

Department of Housing
2004-2008 Affordable Housing Plan
Progress Report –2004

Analysis by Chicago Rehab Network



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

MF/SF	0-15%	16-30%	31-50%	51-60%	61-80%	81-100%	101+%	Total
Multi-Family	2,261	1,355	2,377	781	186	66	216	7,242
Single Family	2	10	50	122	319	505	173	1,193
Home Improvement	207	764	955	200	303	200	55	2,685
MF New Units	184	304	549	666	142	66	216	2,127

Multi-Family Production:

DOH reports assisting over 7,000 multi-family housing units in 2004 (minus multiple benefits). However just over 2,127 of these units actually represent new units created/added to the housing inventory through the city's new construction or rehab programs. The remainder were existing units that either received stabilization assistance (2,500 units) or heat receivership (500 units), or were made affordable for one year through the city's LIHTF rental assistance program (2,000 units). During 2004, 216 rental units were produced for households earning over 100% of the median income at the Park at Central Station. CRN is unclear how this meets the production goals stated in the *Build, Preserve, Lead* plan.

Single Family Production

Single family programs fell short, however, particularly in the categories of homeownership assistance (61% of production goal) and abandoned property transfer programs (10%). Single family rehab and new construction reached nearly 300% of its production goal however, and single family preservation was at 134%. Since the city has apparently resolved earlier problems in using bond financing for multi-family projects, and since it is already exceeding its single family new construction goals, it is probably still a good idea to consider reallocating underperforming City Mortgage Program funds to multi-family production.

Overall, DOH reports to have reached 101% of its unit production goal using 99% of its resource goal. The table attached details how programs performed individually, and by program type. Though the performance of individual multi-family programs varied, the city exceeded its goals in all but one category of multi-family production (safety/code enforcement was at 84% of its goal at year end, but multi-family rehab/new construction was at 145%, multi-family building stabilization was at 123%).

Policy:

We are pleased to be working closely with both the City and the Illinois Housing Development Authority with regards to the renewal of the Donations Tax Credit legislation. This program has supported the creation of over 6,200 units statewide, half serving low income families. It will be voted on in the Illinois House Revenue Subcommittee this coming Friday. The leadership by the

Mayor and the Department of Housing on the Rental Subsidy Bill has also been strong and encouraging.

This week Cook County Assessor Houlihan released his 2005 Policy Agenda which is focused on creating fairness in taxation with a particular emphasis on securing long-term affordability for both homeowners and renters. We are pleased that City Council members are working closely with the County to ensure that all affordable housing investments made with public resources benefit from these proposed tax policies. This may entail refining and/or amending administrative rules on many Department of Housing programs.

We would like to comment briefly on three newer programs at the Department of Housing. CPAN and the Mayoral Affordable Requirements Ordinance have produced 440 new affordable units during 2004. Both programs require close evaluation regarding the unintended consequences of increased property taxes, as well as the programmatic requirements for long term affordability.

It is unclear how the CPAN write-down is calculated as it pertains to the homebuyer's obligations. In one project reported in the 2nd quarter, the per unit write-down exceeded \$390,000 per unit. While the initial homebuyer may not be hampered by that \$390,000 lien, future sale of that unit will not likely be in the affordable buyer category.

Clarity on the administrative and programmatic policies of these two programs, as well as the Troubled Building Initiative, will shed light on the effectiveness of these programs and positive long-term impacts. For instance, how can community groups utilize the TBI to assist building owners who require assistance in upgrading their properties? How are new owners solicited and are preferences given to local owners?

Regarding the Inclusionary Zoning ordinance currently under consideration by this committee, we believe it is worth noting that, according to BPI's analysis, the 2,127 rental units created during 2004 equal units that would have been created annually if a 20% set-aside had been in place between 1998-2003. Under a 15% ordinance, the number would have dropped to an average of 1,500 new units created per year. In other words, a set-aside could match the number of units created by rental assistance, and more importantly, double the city's support of actual new units of rental housing.

The report also states that fully half its annual allocation of HOME and LIHTC funds have been committed to the CHA Plan for Transformation - which itself will result in a net loss of public housing units in an effort to create mixed income communities. The set-aside is not just a new resource for new unit creation, but a built in mechanism for creating mixed income communities.

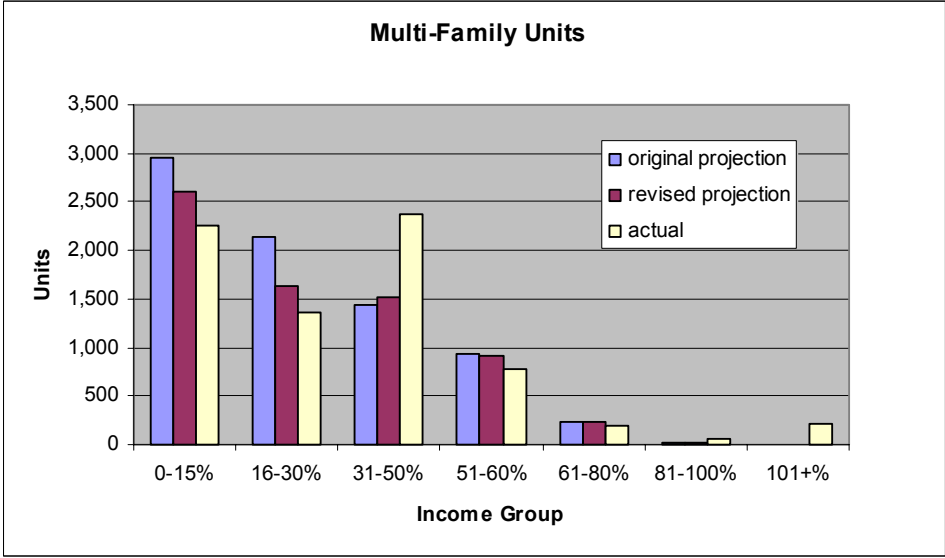
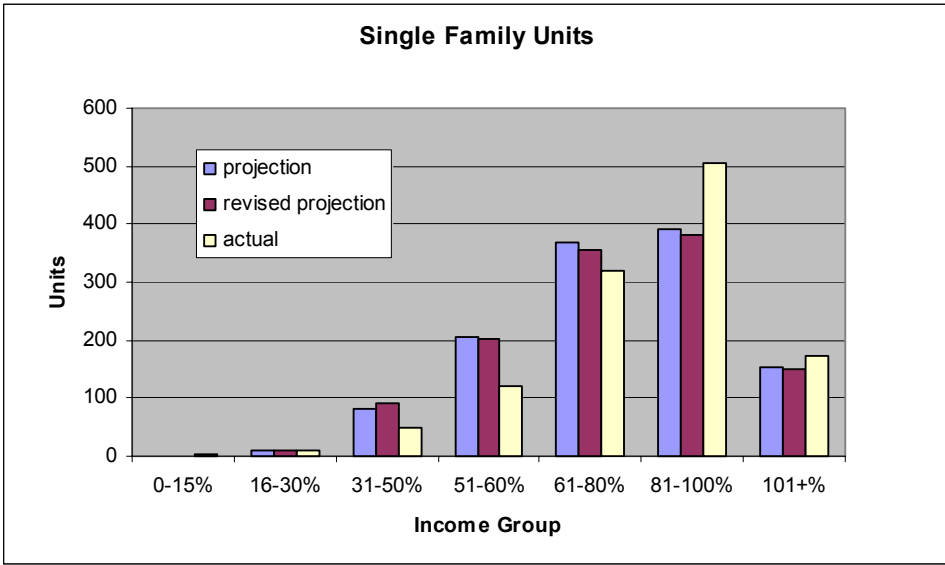
Total units: projected vs. actual during 2004

	Projected Units	Actual Total Units	% Goal
MF			
building stabilization			
CIC/CDFI Funding	131	60	45.8%
HUD Mark to Market	400	865	216.3%
HUD Mark up to Market/Class S		0	
Property Stabilization Fund	185	0	0.0%
SRO Refi Rehab	200	52	26.0%
TIF-NIP (MF)	310	88	28.4%
Troubled Buildings Initiative (MF)	800	1,431	178.9%
sub-total: building stabilization	2,026	2,496	123.2%
multi-benefits			
Multiple Benefits (MF)	-2,894	-5,016	173.3%
sub-total: multi-benefits	-2,894	-5,016	173.3%
rehab/new construction mf			
Affordable Rents for Chicago	66	66	100.0%
Affordable Requirements Ordinance (MF)	0	181	
CHA Non-Leaseholder Initiative	137	74	54.0%
City Fee Waivers (MF)		1,474	
City Land (MF)	0	147	
EDI Special Purpose Grant	29	29	100.0%
Illinois Affordable Housing Tax Credit	750	386	51.5%
MF Loans - All Sources	745	896	120.3%
MF Mortgage Revenue Bonds	1,088	880	80.9%
Tax Credit Equity	1,423	1,584	111.3%
TIF Subsidies	267	809	303.0%
sub-total: rehab/new construction mf	4,505	6,526	144.9%
rental assistance			
LIHTF Rental Subsidy	2,000	2,039	102.0%
sub-total: rental assistance	2,000	2,039	102.0%
safety/code enforcement			
Heat Receivership	695	580	83.5%
sub-total: safety/code enforcement	695	580	83.5%
site enhancement			
Site Improvements (MF)	700	617	88.1%
sub-total: site enhancement	700	617	88.1%
sub-total: MF	7,032	7,242	103.0%

	Projected Units	Actual Total Units	% Goal
SF			
Abandoned property transfer			
Asset Control Area	20	0	0.0%
HUD Homes/PCT	50	17	34.0%
Troubled Buildings Initiative (SF)	100	0	0.0%
sub-total: abandoned property transfer	170	17	10.0%
homeownership assistance			
City Mortgage Program	625	147	23.5%
Home Options		101	
Home Purchase Assistance	99	12	12.1%
Home Purchase Assistance EZ/EC	0	12	
NLP Homeownership Preservation Loans	115	64	55.7%
NLP Purchase	205	277	135.1%
Police Homebuyer Assistance	60	63	105.0%
sub-total: homeownership assistance	1,104	676	61.2%
Multi-benefits			
Multiple Benefits (Pres)	-211	-537	254.5%
Multiple Benefits (SF)	-507	-1,083	213.6%
sub-total: multi-benefits	-718	-1,620	225.6%
Rehab/new construction sf			
Affordable Requirements Ordinance (SF)	0	98	
City Fee Waivers (SF)		583	
City Land (SF)	214	313	146.3%
CPAN	100	161	161.0%
HomeStart Program		109	
New Homes for Chicago	190	229	120.5%
sub-total: rehab/new construction sf	504	1,493	296.2%
sf preservation			
Bungalow Initiative	420	1,066	253.8%
EHAP	950	1,061	111.7%
EZ SF Preservation - Façade	0	55	
Façade Improvements - City Blocks	72	151	209.7%
H-Rail	657	587	89.3%
NLP Home Improvement	280	149	53.2%
Rehab Tax Credit - Bungalow	30	4	13.3%
TIF-NIP (SF)		149	
sub-total: sf preservation	2,409	3,222	133.7%
site enhancement			
Site Improvements (SF)	0	97	
sub-total: site enhancement	0	97	
sub-total: SF	3,469	3,885	112.0%

Original Projections vs. Revised Projections vs. Actual Production

		Build Preserve Lead	Projections in Plan	Actual Production
MF	0-15%	2,954	2,597	2,261
	16-30%	2,141	1,641	1,355
	31-50%	1,448	1,507	2,377
	51-60%	942	922	781
	61-80%	224	224	186
	81- 100%	20	20	66
	101+%	6	5	216
	Total:	7,735	6,916	7,242
		Build Preserve Lead	Projections in Plan	Actual Production
SF	0-15%	0	0	2
	16-30%	10	11	10
	31-50%	81	90	50
	51-60%	207	203	122
	61-80%	368	355	319
	81- 100%	390	380	505
	101+%	153	150	173
	Total:	1,209	1,189	t



Troubled Building Initiative 2004 Production

