paseo Boricua Arts Building	24
Q2	ARO Units Covenanted	84
Q2	Opportunity Investment Fund*	19
<i>Subtotal, Q2</i>		371
Q3	ARO Units Covenanted	28
<i>Subtotal, Q3</i>		28
Total Net-New Units 2019		684

Table 2 – Incomes Served by Net-New Rental Units, 2019 Year-to-Date

	Net-New Rental Units	Share of Total Units Produced Per Income Bracket
<i>Income of tenants served</i>	0-15% AMI	-
	16-30% AMI	2%
	31-50% AMI	8%
	51-60% AMI	48%
	61-80% AMI	4%
	81-100% AMI	4%
	101+% AMI	34%
YTD Net-New Units Committed	684	100%
Total Net-New Units Projected by Year End	1,722	

Table 3 - Housing Dollar Commitments Compared with Annual Goal, 2019 Year-to-Date

	Rental Investments	Ownership Investments	Improvement /Preservation Investments	Total Investments
2019 YTD	91,795,334	12,596,211	12,073,411	116,464,956
Total Funds Anticipated by Year End	217,340,000	28,950,000	18,861,065	265,151,065
Percent of Goal Met, 2019 Q3	42.2%	43.4%	64.0%	43.9%

Table 4 – Net-New Housing Unit Commitments in Comparison with Annual Goal, 2019 Year-to-Date

	Total Units Planned for 2019	Total Units Committed Year-to-Date, 2019	Total Units Committed in 2019-Q3
Total Subsidized Rental Units	2,972	2,423	573
<i>Less Heat Receivership Units</i>	500	490	1
<i>Less MF Troubled Building Initiative Units</i>	750	1,249	544
Net New Rental Units	1,722	684	28

Table 5 – Rental Assistance Compared with Annual Goal, 2019 Year-to-Date

	2019 Funds	2019 Units Served
2019 TYD	\$17,869,554	2,715
Total Anticipated	\$17,580,943	2,723
Percent of Goal Met, 2019 Q3	101.6%	99.7%

Table 6 – Housing Unit Commitments Compared with Annual Goal, 2019 Year-to-Date

	Rental Units	Ownership Units	Improvement /Preservation Units	Total Units
2019 TYD	2,423	404	1,483	4,310
Total Units Projected by Year End	2,972*	559	2,178	5,709
Percent of Goal Met, 2019 Q3	81.5%	72.3%	68.1%	75.5%



CALL TO ACTION



National Low Income Housing Coalition

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Take Action to Oppose Deep Cuts to Affordable Housing

President Trump's and HUD Secretary Ben Carson's Fiscal Year (FY) 2021 budget request – [released today](#) – proposes to slash federal housing benefits that help millions of low-income seniors, people with disabilities, families with children, and other individuals afford their homes. For more details, see NLIHC's full [analysis](#) of the president's budget request and our updated [budget chart](#).

Overall, the administration proposes to cut HUD by an astounding \$8.6 billion or 15% below 2020 enacted levels, not including those cuts offset by increased FHA receipts. At a time when the affordable housing crisis has worsened and homelessness is increasing in some communities, Secretary Carson's proposal would eliminate vital housing programs, including the national Housing Trust Fund, and all funding for public housing capital repairs. He would eliminate the HOME Investments Partnership program and Community Development Block Grants (CDBG), starving communities of needed resources for affordable housing and community development. Secretary Carson proposes cutting public housing operating funds by 21% (\$3.57 billion) and Housing for Persons with AIDS by 20% (\$330 million).

Secretary Carson slashes funding for the Housing Choice Voucher program by \$5 billion (not including additional increases needed to cover inflation). With these cuts, over 160,000 families who currently receive rental assistance could be at risk of losing their assistance and their ability to afford their home. As he has in previous years, Secretary Carson claims that the budget would continue rental assistance for all existing households. This is misleading and untrue: the proposed budget does not provide enough funding to cover the full cost of housing assistance without first imposing harmful rent increases and work requirements, none of which Congress is likely to pass.

NLIHC's president and CEO Diane Yentel released a [statement](#), calling the budget proposal "cruel and unconscionable."

If enacted, this budget would leave even more low-income people without the affordable, accessible homes they need to thrive. For more details, see NLIHC's full [analysis](#) of the president's budget request and our updated [budget chart](#).

**Take action to support affordable housing
funding!**

the [Campaign for Housing and Community Development Funding](#) (CHCDF) are urging advocates to take action to oppose the president's budget.

Congress needs to hear from you about the importance of increased investments in affordable housing. Below are three ways to learn more and make your voice heard:

1. [Join a national webinar](#) on February 18 at 3:30 p.m. ET, hosted by NLIHC and other members of CHCDF, to learn more about the president's budget and the funding outlook for affordable housing and community development programs in FY21.
2. [Sign a national letter](#) urging Congress to ensure transportation and housing programs receive the highest amount of funding possible for FY21. Because the FY21 letter is substantially similar to the funding letter sent last year, we are asking organizations already signed on to let us know if you would like to opt-out of the letter by emailing outreach@nlihc.org. See if your organization signed onto last year's letter [here](#).
3. **Join advocates across the country in support of affordable homes by participating in the 4th annual *Our Homes, Our Voices* National Housing Week of Action**, May 2–12. Week of Action events can range from rallies and film screenings to panel discussions, letter-writing campaigns, tours of housing developments, voter registration activities, and more. Start planning now to engage with your members of Congress during the Week of Action and unite with communities throughout the country in calling on Congress and 2020 presidential candidates for increased investments in affordable housing.

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The National Low Income Housing Coalition is dedicated solely to achieving socially just public policy that ensures people with the lowest incomes in the United States have affordable and decent homes.



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