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Chicago Rehab Network
Analysis of the DOH Quarterly Report
2nd Quarter, 2008
Presented September 16, 2008

Introduction

We are pleased to present our analysis of the 2nd Quarter 2008 DOH Progress Report.

We have come to value the system of checks and balances instituted by the Department through the Five Year planning process and the public discussions through these quarterly reports. We believe that this can serve as the legacy of the Department and its leaders so long as it remains a model of a good and transparent government for other municipalities, which in turn generates civic-minded citizens who are able to participate in the policy and decision-making of their elected and appointed leaders.

Building an Affordable Chicago

Activities during the period of this report existed within a series of larger environmental factors which will impact housing policies and resources well into the future. The foreclosure crisis came towards the end of a decade's long loss of affordable rental housing which included policies that valued the conversion of rental stock to for sale stock. Chicago will soon receive millions of dollars from the **American Housing Rescue and Foreclosure Act** and will be granted broad discretion as to the use of those dollars. Coupled with our viable candidacy for the Olympic Games, we can predict that the infusion of large sums of capital will bring strong changes to neighborhoods and markets throughout the city that can result in gentrification and displacement. The application of these resources will influence the quality of life for Chicago neighborhoods and the city as a whole for decades to come.

We ask that the Committee closely engage in a transparent and deliberate process to ensure that these resources benefit Chicagoans and families in particular. One example of a policy that can mesh these different forces is for the city to secure foreclosed property around all proposed Olympic venues and insert them into the Chicago Citywide Land Trust. This would work towards securing housing at price levels and rents that meet the needs of Chicagoans – 75% of whom earn under $75,000 per year.

The Five Year Plan should consider these trends and develop policies to buffer negative impacts of neighborhoods. While we would hope that the Corporate Budget for housing would increase commensurate with housing needs, we do not see a financial commitment that is reliable as the increase is based upon projections to be collected at some unknown point in the future.

New Unit Production: January 2008 – June 2008

At the end of the second quarter of 2008, the Department reports production of over 6,400 units and spending of nearly $155 million. DOH reports committing about $53 million to preserve and create 4,450 multifamily units thus far, representing 24 percent and 40 percent of the year's goals, respectively. Also according to DOH, there have been 917 single family units (52 percent of goal) produced with $92 million (66 percent of goal) and 1,073 units preserved or improved with $9.6 million in commitments at the end of the second quarter. Table 1a and 1b shows units and commitment goals for the year and the year-to-date production.

CRN's analysis of multifamily unit production is shown in Table 2. After subtracting Rental Subsidy units, which are renewed annually, and Heat Receivership units, which is a program under Safety and Code Enforcement, the net year-to-date multifamily new production amount to 811 units.

Table 1a. Production Overview - Dollars Committed- January 1, 2008 – June 30, 2008

	Total Projected Units	1st Quarter Commitments	2nd Quarter Commitments	YTD	% of Goal
Multi Family	$219,164,941	$18,543,034	$34,359,450	$52,902,484	24.1%
Single Family	$138,934,450	$47,738,038	$44,679,200	$92,417,238	66.5%
Improve and Preserve	$19,168,500	$3,918,563	$5,663,877	$9,582,440	49.9%
Programmatic Applications	$1,250,000	$0	$0	$0	
Total	$378,517,891	$70,199,635	$84,702,527	$154,902,162	40.9%

Table 1a. Production Overview – Units Assisted- January 1, 2008 – June 30, 2008

	Total Projected Units	1st Quarter Units	2nd Quarter Units	YTD	% of Goal
Multi Family	11,084	3,861	589	4,450	40.15%
Single Family	1,776	448	469	917	51.63%
Improve and Preserve	2,182	451	622	1,073	49.18%
Total	15,042	4,760	1,680	6,440	42.81%

Table 2.Unit Production by Income- January 1, 2008 – June 30, 2008

	Projected Units	0-15%	16-30%	31-50%	51-60%	60-80%	81-100 %	101+ %	YTD Total	% of Goal
Multi-Family*	11,084	2167	1190	756	197	139		1	4,450	40.2%
Less Rental Subsidy Units		*-2,102*	*-1,075*	*0*	*0*	*0*	*0*	*0*	-3,177	
Less Site Improvements and Heat Receivership Units		*-23*	*-105*	*-240*	*-76*	*-18*			-462	
Net MF New Units**		42	10	516	121	121	0	1	811	7.32%
Single Family less Multiple Benefits	1,776	0	2	25	40	338	269	244	918	59.7%
Improve and Preserve	2,182	51	275	429	64	132	90	32	1,073	49.2%

*Net Multi Family units after subtracting units receiving multiple benefits

**These are new Multi Family units created through DOH programs not counting units assisted by the Low-Income Housing Trust Fund which are renewed every year, Supportive Housing Rental Assistance, and Safety and Code Enforcement Programs.

New Multifamily Projects

There were three projects approved in the second quarter: two senior housing developments and one multifamily rehab project.

The multifamily rehab project approved this quarter is the Sunnyside-Kenmore Apartments, a partnership between Voice of the People, a CRN member, and the Chicago Community Development Corporation. The 26-unit building will serve households earning 60% or below the area median income. Half of the units will accept Section 8 vouchers.

One of the senior housing projects is the G&A Senior Residence at Eastgate Village in the 2nd Ward. It will be a 9-story building with 117 units, 105 of which will serve households at 60% or below the area median income and 12 will be at market rate. All units will be one bedroom units.

The other senior housing, Senior Suites of Kelvyn Park in the 31st Ward, will be a 6 story building with 85 units. All units will serve incomes at 60% or less than the area median income.

These two projects move forward the Department's ongoing Five-Year Senior Housing Plan which began in 2006 and is more than halfway towards completion. We request a status report for the Senior Housing Plan that includes the number or units produced and resources committed in relation to the goals stated, income targets, bedroom sizes, and locations.

Downtown Density Bonus

The detailed update on the status of the Downtown Density Bonus program is much appreciated. According to the Department, developers participating in the Bonus have committed $44.7 million towards the Affordable Housing Opportunities Fund, of which $12.3 million have been collected. Additionally, the Department reports that 45 affordable units have been created under the program since 2004.

City Budget

We were all made aware in the last month that the City's finances have been deeply affected by the economic downturn which will no doubt have an impact on the Department of Housing's activities and priorities. In particular, the Budget Department reports a shortfall of almost $141 million in the corporate fund by the end of 2008 and a deficit of over $420 million in 2009. The shortfall is attributed to real-estate related revenue that has sharply dropped as a result of the continuing foreclosure crisis and the slowing confidence in the market.

The preliminary budget projects that the Department will have higher expenses in 2008 and 2009. The estimated year-end expenditure for 2008 is over $32 million and 2009 preliminary estimates are just slightly lower. With the economic slump and the need for affordable housing increasing, the Department is tasked to do more with less.

Corporate Funds Expenditures - Departments	
YEAR	**Housing**
2003	$14,268,618
2004	$13,640,000
2005	$15,205,000
2006	$12,603,000
Estimated 2007	*$31,301,000*
Actual 2007	$24,300,000
Prelim Est 2008	$31,429,000
Budgeted 2008	$32,281,713
Estimated Year-End 2008	**$32,118,000**
Prelim Estimate 2009	**$32,033,000**

The Grants available for the Department of Housing is also projected to be less in 2009

Department of Housing Grants	
2008 Budget	**$102,953,000**
2007 Carryover	$62,151,000
Actual 2008 Grant Received	$42,529,000
Total 2008	**$104,680,000**
2009 Estimated Grant Award	$39,915,000
Projected 2008 Carryover	$34,280,000
Total Estimated 2009 Grants (plus 2008 Carryover)	**$74,195,000**

Foreclosures

For a detailed report by zip code of foreclosure filings, see the attached report detailing June activities.

###

A Picture of Chicago Foreclosures: June 2008

Source: www.realinfo.net

In the month of June 2008, there were 1,265[1] foreclosures filings in Chicago. Since January, there have been 8,180 foreclosure filings in Chicago. The following report examines the trends illustrated by this month's foreclosure data.

Foreclosures on Recent Purchases	
Foreclosures with available date of deed	1,097
Purchased since 2000	894 (81%)
Purchased since 2007	223 (20%)

There were 1,097 properties with available date of deed. Recent homeowners comprised most of June's foreclosures with 81 percent or 894 purchased since 2000 and 20 percent or 223 purchased just since 2007. Sixty-two foreclosed homeowners owned their homes for at least two decades. In June, the median length of stay was two years and 320 days and the average length was five years and 188 days. Sixty-five percent or 714 foreclosures were on homes owned for less than five years.

Half of the properties (630) had both primary and secondary mortgages. The average amount owed for those with primary and combined mortgages was $233,727 while the median was $209,299. The majority owed between $100,000 and $399,000 with the most number of properties within the $100,000-$199,000 bracket. Altogether, outstanding mortgages amounted to just over $295 million ($295,197,268). Conventional mortgages made up most of the mortgages (1,104) with 53 (4.6%) of primary mortgages listed as FHA. About half of primary mortgages (52%) had adjustable rates and 45% had fixed rates[2].

Properties and Foreclosure Amount	
$1-99k	167 properties
$100k-199k	416
$200k-299k	351
$300k-399k	200
$400k-499k	77
$500k-1m	35
$1m+	8

Amount of Current Year Taxes	
$0-$1,000	488 properties
$1,001-$5,000	759
$5,001-$10,000	14
$10,001 +	3

Current year taxes ranged as high as $39,622 in one property. The average current year taxes owed per property was $1,484 with majority of properties having tax burdens between $1,000 and $5,000. Altogether, the amount of tax liability for all properties in June was approximately $1.8 million ($1,877,786). The total tax liability of properties in foreclosure in 2008 thus far amount to almost $18 million ($18,729,291).

[1] Includes residential, multifamily, and vacant land property classes

[2] The breakdown of properties with disclosed primary mortgage loan type is as follows: Adjustable: 600; Fixed: 521; Equity-Fixed: 9; Equity-Variable: 14; Second Mortgage Loan:12

Altogether there were 32 lenders who held the primary mortgages for 10 or more foreclosed properties, accounting for 649 of all foreclosures. An additional 20 primary lenders with 5-9 foreclosed properties accounted for another 145 foreclosures.

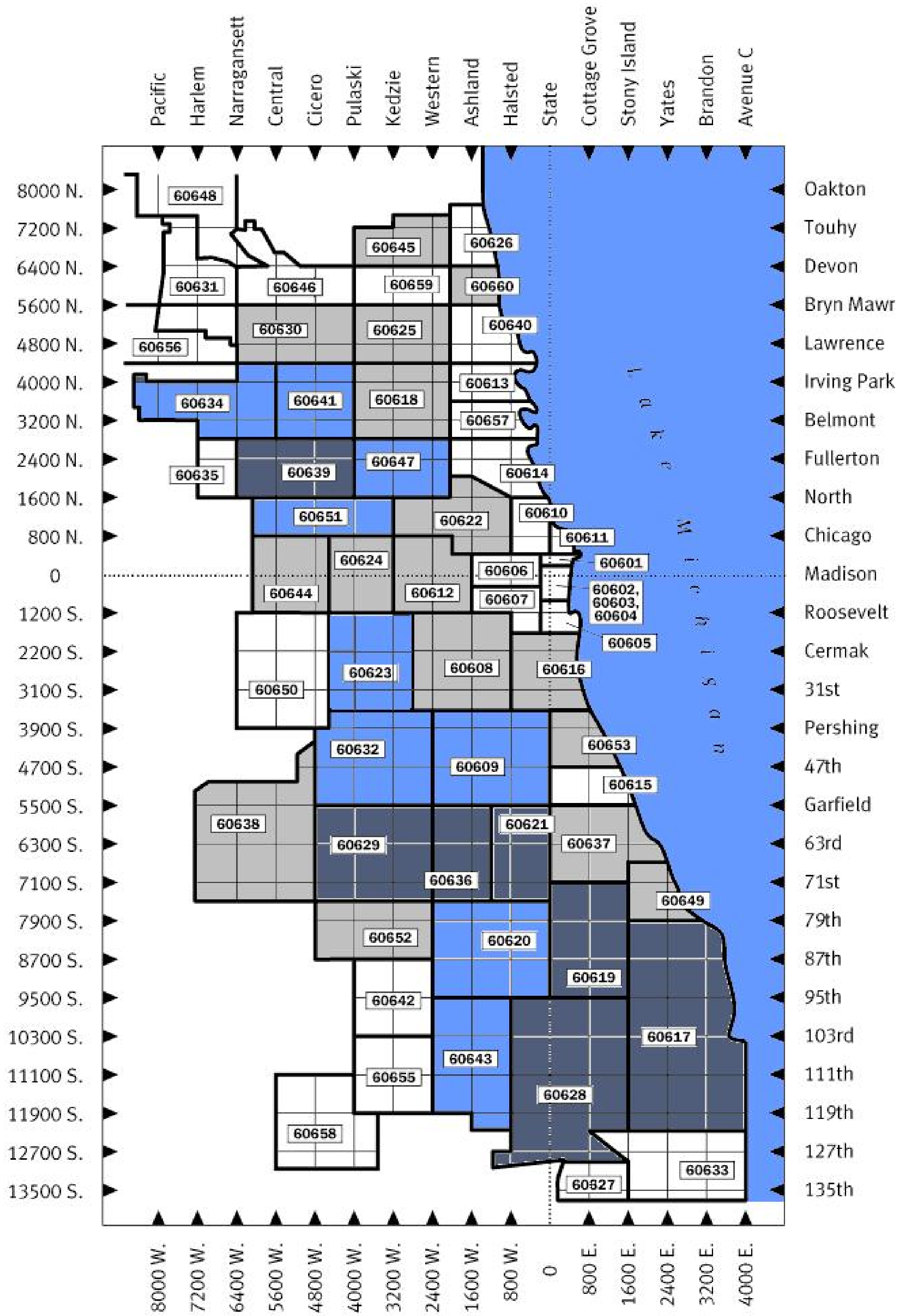
Primary Mortgage Lenders with 10 or more foreclosures in June 2008	
Lender	**# of Foreclosures**
ARGENT MORTGAGE COMPANY LLC	52
COUNTRYWIDE HOME LOANS (MERS)	50
AMERICA'S WHOLESALE LENDER (MERS)	39
WASHINGTON MUTUAL BANK FEDERAL	37
JPMORGAN CHASE BANK N.A.	34
NEW CENTURY MORTGAGE CORPORATION	29
BNC MORTGAGE (LENDER) (MERS)	28
FIRST FRANKLIN (DIV OF NATIONAL CITY BK) (MERS)	26
FREMONT AND LOAN (MERS)	24
WELLS FARGO BANK NATIONAL	24
CITIMORTGAGE INC (MERS)	23
FIELDSTONE MORTGAGE COMPANY (MERS)	21
FIRST MAGNUS FINANCIAL CORPORATION (MERS)	20
EQUIFIRST CORPORATION (MERS)	19
WMC MORTGAGE CORPORATION (MERS)	18
INDYMAC BANK F.S.B. (MERS)	17
OPTION ONE MORTGAGE CORPORATION	16
RESMAE MORTGAGE CORPORATION (MERS)	15
LONG BEACH MORTGAGE COMPANY	14
ACCREDITED HOME LENDERS (MERS)	13
DECISION ONE MORTGAGE CO, LLC (MERS)	12
GREENPOINT MORTGAGE FUNDING (MERS)	12
ABN AMRO MORTGAGE GROUP INC	11
AMERICAN BROKERS CONDUIT	11
AMERICAN HOME MORTGAGE ACCEPTANCE (MERS)	11
THE CIT GROUP/CONSUMER FINANCE INC (LEND(MERS)	11
LASALLE BANK NATIONAL	11
WORLD SAVINGS BANK SAVINGS BANK	11
BANK OF AMERICA N.A.	10
LEHMAN BROTHERS BANK SAVINGS BANK (MERS)	10
MIDAMERICA BANK SAVINGS BANK	10
NATIONAL CITY MORTGAGE COMPANY	10
TOTAL	649

Primary Mortgage Lenders with 5-9 foreclosures in June 2008	
Lender	**# of Foreclosures**
AMERICAN MTG NETWORK (DBA AMNET MTG) (LENDER) (MERS)	9
DELTA FUNDING CORPORATION	9
GUARANTEED RATE (LENDER) (MERS)	9
HOME LOAN MORTGAGE CORPORATION (MERS)	9
HOMECOMINGS FINANCIAL NETWORK (MERS)	9
PEOPLE'S CHOICE HOME LOAN (MERS)	9
BANK SAVINGS BANK (MERS)	8
FIRST NATIONAL BANK OF ARIZONA (MERS)	8
FIRST NLC FINANCIAL SERVICES LLC (MERS)	8
AEGIS WHOLESALE CORP (MERS)	7
CREDIT SUISSE FINANCIAL CORPORATION (MERS)	7
FLEET MORTGAGE CORPORATION	7
HARRIS NATIONAL	7
AMERIQUEST MORTGAGE COMPANY	6
FIRST HOME MORTGAGE	6
HLB MORTGAGE (LENDER) (MERS)	6
METROPOLITAN BANK AND TRUST	6
TAMAYO FINANCIAL SERVICES (MERS)	5
TAYLOR BEAN AND WHITAKER MORTGAGE CORPORATION (MERS)	5
WILMINGTON FINANCE (MERS)	5
TOTAL	145

The South and West side communities continue to show the highest foreclosure filings. The impact of foreclosures is most felt in areas with the lowest median incomes[3]. (See map next page)

[3] Visit www.chicagorehab.org for the latest housing fact sheets.

Foreclosures by Zipcode		
	60601	1
	60603	1
	60605	1
	60635	1
	60604	2
	60607	2
	60633	2
	60803	2
	60804	2
	60827	2
	60614	3
0-10	60657	5
	60611	6
	60613	7
	60615	8
	60626	8
	60631	8
	60646	8
	60659	8
	60610	9
	60655	9
	60656	9
	60616	11
	60622	11
	60612	12
	60640	12
	60649	12
	60707	14
	60608	15
	60645	16
11-30	60625	19
	60653	20
	60644	21
	60660	21
	60638	23
	60618	25
	60624	27
	60652	28
	60630	29
	60637	29
	60647	31
	60641	34
	60623	38
	60620	40
31-49	60632	43
	60609	44
	60651	44
	60634	45
	60643	49
	60621	51
	60617	52
	60619	53
50+	60639	62
	60636	63
	60629	74
	60628	93



Of the foreclosures in June with disclosed property classifications[4], 640 properties were classified as single family or individually-owned townhomes or rowhouses and 439 were small multifamily or mixed-use buildings with two to six apartment units. There were 9 properties classified as larger multifamily rental or mixed-use rental buildings with seven or more units, and 124 condominium units. There were 53 properties classified as vacant land.

The distribution of foreclosures by specific property type and by zipcode is as follows:

Single Family Residential - Excludes Condos			
Zipcode	# of Properties	Zipcode	# of Properties
60628	59	60624	7
60629	50	60644	7
60643	40	60647	7
60636	36	60655	7
60619	35	60707	7
60634	35	60646	6
60617	32	60631	5
60620	31	60653	5
60639	29	60659	4
60652	25	60660	4
60641	21	60612	3
60651	21	60626	3
60621	20	60656	3
60638	20	60633	2
60632	19	60640	2
60630	16	60803	2
60645	11	60827	2
60637	10	60601	1
60609	9	60607	1
60625	9	60610	1
60618	8	60616	1
60649	8	60622	1
60608	7	60804	1
60623	7		

Apartments, 2-6 units			
Zipcode	# of Properties	Zipcode	# of Properties
60639	33	60625	7
60623	30	60634	7
60621	29	60612	6
60609	26	60653	5
60628	23	60643	4
60636	23	60707	4
60651	23	60640	3
60629	22	60649	3
60647	22	60659	3
60632	21	60613	2
60624	19	60615	2
60617	16	60646	2
60618	16	60657	2
60619	12	60660	2
60644	12	60610	1
60641	11	60614	1
60630	10	60616	1
60620	9	60626	1
60622	8	60638	1
60637	8	60645	1
60608	7	60652	1

[4] Property types are based on the Cook County Assessor's Office classification system.

Residential Condominiums	
Zipcode	**# of Properties**
60660	15
60637	9
60616	8
60610	7
60653	7
60611	6
60615	6
60640	6
60656	6
60613	5
60626	4
60645	4
60625	3
60630	3
60631	3
60634	3
60657	3
60707	3
60604	2
60614	2
60643	2
60652	2
60603	1
60605	1
60607	1
60612	1
60617	1
60618	1
60622	1
60629	1
60635	1
60638	1
60647	1
60649	1
60655	1
60804	1
60659	1

Vacant Land or with Minor Improvements	
Zipcode	**# of Properties**
60628	11
60609	9
60619	6
60617	3
60632	3
60636	3
60643	3
60653	3
60612	2
60621	2
60616	1
60623	1
60624	1
60637	1
60638	1
60641	1
60647	1
60655	1

Large Apartment, 7 or more units	
Zipcode	**# of Properties**
60644	2
60640	1
60637	1
60622	1
60641	1
60636	1
60629	1
60608	1

There were 364 properties not occupied by the taxpayer as a principal residence[5] or 29 percent of foreclosure filings. These properties were likely purchased as investment properties or are renter-occupied. Again, non-owner-occupied properties were concentrated in certain parts of the city more than others with the highest concentration in the South side communities. Nearly two-thirds of these properties were purchased since 2000 (243) and 19 percent or 70 properties were purchased since 2007.

The majority of these properties—152 in total—were small apartments with 2-6 units, representing anywhere between 304 to 912 housing units. There were 138 properties classified as single family residential or individually owned townhomes or rowhouses, 31 are condominiums, and 8 are large apartments, those with 7 or more units.

Forty-three percent of the properties (157) have primary mortgages with an adjustable rate and about 45 percent (163) have fixed rate mortgages. Lenders who held primary mortgages for 5 or more non-owner occupied properties accounted for 149 of these properties and are listed below.

Non-owner-Occupied Properties by Zip Codes			
60628	44	**60640**	4
60621	29	**60652**	4
60636	26	**60630**	3
60619	21	**60638**	3
60609	15	**60641**	3
60623	15	**60657**	3
60624	15	**60660**	3
60629	15	**60611**	2
60632	14	**60612**	2
60651	14	**60615**	2
60617	13	**60616**	2
60637	13	**60626**	2
60643	10	**60649**	2
60644	10	**60603**	1
60620	9	**60604**	1
60653	9	**60613**	1
60618	8	**60614**	1
60647	8	**60635**	1
60639	6	**60645**	1
60622	5	**60655**	1
60625	5	**60656**	1
60634	5	**60659**	1
60608	4	**60707**	1
60610	4	**60804**	1

Primary Mortgage Lenders with 5 or more Foreclosed Non-Owner Occupied Properties	
JPMORGAN CHASE BANK NATIONAL	16
WASHINGTON MUTUAL BANK	15
COUNTRYWIDE HOME LOANS DBA AMERICA'S WHOLESALE LENDER	13
ARGENT MORTGAGE COMPANY LLC	11
FIRST MAGNUS FINANCIAL CORPORATION	11
WELLS FARGO BANK NATIONAL	11
AMERICA'S WHOLESALE LENDER	10
NEW CENTURY MORTGAGE CORPORATION	10
EQUIFIRST CORPORATION	8
BNC MORTGAGE	7
CITIFINANCIAL SERVICES INC/CITIMORTGAGE INC	7
FIRST FRANKLIN (DIVISION OF NAT CITY BANK (MERS)	7
INDYMAC BANK F.S.B.	7
OPTION ONE MORTGAGE CORPORATION	6
FIELDSTONE MORTGAGE COMPANY	5
MIDAMERICA BANK SAVINGS BANK	5
TOTAL	149

[5] Taxpayer addresses and property addresses were compared to reach this number.

Appendix A:
Number of Foreclosures by Order of Zip Code

60601	1	**60632**	43
60603	1	**60633**	2
60604	2	**60634**	45
60605	1	**60635**	1
60607	2	**60636**	63
60608	15	**60637**	29
60609	44	**60638**	23
60610	9	**60639**	62
60611	6	**60640**	12
60612	12	**60641**	34
60613	7	**60643**	49
60614	3	**60644**	21
60615	8	**60645**	16
60616	11	**60646**	8
60617	52	**60647**	31
60618	25	**60649**	12
60619	53	**60651**	44
60620	40	**60652**	28
60621	51	**60653**	20
60622	11	**60655**	9
60623	38	**60656**	9
60624	27	**60657**	5
60625	19	**60659**	8
60626	8	**60660**	21
60628	93	**60707**	14
60629	74	**60803**	2
60630	29	**60804**	2
60631	8	**60827**	2

POLICIES FOR AN AFFORDABLE CITY - 2008

The Chicago Rehab Network's Policy Platform calls for recognizing affordable housing as a fundamental engine and priority for Chicago's economic growth. For our city to maintain a strong and sustainable environment for its families, affordable housing must be placed on equal footing with city projects as prominent as airport expansion, the Olympic bid, or the development of Millennium Park. Creation and preservation of affordable housing creates jobs, purchases materials, and produces renters and owners who have enough income to spend on other critical life needs. Whether a households shops at Aldi or Whole Foods, the City reaps economic benefits.

PRESERVE NEIGHBORHOODS

City policies should be adopted to ensure that affordable rental units are not lost. While the state and federal government must also play a role, the City must take the first step to institutionalize processes that preserve its dwindling stock for current and future Chicagoans. Preserving what we have demands City leaders make determined and proactive policy choices.

Recommendations

- Create **allocation priorities** to assure that resources are awarded to projects with the longest proposed affordability. Many states and localities award resources and require affordability periods in excess of 30 years.
- Place the preservation of affordable housing as first priority for taking advantage of opportunities in the new **Green Sector** and other incentives offered by the City.
- Halt the loss of family-size (2+ bedroom) rental units by dedicating poli**cies and resources towards re-growing the stock of family-size apartments** in the City's housing program allocations. Over 50% of all units produced by the City's Low Income Housing Tax Credits (LIHTC) between 2000 and 2007 were 1-bedroom units.
- Invoke a **moratorium on condo conversions** until an effective tracking policy can be developed to analyze and effectively mitigate what the loss of the rental unit(s) will mean to the local community. The US Housing Market Conditions report published in November 2007 found that 16,000 rental units have been lost to conversion in the last 3 years in Chicago. A policy that continues to avoid regulating this development will result in further loss of family rental housing in Chicago.
- **Inventory publicly owned land and bank appropriate parcels** for affordable housing in the Chicago Community Land Trust, prioritizing parcels in gentrifying communities. The development of the USX site in South Chicago, for example, should include planning for affordable housing based on the needs of existing local residents as a priority. Further the Land Trust should expand into rental housing where appropriate.
- Ensure the application of **mixed income developments that consider neighborhood context** and prioritize the needs of the local place-based housing market. The planned

demolition of Lathrop Homes for redevelopment as mixed-income, for instance, is a misapplication that ignores local context. A full review of the lease/sales status of mixed finance properties should be conducted to determine the effectiveness of that approach.

- Utilize **place-based development frameworks** which uncover neighborhood housing needs through community development corporations, community groups, and other local leaders. Resist utilization and creation of boutique-type programs which have the result of stimulating niche housing developers and cloud demand for housing resources. The core consideration in this place-based framework is consideration of existing needs and assets in a community.

EXPAND LEADERSHIP

City leaders should create new processes of civic engagement and community involvement to hear and dialogue on community needs. Fear of "NIMBYism" has stifled creativity and leadership. Misunderstandings exist which separate market definitions from affordable definitions. Finally, we call for leadership targeted towards city decision makers about affordability – what it means in different neighborhoods, how incomes relate to housing costs, and how affordability strengthens the city.

Recommendations

- Plans to **create and dispose of city assets** must include **impact studies on affordable housing and the community**. Reuse of city controlled assets – like the many public schools that are slated for closure – should be intentionally evaluated for use as affordable housing rather than being sold for undirected market uses.
- Create an **Affordable Housing Cost Benefit Analysis** policy which would require coordination between departments and allow for the **reduction of costs** which hamper affordable development. It would provide an analysis of costs deriving from policies/regulations and allow the City Council to consider legislation with those consequences in mind.
- **Eliminate barriers to developing family housing** when market analysis can demonstrate need. Review policies which hinder development of family rental housing.
- **Examine the New Homes for** Chicago program to review projects that work, and those that have been challenged, for instance, because sales prices are out of line with local need.
- **Improve Troubled Buildings Initiative** and preserve in the housing stock with affordability restrictions so they are available in the future and not subject to market dynamics.
- Set policy to begin acquiring and transferring **foreclosed, abandoned or near-abandoned** homes to nonprofit owners to manage and house Chicagoans. <u>This is an opportunity to expand and create housing options, such as rental housing</u>. Undirected by policy, abandoned homes negatively impact a neighborhood, lead to depressed values, and can trigger gentrification which will not benefit long-time residents. Policies to demolish these properties are shortsighted and ignore the demand for affordable housing in the city.
- Implement a constantly **updated information system that efficiently tracks and communicates**-all proposed, considered, and approved City policies. Since our 2007 Platform, significant progress has been made through the City Clerk's Office with regard to increased transparency in city policymaking. The next level would allow citizens to track progress on legislation and to engage with city decision makers as to neighborhood appropriateness and needs.

- Increase **transparency in the Departments of Planning, Zoning, Building, and Construction/Permits** to allow for better utilization of public resources, based on the reporting model exemplified by the Department of Housing.

COMMIT RESOURCES

CRN believes the City has the capacity and leadership to craft a solution for affordable housing that is proportionate to the need of its citizens. Historically, CRN has recommended increased City resource commitments via corporate resources, such as hotel taxes and dedicated portions of transaction taxes. Today, as the evidence is mounting in favor of rebuilding the stock of affordable housing, we call again for an **increased resource commitment** that would reverse the path the city is on.

Recommendations

- Utilize existing **TIF funds** for both creation and preservation of at-risk housing. A recent city ordinance pooled over $100 million over 5 years towards the rehabilitation of over 20 schools. Mirror this creativity to pool financing for affordable housing and to deepen the city's commitment.
- Reap a portion of the **benefits from sale of city assets** into the Chicago Low Income Housing Trust Fund, as was modeled through the lease of the Skyway.
- Include affordable housing development in the city's **capital program funding**. Many years ago CRN advocated that the State of Illinois consider affordable housing as infrastructure to its economic success, and that it should be eligible for capital program funding. The City of Chicago's Capital Improvement Program has five general criteria for inclusion in the Capital Program – affordable housing meets all 5 criteria and should reap the benefits of city allocations, bonds, and/or pass-thru monies from the federal government.
- **Reduce Costs** and ensure preservation of existing affordable stock by passing city policy to forego **property taxes** from nonprofit owned affordable housing. This not only benefits the long-term viability of the affordable housing asset, but secures the availability of the housing for future generations by reducing a key operating expense.
- Eliminate the contradictions in **targeting resources**. The debate has been in the realm of an existing pie of resources – that income targeting could be lowered to the city median (vs. PSMA) with fewer units resulting. A sustainable policy for an affordable city would always prioritize housing need related to existing residents in a community with affirmative efforts to protect that housing from market forces.
- **Enable the City's new Affordable Housing Preservation Ordinance** with sufficient resources to entice preservation purchasers to renew and preserve these properties as affordable rental housing.