



CRN Comments of the 2021 Housing Report, 1st & 2nd Qtrs

One Chicago: Five-Year Housing Plan, 2019-2023
Presented September 7, 2021 to the Chicago City Council
Committee on Housing & Real Estate

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Introduction

Thank you, Chairman Osterman and Committee On Housing and Real Estate members and city leadership for this opportunity to comment on the First and Second quarterly reports by the Department of Housing. Our comments on report specifics are in process due to timing of release. However, we have provided tables of pertinent info in the following tables.

We recognize the Department's efforts and capabilities to respond to the COVID 19 pandemic by creating new programs like ERAP and its success in utilizing CARES act funding which has served thousands of Chicago residents. The reports also note important policy work to prevent displacement in gentrifying areas of the city in Pilsen and the Humboldt Park. Focused on outcomes with intentionality about racial equity and community wealth building is a significant accomplishment for Commissioner Novara and her team.

As we approach a new round of budget hearings, we request this Committee's diligence to increase Corporate Funding for DOH to expand their capacity to do more. Preliminary budget forecast does not reflect any increase in that vital funding area which is needed for the city to continue its leadership in affordable housing.

On a related matter the city will receive approximately \$1.8 Billion in Local Fiscal Relief Funds and will be planning for its utilization across a broad area of allowable uses. Again, there exists multiple ways that this federal money from Treasury can bolster affordable housing and community development activities. We call upon this Committee to advocate for fiscal relief funds to go towards Community Development purposes and relief for nonprofits who have been first line responders throughout the pandemic. This should include relief for property tax bills which restrain community development corporations from growth and expansion of housing stability initiatives.



Our call for expanding housing options through development and preservation of shared ownership models and solutions for funding the appraisal gap in black and brown communities should be prioritized as systems-changing investments which will provide a level of repair and redress for historical systemic racism in Chicago. We have attached an overview that documents the allocations of State and Local Fiscal Relief funds across the state as well.

Finally, we hope to work with you and the department to understand during the next quarter the applications submitted for LIHTCs and projects approved, including the industry-wide cost increases since construction materials price spikes last year.

Quarterly Housing Activities

Since 1994, the Chicago Rehab Network has analyzed the City of Chicago Department of Housing's (previously the 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.

Key Data: Resources, Units, Income Levels

Sources of Net-New Units as of 2021-Q2

Quarter	Source of Units	Units
Q1	ARO Rental Units Covenanted	104
<i>Subtotal Q1</i>		<i>104</i>
Q2	ARO Rental Units Covenanted	25
Q2	Metropolitan Apartments	50
<i>Subtotal Q2</i>		<i>75</i>
Total Net-New Units 2021-Q2		179



Incomes Served by Net-New Rental Units as of 2021-Q2

		Net-New Rental Units	Share of Total Units Produced Per Income Bracket
Income of tenants served	0-15% AMI	-	-
	16-30% AMI	16	9%
	31-50% AMI	-	-
	51-60% AMI	120	67%
	61-80% AMI	-	-
	81-100% AMI	35	20%
	101+% AMI	8	4%
2021-Q2 Net-New Units Committed		179	
Total Net-New Units Projected by Year End		1,702	

Creation & Preservation Housing Dollar Commitments Compared with Annual Goal as of 2021-Q2

	Rental Investments	Ownership Investments	Improvement /Preservation Investments	Total Investments
2021 YTD, Q2	\$16,720,358	\$6,372,223	\$5,157,647	\$28,250,228
2021 Anticipated	\$216,840,000	\$16,795,000	\$19,084,566	\$252,719,566
Percent of Goal Met, 2021-Q2	7.7%	37.9%	27%	11.2%

Note: Does not include rental assistance



Net-New Housing Unit Commitments in Comparison with Annual Goal as of 2021-Q2

	Total Units Planned for 2021	Units Committed 2021 YTD, Q2
Total Rental Units	2,952	860
<i>Less Heat Receivership Units</i>	<i>500</i>	<i>183</i>
<i>Less MF Troubled Building Initiative Units</i>	<i>750</i>	<i>498</i>
Net New Rental Units	1,702	179

Rental Assistance Compared with Annual Goal as of 2021-Q2

	Funds	Units Served
2021 YTD, Q2	\$11,048,239	3,013
2021 Total Anticipated	\$129,216,107	21,690
Percent of Goal Met	8.6%	13.9%

Creation & Preservation Housing Unit Commitments Compared with Annual Goal as of 2021-Q2

	Rental Units	Ownership Units	Improvement /Preservation Units	Total Units
2021 YTD, Q2	860	219	713	1,792
Total Units Projected by Year End	2,952	400	2,435	5,787
Percent of Goal Met, 2021 YTD	29.1%	54.8%	29.3%	31%

Note: Does not include rental assistance



Coronavirus State and Local Fiscal Recovery Funds (SLFRF)

[State of Illinois](#) \$8,127,679,948.70
 Illinois for
 NonEntitlement Units 742,179,391.00

Metropolitan Areas	
Alton City	\$21,639,201.00
Arlington Heights	\$6,772,596.00
Aurora	\$35,221,280.00
Belleville	\$15,792,501.00
Berwyn	\$31,943,759.00
Bloomington	\$13,386,924.00
Bolingbrook	\$9,140,140.00
Carbondale city	\$7,858,667.00
Champaign	\$25,277,693.00
Chicago	\$1,886,591,388.00
Chicago Heights	\$13,654,940.00
Cicero	\$42,882,464.00
Danville	\$24,704,857.00
Decatur	\$33,822,135.00
Dekalb	\$10,422,954.00
Des Plaines	\$7,787,945.00
Downers Grove	\$4,916,120.00
East St Louis	\$36,379,844.00
Elgin	\$19,501,332.00
Evanston	\$43,173,654.00
Granite City	\$16,872,443.00
Hoffman Estates	\$5,634,310.00
Joliet	\$22,207,675.00
Kankakee	\$15,052,449.00
Marion city	\$3,468,236.00
Moline	\$20,783,977.00
Mount Prospect	\$7,027,870.00
Naperville	\$13,308,689.00
Normal	\$10,879,113.00
North Chicago	\$6,271,106.00
Oak Lawn	\$7,750,640.00
Oak Park	\$38,984,402.00
Orland Park village	\$5,004,738.00
Palatine Village	\$12,012,529.00
Pekin	\$11,110,631.00
Peoria	\$47,089,976.00

More Il Counties	
Cumberland County	\$2,091,169.00
De Witt County	\$3,037,498.00
DeKalb County	\$20,375,013.00
Douglas County	\$3,780,848.00
DuPage County	\$179,266,585.00
Edgar County	\$3,333,323.00
Edwards County	\$1,242,154.00
Effingham County	\$6,605,655.00
Fayette County	\$4,144,268.00
Ford County	\$2,517,522.00
Henry County	\$9,500,777.00
Iroquois County	\$5,266,577.00
Jackson County	\$11,023,022.00
Jasper County	\$1,866,630.00
Jefferson County	\$7,319,675.00
Jersey County	\$4,229,150.00
Jo Daviess County	\$4,124,650.00
Johnson County	\$2,411,857.00
Kane County	\$103,413,041.00
McHenry County	\$59,781,491.00
McLean County	\$33,315,167.00
Menard County	\$2,368,930.00
Mercer County	\$2,998,456.00
Monroe County	\$6,727,831.00
Montgomery County	\$5,519,086.00
Morgan County	\$6,537,672.00
Moultrie County	\$2,816,649.00
Ogle County	\$9,836,809.00
Peoria County	\$34,803,420.00
Perry County	\$4,062,688.00
Piatt County	\$3,174,630.00
Pike County	\$3,022,542.00
Pope County	\$811,333.00
Pulaski County	\$1,036,261.00
Putnam County	\$1,114,733.00



CHICAGO REHAB NETWORK

Rantoul	\$8,052,698.00
Rock Island	\$26,506,259.00
Rockford	\$54,822,355.00
Schaumburg Village	\$9,873,008.00
Skokie	\$15,267,242.00
Springfield	\$33,804,013.00
Tinley Park village	\$6,226,474.00
Urbana	\$12,974,560.00
Waukegan	\$19,705,222.00
Wheaton City	\$4,909,816.00

Ill Counties

Adams County	\$12,709,982.00
Alexander County	\$1,119,007.00
Bond County	\$3,190,558.00
Boone County	\$10,400,294.00
Brown County	\$1,277,699.00
Bureau County	\$6,337,607.00
Calhoun County	\$920,495.00
Carroll County	\$2,778,579.00
Cass County	\$2,359,412.00
Champaign County	\$40,729,630.00
Christian County	\$6,274,673.00
Clark County	\$2,999,233.00
Clay County	\$2,560,837.00
Clinton County	\$7,295,978.00
Coles County	\$9,832,536.00
Cook County	\$1,000,372,385.00
Crawford County	\$3,625,846.00

[US Treasury Sample
Eligible Uses of SLFRF](#)

Randolph County	\$6,173,281.00
Richland County	\$3,013,218.00
Rock Island County	\$27,558,333.00
Saline County	\$4,562,851.00
Sangamon County	\$37,812,754.00
Schuyler County	\$1,314,605.00
Scott County	\$961,674.00
Shelby County	\$4,202,151.00
St. Clair County	\$50,440,961.00
Stark County	\$1,037,621.00
Stephenson County	\$8,643,215.00
Tazewell County	\$25,601,188.00
Union County	\$3,234,650.00
Vermilion County	\$14,715,103.00
Wabash County	\$2,237,625.00
Warren County	\$3,271,750.00
Washington County	\$2,697,387.00
Wayne County	\$3,149,574.00
White County	\$2,629,404.00
Whiteside County	\$10,717,097.00
Will County	\$134,168,730.00
Williamson County	\$12,935,687.00
Winnebago County	\$54,886,298.00
Woodford County	\$7,470,210.00

[Source](#)

As of 9/5/2021

[Ineligible Uses If SLFRF](#)



State and Local Fiscal Recovery Funds

2021 Recovery Plan Performance Report

Date: August 31, 2021

City of Chicago
2021 Recovery Plan Performance Report

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General Overview

Executive Summary

The City of Chicago is grateful for the funding allocated via the Local Fiscal Recovery Fund (“LFRF”) as well as other programs within the American Rescue Plan Act of 2021 (“ARPA”) and the opportunity to share the City’s progress in working towards an equitable recovery from the coronavirus pandemic.

The City has yet to introduce the fiscal 2022 budget and accompanying LFRF initiatives to City Council for the appropriations process and passage, which are expected to occur in the fourth quarter of 2021. Therefore, many sections of the 2021 Recovery Plan contained herein will reference that these funds have yet to be appropriated or expended. Given the landmark nature and magnitude of the ARPA and its potential to accelerate the City’s equitable recovery from the pandemic, the City considers it prudent to plan carefully for use of the funding. As the City develops plans for the LFRF funds, the City and its partners continue to execute the response to the pandemic, leveraging the Coronavirus Aid, Relief, and Economic Security Act of 2020 (“CARES”), subsequent relief packages, and other funding streams contained in ARPA.

Thus, this initial Recovery Plan report focuses on Chicago’s framework for an equitable recovery from the pandemic and associated economic hardships, including those underlying systemic economic inequalities exacerbated by the pandemic. Where appropriate, it also includes reference to existing policies and campaigns relevant to the guidance for this report and spirit of the LFRF’s purposes.

This framework includes three key pillars that will guide the City’s investments via the LFRF, as determined as part of the community engagement process: Youth & Families, Hardest-Hit Communities and Chicago’s Vitality.

Uses of Funds

The City of Chicago will provide more details about the planned use of LFRF funds after the City’s budget is approved by City Council. Approval is expected in the fourth quarter of 2021. To date, as noted, the City has outlined three high-level priorities and principles to guide a strong and equitable recovery from the COVID-19 pandemic:

- (1) Youth and Families: The City plans to leverage LFRF funds to invest in meaningful opportunities for youth and families to thrive, from the cradle to career and beyond. These investments will seek to complement existing programs, including the newly expanded child tax credit, additional child-care grants, nutrition programs and student supports such as Chicago Connected, which provides students with broadband internet access.
- (2) Hardest-Hit Communities: The City plans to invest in communities hardest hit by the health, safety, and economic impacts of the pandemic, as well as those that may not have

benefited from previous rounds of public support. This could include, for example, support for disproportionately impacted neighborhoods across the City, ongoing support to residents who cannot afford to pay for basic needs, or those experiencing homelessness.

- (3) Chicago's Vitality: The City plans to continue to make investments in essential government services and operations to meet the needs of residents, and to rebuild a stronger economy with a focus on sectors hardest hit by the pandemic.

While the specific funding items for these priorities are still being finalized, the City is concurrently developing metrics for measuring impact. The City expects these investments will drive three positive outcomes: (a) broad and inclusive recovery of the City's economy and residents' well-being; (b) improved access to opportunity for youth, families, and disproportionately impacted residents; and (c) a reduction in crime and violence.

The complete accounting for specific funding items and project-level details will be provided within 60 days of appropriation, as allowed for by U.S. Department of the Treasury guidance.

Promoting equitable outcomes

Under the leadership of Mayor Lori E. Lightfoot, the City of Chicago established an Office of Equity & Racial Justice ("OERJ") in 2019 and hired the first Chief Equity Officer. In doing so, Chicago became the largest jurisdiction to both name a Chief Equity Officer and to explicitly identify racial justice as a key focus area of the Mayor's Office.

The Mission Statement of the OERJ is as follows: *The Office of Equity and Racial Justice (OERJ) seeks to advance institutional change that results in an equitable transformation of how we do business across the City of Chicago enterprise. This includes the City's service delivery, resource distribution, policy creation, and decision-making.*

The City of Chicago defines equity as both **an outcome and a process**.

As an outcome, equity results in fair and just access to opportunity and resources that provide everyone the ability to thrive. Acknowledging the present and historical inequality that persist in our society, equity is a future state we strive to create where identity and social status no longer predestine life outcomes.

As a process, equity requires a new way of doing business: one that (1) prioritizes access and opportunities for groups who have the greatest need; (2) methodically evaluates benefits and burdens produced by seemingly neutral systems and practices; and (3) engages those most impacted by the problems we seek to address as experts in their own experiences, strategists in co-creating solutions, and evaluators of success.

The City of Chicago's planned use of LFRF funds will incorporate the OERJ's framework and existing methodology, as well as new metrics developed for the purpose of an equitable economic recovery from the pandemic.

For further reference, the OERJ drafted [Chicago's Equity Statement of Principles](#), available on the City's website.

Community Engagement

As discussed in prior sections, the City of Chicago has integrated the LFRF project identification process with the 2022 budget appropriations process, including community outreach and engagement to create a holistic approach to addressing the impacts from the pandemic and addressing resident priorities.

The Mayor's Office of Community Engagement and Chicago's Office of Budget and Management engaged the University of Illinois at Chicago's Neighborhoods Initiative ("UICNI") at the Great Cities Institute to assist in designing the internal and external budget engagement activities as part of the 2022 budget engagement process. The process was designed to solicit engagement regarding the 2022 budget and deployment of LFRF.

The goal for community engagement was to capture meaningful input from residents and other city stakeholders that would result in a data-driven report that documents the process and findings from the internal and external engagement.

One of the main priorities of the 2022 budget engagement was to design a process that allows for the incorporation of useful community input and feedback into the internal processes of budget decision-making.

The first phase of the 2022 budget engagement process took place from June to July 2021 and included four internal focus groups with City of Chicago Commissioners, four meetings with citywide leaders, and six regional roundtables with community-based and neighborhood-based organizations. Meetings with citywide leaders included open dialogue with participants that asked them to identify priority programs and services for new investments and investments to improve the City of Chicago's effectiveness in the delivery of programs and services.

Regional roundtables included the far south, south, southwest, west, northwest, and north regions of the city. Participants were asked to complete a budget worksheet and specify which programs and services they would prioritize for new investment across six budget categories including public safety, arts and culture, neighborhood development, community services, infrastructure, and regulatory services. Participants were also asked to identify investments that will improve the City's effectiveness in the delivery of programs and services.

The City also hosted three focus groups in July with labor leaders, faith leaders, and members of the City's advisory and engagement equity councils. These conversations also presented the early findings of community engagement efforts to receive additional feedback.

The second phase of community engagement included three public forums that were held across the city in August 2021 on the southside, westside, and northside of Chicago. All meetings were physically accessible, provided Spanish translation services, American Sign Language interpreters, and live closed captions for the presentations.

Nearly 400 community-based organizations, labor organizations, faith leaders, equity leaders, and other city stakeholders, along with more than 260 residents, both in-person and online, participated in engagement efforts between June and August 2021.

The full community engagement report and data, as well as a report outlining how the City incorporated community engagement into the 2022 budget including LFRF, will be made available on the City's website at chicago.gov/2022budget.

Labor Practices

As noted in preceding sections of this report, the City of Chicago has yet to appropriate LFRF funds for any specific projects or proposals. Once the appropriations process is complete, the City will pursue any related infrastructure projects according to existing labor agreements and practices that make Chicago a regional leader in strong employment opportunities and worker protections.

City and state policies relevant to any forthcoming infrastructure projects include the following:

- [City of Chicago Local Hiring Ordinance](#): Chicago's Local Hiring Ordinance states that City construction projects over \$100,000 in contract value require at least 50 percent of project hours to be worked by City residents and at least 7.5 percent of project hours to be worked by Project Area residents.
- [City of Chicago Multi-Project Labor Agreement \(PLA\)](#): the prevailing PLA dictates that any City construction, demolition, rehabilitation, or renovation project over \$25,000 in contract value will adhere to all relevant, area-wide union labor agreements and collective bargaining agreements.
- [State of Illinois Prevailing Wage Act](#): Requires contractor and subcontractor to pay laborers, workers, and mechanics employed on public works projects, no less than the general prevailing rate of wages (consisting of hourly cash wages plus fringe benefits) for work of similar character in the locality where the work is performed.

The net effect of the above-mentioned city and state prevailing labor practices is to ensure that Chicago's infrastructure projects maximize their collective local impact by promoting strong employment opportunities for city workers. Note that federal regulations take precedence over city and state policies, which will only be applied to federal contracts as allowable.

The City is dedicated to fostering a new generation of construction workers that is homegrown and diverse, and that City spending is creating sustainable wealth building opportunities for historically disadvantaged residents. In order to do this, the City is continuing to work with key unions, contractors, training organizations, philanthropic organizations and communities to build a comprehensive pipeline to employment that grows union membership and opens doors for historically disadvantaged people including those facing barriers to union participation and employment. The City is planning to participate in upcoming convenings around this specific topic that can inform the City of Chicago's execution of any forthcoming infrastructure investments funded by the ARPA and LFRF.

Use of Evidence

Each proposed intervention funded by LFRF expenditures will consider evidence and data to both establish the need and further develop funded programs. As part of the proposal consideration process, assessments of impact based on available research and strategies from existing planning documents will be brought forward. Proposals will also consider stakeholder engagement and priorities.

Once the appropriation of funds is finalized and execution of projects commences, the City will periodically review the impact of each project through assessment of performance against expected outcomes and through discussion with elected officials, community stakeholders, City staff and relevant experts. Through these ongoing performance assessments, the City will foster a culture of continuous learning and improvement.

Table of Expenses by Expenditure Category

The City of Chicago has yet to present the 2022 budget and accompanying LFRF initiatives to City Council for the appropriations process and passage, which are expected to occur in the fourth quarter of 2021. Therefore, no funds have been expended to date. The City of Chicago will populate the Table of Expenses by Expenditure Category after funds have been appropriated, as indicated in the U.S. Department of the Treasury Portal Recipient Reporting User Guide.

Project Inventory

The City of Chicago has yet to present the 2022 budget and accompanying LFRF initiatives to City Council for the appropriations process and passage, which are expected to occur in the fourth quarter of 2021. Therefore, no funds have been expended to date. The City of Chicago will populate the Project Inventory after funds have been appropriated, as indicated in the U.S. Department of the Treasury Portal Recipient Reporting User Guide.



Community Development and Empowerment Series 2021-2022

Community Building | September

Instructor: Joy Aruguete, Chief Executive Officer, Bickerdike Redevelopment Corporation

The first in the series, this workshop will present the community assets perspective as a model for community planning. Through looking at strategies employed by community-based development organizations, we will discuss the elements beyond bricks and mortar that community building requires. *The class will be broken into three days: Friday September 24 1pm-4pm, Wednesday September 29 1pm-4pm, Thursday September 30 8:30am-4pm (in-person field visit)*

Finance Skills for Real Estate | October

Instructor: Maurice Williams, Vice President of Economic Development, Chicago Community Loan Fund

Technology can enhance your organization's ability to operate efficiently in today's challenging market. Learn housing finance concepts, how to compute financial calculations on the HP-12c, and how to use spreadsheets to create development proformas. *The class will be broken into four days: Friday October 1 9am-12pm, Friday October 8 9am-12pm, Friday October 15 9am-12pm, Friday October 22 9am-12pm*

Proforma Development | November

Instructor: Maurice Williams, SVP at Chicago Community Loan Fund

Understanding principles of real estate development and finance is critical to maintaining the long-term affordability of your project. In this session, learn to create development proformas, income and expense statements, and cash flow analyses. Emphasis will be placed on structuring projects with tax credits, grant funding, and public funds. *The class will be broken into four days: Friday October 29 9am-12pm, Friday November 5 12pm-3pm, Friday November 12 9am-12pm, Friday November 19 9am-12pm*

Sources of Development Financing | December

Instructor: Yittayih Zelalem, Co-Director and Research Assistant Professor, Nathalie P. Voorhees Center for Neighborhood and Community Improvement

Developing affordable housing is a challenging process that requires the layering of financing to achieve the goal of affordability. This workshop will familiarize participants with the mechanics of securing development capital, debt and equity financing, grants and subsidies. *The class will be broken into two days: Tuesday December 7 9am-12pm, 1-4pm, Thursday December 9 9am-12pm, 1-4pm*

Single Family Housing Development | January

Instructors: Teresa Prim, President, Prim Lawrence Group; Linda Greene, Director, Neighborhood Housing Services Redevelopment Corporation

The process of developing single family housing will be discussed both in terms of the technical skills involved, and in terms of maximizing production to meet community needs. Assembling the development team, acquiring property, securing financing, and marketing will be examined in detail. *The class will be broken into four days: Wednesday January 19 2pm-5pm, Friday January 21 2pm-5pm, Wednesday January 26 2pm-5pm, Friday January 28 2pm-4:30pm*

Multifamily Housing Development | February

Instructors: Teresa Prim, President, Prim Lawrence Group; Linda Greene, Director, Neighborhood Housing Services Redevelopment Corporation

Multifamily housing development will be discussed as one tool for creating community-based affordable housing. The development process, acquisition, sources of financing, development team, and legal issues will all be discussed. *The class will be broken into four days: Wednesday February 16 2pm-5pm, Friday February 18 2pm-5pm, Wednesday February 24 2pm-5pm, Friday February 26 2pm-4:30pm*

Project and Construction Management | March

Instructor: Angela Hurlock, Executive Director, Claretian Associates

Creating quality affordable housing requires knowledge of construction that includes knowing how to choose a project team, how to manage contracts, and how to closeout the project. *Dates TBD*

Property and Asset Management | April

Instructor: Eleazar Vazquez, Property Supervisor, Hispanic Housing Development Corporation

This course will review the key aspects of the property management of subsidized housing. Focus will be given to marketing and lease up, accounting, asset management, fair housing laws, maintenance, capital improvements, and resident services. *Dates TBD*