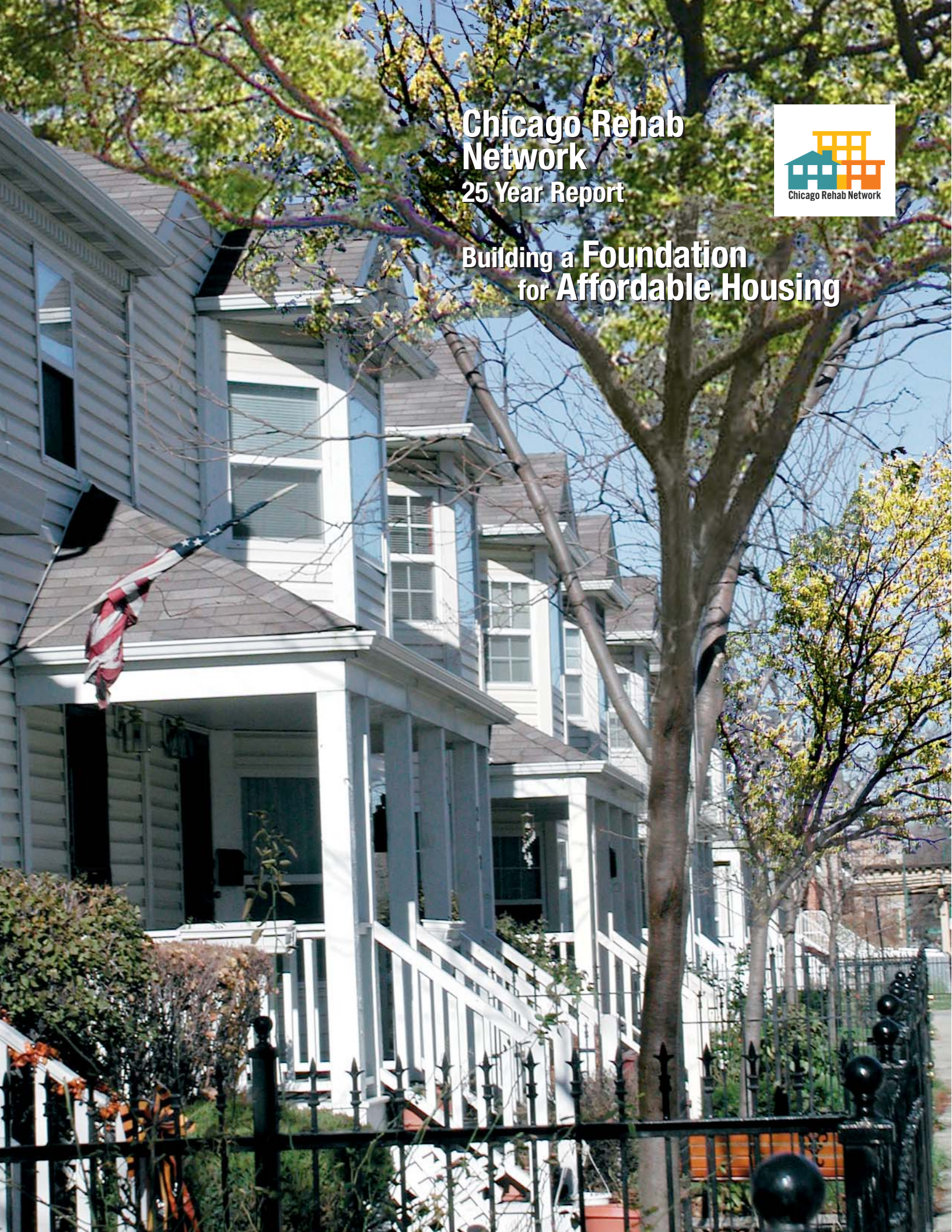


**Chicago Rehab
Network
25 Year Report**



**Building a Foundation
for Affordable Housing**



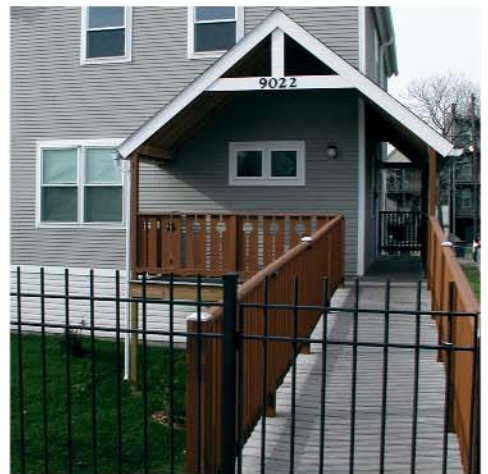


The premise is basic and self-evident ...



Housing is a **foundation** upon which strong communities are built.

Communities need decent, **affordable** housing for all of their residents.





**Not-for-profit,
community-based
developers build
that foundation**

these are our members >



LETTER FROM THE NETWORK

Access Living
ACORN Housing Corporation
Agency Metropolitan Program Services
Ambassadors For Christ CDC
Antioch Foundation
Bethel New Life
Bickerdike Redevelopment Corporation
Brighton Park Neighborhood Council
Center for Neighborhood Technology
Central City Housing Ventures
Chicago Better Housing Association
Chicago Coalition for the Homeless
Chicago Mutual Housing Network
Chicago Roseland Coalition for Community Control
Circle Christian Development Corporation
Claretian Associates
Community Renewal Society
Deborah's Place
Eighteenth Street Development Corporation
FORUM
Genesis Housing Development Corporation
Heartland Housing, Inc.
Hispanic Housing Development Corporation
Housing Resource Center
Interfaith Organizing Project of Greater Chicagoland
Jewish Council on Urban Affairs
Kenwood Oakland Community Organization
Lakefront Supportive Housing
Lakeview Action Coalition
Latin United Community Housing Association
Latinos United
Lawndale Christian Development Corporation
Logan Square Neighborhood Association
Metropolitan Housing Development Corporation
Northwest Austin Council
OK Share
Organization of the NorthEast
Peoples Reinvestment and Development Effort
The Renaissance Collaborative
The Resurrection Project
Roseland Christian Homes Corporation
Voice of the People
Woodlawn East Community and Neighbors

The Chicago Rehab Network is celebrating more than 25 years of leadership in the community development field—and looking to the future.

There are so many people who have been instrumental in bringing the field to where it is today. What started as a handful of groundbreaking organizing efforts has evolved into development of economic assets and bloomed into a diverse array of community development corporations and advocates striving to improve community life for individuals and families.

What now exists is a vibrant and mature community development field that continues to be creative and entrepreneurial in its strategies for economic and social empowerment.

One of the benefits of our longevity is that we can take time to reflect and evaluate where we have been and where we are going. Over the next year, CRN will be engaging in its next strategic planning process to lay out our work for the next several years. What will remain is our constant and unwavering belief that affordable housing is central to the fabric of the larger community and a necessary component of strong and healthy families and individuals. This has been our focus over the last several years—working to create a climate shift towards valuing affordability.

Challenges remain—to garner sufficient resources for growing housing needs, to grow the political and public will and to craft creative solutions to create and preserve affordable housing in all neighborhoods.

We remain confident, however, that when we gather together and renew our commitment to strong neighborhoods, we can make significant strides.

Here's to the next 25 years!

Kevin F. Jackson
CRN Executive Director

Patricia Abrams
CRN Board President

CRN BOARD

PATRICIA ABRAMS
President,
The Renaissance
Collaborative

ANDREW GEER
Vice President,
Heartland Housing

MATTIE BUTLER
Secretary,
Woodlawn East Community
and Neighbors

GUACOLDA REYES
Treasurer,
The Resurrection Project

JOY ARUGUETE
Bickerdike Redevelopment
Corporation


DONNIE BROWN
Genesis Housing
Development

REV. GEORGE DANIELS
Interfaith Organizing Project

STEVEN MCCULLOUGH
Bethel New Life

MARTIN SHALLOO
Acorn Housing Corporation

ANGELA VICK
Claretian Associates



**“You have to have somewhere
you can call home. If you don’t
have housing that is affordable,
you don’t have community.”**

PATRICIA ABRAMS RENAISSANCE COLLABORATIVE

CHICAGO REHAB NETWORK AT 25 BUILDING A FOUNDATION FOR AFFORDABLE HOUSING

In 1977, a small, informal group of community-based not-for-profit housing developers and advocates in Chicago came together at Erie Neighborhood House in Chicago's West Town community to share information and expertise about how to best serve city neighborhoods. Their goal was to revitalize city neighborhoods through the development and rehabilitation of housing.

That informal group became the Chicago Rehab Network, a diverse coalition of community-based housing developers that now counts 40 housing organizations among its members and represents over 60 city neighborhoods. CRN is the oldest and largest coalition of nonprofit housing developers in the Midwest.

“The Network has been the consistent voice on affordable housing since it started,” says Patricia Abrams, Board President of CRN and executive director of The Renaissance Collaborative in Chicago's Bronzeville neighborhood. “The Network and its members understand that housing provides a foundation for people—it's tied to everything we do that forms a community.”

GETTING THE JOB DONE

CRN's members have shown over the years that they can identify the housing needs of city communities—they have the tools and know-how to develop that housing. More than twenty-five years—and 15,000 units of rehabbed housing—after those initial meetings, CRN continues to work with its members to create, preserve and advocate for affordable housing in city neighborhoods and now throughout the metropolitan Chicago area.

Over the years, CRN has helped its members through a wide range of trainings, education on specific issues and research and advocacy on affordable housing. At the same time, it is those members who provide leadership on key housing issues that stems from the most telling reality of all—the state of housing in their neighborhoods and across the region.

DEMANDING ACCOUNTABILITY

One of the organization's most important functions has been to demand accountability from government agencies that have the resources and influence to impact housing policy in Chicago and around the state. In Chicago, CRN has worked to make sure that community concerns have been reflected in the city's last three 5-year plans for affordable housing. The organization's work has also been manifest in recent years in quarterly reports completed by the city's Department of Housing that provide concrete information about the state of affordable housing in the city.

The Rehab Network's efforts have also included successfully advocating for the creation of the city's Tax Reactivation Program; helping to negotiate community reinvestment agreements with a range of Chicago banks; leading a successful effort to pass the Illinois Affordable Housing Tax Credit, and encouraging the Cook County Board of Commissioners to pass key tax relief proposals to prevent displacement of long-term residents.

CHALLENGE FOR THE FUTURE

After 25 years, CRN members remain as committed to the organization's mission as ever. What has changed during that time, though, is what people mean when they talk about affordable housing. For much of the last quarter-century, "affordable housing" referred to housing for those in poverty.

Today, the picture is very complex. The federal commitment to housing has been dramatically shrinking, so community-based housing developers have found other ways to do their work. Meanwhile, the cost of housing—and living—has increased to the point where people in neighborhoods all over the city and state struggle to find a decent place to live.

“When nonprofit neighborhood groups started doing development work, it was about learning how to do deals and projects for people who were left out. Now, 30 years later, all of the savings and loans we worked with are gone. So now people come to us: CDCs and neighborhood groups and the Rehab Network.”

JIM CAPRARO Executive Director, Greater Southwest Development Corporation


Yes, people living in poverty still need affordable housing—but so do thousands of working people. These days, one can find people who can't afford to live where they work or pay for a home in their neighborhood in every corner of the city—and state.

As CRN enters its next 25 years, it is dedicated to the fight for affordable housing on an even broader scale and with a wide range of partners as evidenced in its "Valuing Affordability" campaign. "Valuing Affordability" was a multi-year campaign to create a social, political and economic climate that values affordable housing. Through public awareness, political leadership, and sound policy and resource proposals, the campaign called for a shift in how affordable housing is valued in the larger economy.

Gené Moreno, Director of Policy and Advocacy at CRN, sees a movement for affordable housing that builds on the commitment of community-based housing developers. "We want to grow the numbers of people who think about what we should do about affordable housing," Moreno says. "Our basic goal and values, however, remain the same. Communities need affordable housing for all of their residents."

“The Chicago Rehab Network has been a strong and indispensable trade organization for the not-for-profits that are both involved in the development of affordable housing and advocating for it.”

JOY ARUGUETE Executive Director, Bickerdike Redevelopment Corporation

A photograph of a wooden chair frame under construction in a workshop. The frame is made of light-colored wood and is supported by a wooden sawhorse. The background shows stacks of lumber and a white pipe.

“We want to grow the numbers of people who think about what we should do about affordable housing. Our basic goal and values remain the same. Communities need affordable housing for all of their residents.”

GENÉ MORENO DIRECTOR OF POLICY AND ADVOCACY, CHICAGO REHAB NETWORK

>> : OVER 1 MILLION HOUSEHOLDS IN ILLINOIS ENDURE HOUSING PROBLEMS: NEARLY 800,000 OF THESE HOUSEHOLDS ARE HOUSING COST BURDENED, PAYING MORE THAN 35% OF THEIR HOUSEHOLD INCOME FOR HOUSING. THIS INCLUDES NEARLY 375,000 HOMEOWNERS. >>



THE DOCUMENTED HISTORY OF ANY HOUSE OR APARTMENT will tell a tale of loan documents, taxes, property values and bricks and mortar. That kind of history, though, only tells a small part of the Chicago Rehab Network's story. The Network's story is also about risk-takers from neighborhoods around the city and a wide range of partners without whom this work would not be possible. Housing developers, advocates, residents, elected officials at all levels of government, architects, financial institutions, foundations ... All have played a major role in the development of affordable housing in Chicago.

Members of the Chicago Rehab Network have helped create and preserve thousands of units of affordable housing since the late 1970s. What has united them—and still does—is a common purpose: the need for the development and preservation of affordable housing. One key way CRN helps member organizations grow—and build their capacity to serve communities—is through a wide range of training programs, capacity-building and education efforts on key issues.

“The first five-year plan was an organized activity on their part, and there was kind of an adversarial relationship between the Rehab Network and the city that later grew into more of a mutually beneficial dialogue for affordable housing.”

JACK MARKOWSKI Chicago Housing Commissioner

One Rehab Network member says CRN has helped not-for-profit developers grow by focusing both on community issues and the nuts-and-bolts of housing development.

“You have to combine the activism with the ability to deliver,” says Richard Townsell, executive director of the Lawndale Christian Development Corporation. “The Rehab Network has been able to do both over the years.”

In Chicago, city officials have long been accustomed to seeing housing advocates at their doorstep. Despite strong differences on some issues, most recognize there's a real partnership between neighborhoods and the city on housing issues. For example, the city has supported the Rehab Network's efforts to train housing developers through its Urban Developers Program and other training offerings (The Urban Developers Program is currently on hiatus until further funding can be secured).

Chicago Housing Commissioner Jack Markowski also points to the collaborative work between the city and nonprofit housing developers on the city's five-year plan for affordable housing.

“When the first five-year plan was developed, there was kind of an adversarial relationship between the city and the Network. But that later grew into more of a mutually beneficial dialogue for affordable housing. Together, we have continually exceeded—and increased—our goals.” Markowski points out that CRN and the city have worked together to support other options for financing affordable housing—including the state's donations tax credit program, preservation of expiring government-assisted properties and various property tax reductions.

>> : NEARLY 350,000 HOUSEHOLDS IN CHICAGO ENDURE HOUSING PROBLEMS. 240,000 OF THEM ARE COST BURDENED (INCLUDING 56,000 OWNERS.) >> : 107,530 OF THEM ARE OVERCROWDED.

CAPACITY-BUILDING

Richard Townsell, executive director of the Lawndale Christian Development Corporation, says CRN has helped “level the playing field between nonprofit developers and for-profits.”

Townsell recalls the first project he did at Lawndale Christian after going through CRN’s Urban Developers Program. “You can’t imagine how I felt in a room at LaSalle Bank working on a housing project for the first time. I had never done anything like this. What this program did for me—and has done for many others—is show us that we can negotiate with a bank and get the kind of respect and recognition we once thought were unattainable.”

“I have sent all of my top staff through the Network’s Urban Developers Program and their Community Empowerment Workshop Series,” he adds. “It’s a program where you have practitioners who are on the front lines—providing affordable housing in the city—teaching what you need to know about organizing, policy and balancing the numbers. For-profits may train their own—but where else in the not-for-profit community can you learn the skills you need to know?”

Townsell, who has served as an instructor for the Urban Developers Program, adds that it “helped us create a network we don’t usually have in this work.” The Urban Developers Program has helped Lawndale Christian professionalize the way it develops affordable housing, Townsell added. When he started at Lawndale Christian in the early 1990s, it had 22 units of housing; now the organization manages over 150 units. Equally important, has been Mr. Townsell’s approach to creating a holistic approach to community asset-building.

In recent years, CRN has also developed key partnerships on the county and state levels. For example, CRN has worked closely with Cook County Assessor James Houlihan on a number of tax-related issues that address the need for affordable housing and concerns about gentrification.

“From my perspective, we’ve had very positive and productive partnerships with the Rehab Network,” says Houlihan. “We agree with the Network that for any county to be a first-class county, it needs to provide a wide-ranging mix of housing options.” Houlihan said that CRN and the Assessor’s office have successfully worked together to help reduce the assessment rate on rental projects that involve substantial rehab or new construction.

“We have focused with the Rehab Network on affordability and the need to provide a wide-ranging mix of housing options. It has been a very positive and productive partnership.”

JAMES HOULIHAN Cook County Assessor



“The State needs to work with excellent and effective non-profit partners such as the Rehab Network so that together we can continue to find ways to preserve and rehabilitate housing for people who need it the most.”

KELLY KING DIBBLE Executive Director,
Illinois Housing Development Authority

On the state level, Kelly King Dibble, executive director of the Illinois Housing Development Authority, identifies CRN as a vital partner on housing issues.

“I look forward to continue working with the Rehab Network to further address the need for affordable housing in Chicago and around the state,” Dibble says. “The State needs to work with excellent and effective non-profit partners such as the Rehab Network so that together we can continue to find ways to preserve and rehabilitate housing for people who need it the most.”

“The future of the movement for affordable housing will depend on continued and growing collaborations between a range of partners,” says Kevin Jackson. “We are trying to build a movement through strong partnerships,” he says. “That’s what will propel our success. We have done that with our members and with LISC and our financial partners as well as our collaborators in the faith community and government.”



TAKING A STAND

Helen Dirkans has lived for four years in Evergreen Terrace, a Section 8 project-based housing complex in Joliet. Now, she and other residents hope to stay there after a battle over the future of the property.

The future of Evergreen Terrace—which is located on valuable land near Harrah’s Casino—has long been a source of dispute. After meeting with city officials and state representatives in 2003, HUD Secretary Mel Martinez determined that the agency would not proceed with the refinancing of the site—a move that would have left residents like Dirkans with an uncertain future. Nevertheless, the Illinois Housing Development Authority recommended renewal of the contract for the site.

Dirkans and other residents, though, fought that decision. They were alone—but CRN responded, stood with them and focused a spotlight on this peculiar situation. CRN helped organize tenants, provided guidance on strategic alliances and brought national attention to this impending loss—the only privately owned and federally assisted family housing in Joliet.

The Rehab Network helped residents and the building’s owner communicate what has become an all-too-common reality: low-cost housing needs to be preserved, not destroyed.

CRN’s efforts at Evergreen Terrace worked: Helen Dirkans and other residents still live there.

“When I try to think about going somewhere else, well, where could I go outside of this that would be affordable?” Dirkans now asks. “Rent could be 3 or 4 times what I’m paying now. I just can’t afford that. I want to stay here.”

WE NEED THE PEOPLE WHO NEED AFFORDABLE HOUSING



VALUING HOUSING

Public Perceptions of Affordable Housing in the Chicago Region

HOUSING ILLINOIS April 2003



FORDABLE HOUSING STRENGTHENS COMMUNITIES. SO, WHEN AFFORDABLE HOUSING IS MENTIONED WHERE YOU LIVE... SAY YES!

HOUSING ILLINOIS

For more information on affordable housing, contact:

WE NEED THE PEOPLE WHO NEED AFFORDABLE HOUSING



THE SURPRISING FACTS ABOUT AFFORDABLE HOUSING

BUILDING AFFORDABLE HOUSING WE CAN'T AFFORD NOT TO.

Surprise #1: You'll never believe who needs affordable housing. Imagine a family: a mom, dad, two kids. Dad works in a printing factory and makes \$15 an hour. This family won't be able to afford an ordinary two-bedroom apartment anywhere in the Chicago area. Seniors whose only income is Social Security can't afford apartments in countless communities.

A person needs to make more than \$17 an hour to afford an average two-bedroom apartment. A minimum-wage worker would have to work at 3.5 jobs for 140 hours a week to get that apartment.

Surprise #2: Fairer. It doesn't look like affordable housing. Affordable housing has a new face. Just look at the pictures on these pages. Working

with community leaders, architects, and landscape designers, today's affordable housing is meant to blend in, to be as much a part of the community as the people who live in it.

Surprise #3: Johnny got all A's and B's. As the cost of housing goes up, working families on the edge have to move from place to place. That means kids moving from school to school. They suffer. Their education suffers. Affordable housing gives families stability and kids thrive.



Surprise #4: You won't believe what my friends will pay. Some people may think that mixed-income housing has a negative effect on property values. But experience all across America has shown that not to be true. In many cases, property values for both houses and apartments have gone up as affordable housing is built.

Surprise #5: Am I the only one who thinks this is a great idea? We asked people all over the Chicago area how they felt about building affordable housing where they lived. Two-thirds of them said they supported more moderate- and low-income housing in their area. Even so, when affordable housing is proposed for a community, the few voices against can be pretty loud. So speak up and say "yes." Affordable housing is worth fighting for.

For more than 25, years, the Chicago Rehab Network has been communicating accurate and timely information about affordable housing through a wide range of public education efforts. CRN has played an instrumental role in efforts to provide public education through region-wide partnerships with other organizations and by responding to the needs of its membership.

HOUSING ILLINOIS

One of the most prominent examples of a concerted and diverse effort to further the cause of affordable housing in recent years is Housing Illinois, a coalition of affordable housing organizations using research, advertising, media outreach and organizing to raise public awareness and encourage civic and political leadership on behalf of affordable housing in communities throughout the metropolitan region. The coalition has created new brochures as well as print and television advertisements that inform the general public about the need for affordable housing. The advertisements aired in 2005 on nightly network news resulting in widespread attention and recognition.

A report published by the coalition in 2003, “Valuing Housing: Public Perceptions of Affordable Housing in the Chicago Region,” included data from surveys of residents of the six counties encompassing the Chicago region: Cook, DuPage, Kane, Lake, McHenry and Will counties. The survey’s findings strongly suggest that there is considerable support for affordable housing among residents of the region.

Housing Illinois, founded by CRN along with co-chair BPI, consists of more than 40 public and private organizations throughout the region.

“I’ve been impressed by the level of information and intelligence-gathering, deep thought and analysis and articulation of findings at the Rehab Network in the last couple of years. That’s different than advocacy—it may be ‘advocacy plus.’”

JIM CAPRARO Executive Director, Greater Southwest Development Corporation



PUBLICATIONS

CRN has also researched, published and distributed a wide range of materials that demonstrate the need for affordable housing—and how that need can be met.

CRN's three-volume "Affordable Housing Fact Book" details the current picture on affordable housing in Chicago and around the state of Illinois. Data in the fact book tells a specific yet sweeping story that can inform the debate about housing policy in Illinois in the coming years. Statistics published in this source indicate that even though the 1990s was a time of prosperity for many people, it was also marked by uneven development that leads to housing stress in many communities.

"The Housing Fact Book," says Jack Markowski, Commissioner of Housing for the City of Chicago. "is a desktop tool that should be accessible to all housing practitioners in Chicago."

The Network's public education strategies have also targeted a range of specific issues and communities in need of affordable housing:

TOOLKITS

Rehab Network toolkits communicate information, research and action steps to activists and stakeholders. One recent toolkit has outlined the importance of including affordable housing through housing set-asides or inclusionary housing and zoning reform. Another toolkit lays out the critical importance of preservation.

OUTREACH

The need to secure housing resources and impact policy is aided by endless research. One Rehab Network campaign demonstrated that many cities around the country have used their zoning codes to create thousands of new housing units—and that Chicago should do the same. CRN outreach increased attendance at Zoning Commission hearings across the city—hearings that helped lead to the first-ever density bonus ordinance in Chicago to ensure that affordable housing units would be created in the city's central district.

Members and friends of CRN develop research agendas for the organization that can establish the key elements for improved policies and resources. This information is analyzed and presented through forums, and meetings that reinforce particular housing priorities and advocacy.

EDUCATING DECISION-MAKERS

CRN regularly responds to requests for presentations about housing research, trends, programs and related information including specific inquiries about housing in particular geographical areas. In some cases, legislators may not know about the status of Section 8 and tax credit properties in their communities. CRN has provided lists of buildings that are expiring in specific neighborhoods to legislators and community leaders. This research helps legislators better define the housing needs in their community—and identify possible solutions.

>> : 39% OF ILLINOIS FAMILIES ARE UNABLE TO AFFORD FAIR MARKET RENT FOR A 2-BEDROOM APARTMENT. >> : 80,000 CHICAGO RESIDENTS ARE WITHOUT A HOME.

10 MOST WANTED BUILDINGS TO SAVE

Clark Chestnut Apts.
100 E. Chestnut St.
28 Section 8 units
Owner: Clark Chestnut Associates
Agent: Memphis (Sheldon Books)
Status: Option complete

McGill Parc
1938 S. Wood
14 Section 8 units
Owner: McGill Parc Associates
Agent: Francis Management (Bob King)
Status: Option and construction complete
for 27 units and 7 more will be lost in 2003

Del Prado Apartments
2301 S. Hyde Park Blvd.
79 Section 8 units
Owner: R. Agnew, David Taylor
Status: Option not yet work?

Mayfair Apartments
Case 7, 11

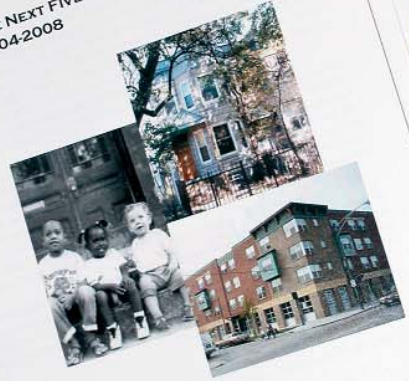
Rienzi Plaza
600 W. DuSable
140 Section 8 units
Owner: DuSable
Agent: (Sheldon Books)
Status: Option not yet work

Monterey
808 W. Juneteenth
83 Section 8 units
Owner: Monterey
Agent: PM Chicago
Status: Option not yet work


1212 S
610 Section 8 units
Owner: 1212 S
Agent: (Sheldon Books)
Status: Option not yet work

Present Realities, Future Prospects: Chicago's Low Income Housing Tax Credit Portfolio Summary Report 2002

AFFORDABLE CHICAGO: THE NEXT FIVE YEAR HOUSING PLAN 2004-2008




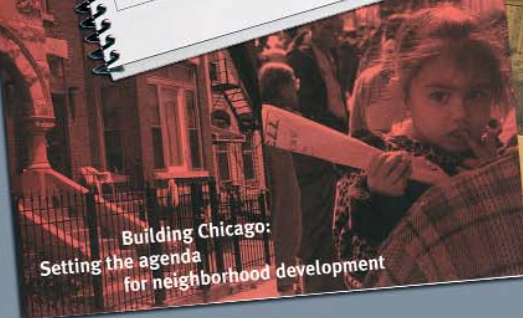
CHICAGO REHAB NETWORK
JUNE 2003



Preservation Information Initiative Kit

CHICAGO REHAB NETWORK 2003 AFFORDABLE HOUSING FACT BOOK

VALUING AFFORDABILITY
VOLUME ONE: OVERVIEW

Building Chicago: Setting the agenda for neighborhood development

The Chicago Rehab Network has worked closely with public and private leaders through the years to develop policies that are responsive to people who need affordable housing in Chicago's neighborhoods. The result has been stronger public policies—and resources that help create and preserve housing.

PRIVATE

The Rehab Network has worked with the private sector in a number of ways to encourage the development of affordable housing.

In 1984, CRN negotiated the landmark Neighborhood Lending Program, a Community Reinvestment Act agreement through which First Chicago, Northern Trust and Harris Bank agreed to invest \$170 million in disinvested communities. The Rehab Network also identified borrowers and packaged loans for the program.

In recent years, CRN also played a pivotal role in the movement for the statewide tax credit donations program. The program, leverages more than \$13 million annually in state revenue, gives investors a tax break for the development of affordable housing.

In addition, the Rehab Network has worked to create awareness in the private sector about the need for affordable housing by offering a wide range of tours of city communities to JP Morgan Chase, Washington Mutual and various other industry leaders as well as journalists.

“The Rehab Network has been a consistent commentator and reviewer of the progress of these plans. They offer intelligent and well thought-out comments that end up affecting the future direction of our activities.”

JACK MARKOWSKI Chicago Housing Commissioner

CITY

Since 1993, CRN has provided leadership during the city's development of three five-year plans for affordable housing. Through these plans, the city has made billions of dollars available for the creation and preservation of affordable housing—and issues quarterly reports on its progress. “What we try to do is bring an organized approach to putting affordable housing into the mix of the city's deliberations,” says Rachel Johnston, Director of Operations for the Rehab Network.

Still, the need for more affordable rental units suggests that many Chicagoans are currently being priced out of their neighborhoods. In addition, CRN's Fact Book analysis shows that in the last ten years, Chicago is the only large city in the nation to gain population while losing rental housing.

One of CRN's current efforts is to promote a citywide inclusionary ordinance that would promote mixed-income communities by requiring developers to keep a portion of new or rehabilitated units affordable to people with low incomes. The ordinance would employ some of the same tools used by the recent zoning reform to bolster affordable housing in the downtown area, including density bonuses. Fourth ward alderman Toni Preckwinkle and twenty-seventh ward alderman Walter Burnett, who sponsor the ordinance, say it would be a valuable tool for the creation of new affordable housing in city neighborhoods. As of April, 2005, twenty-four aldermen supported the ordinance.



STATEWIDE HOUSING



TAX CREDIT PROGRAM HELPS MAKE PROJECT WORK

The Leland Apartments, located in a historic district in Chicago's Uptown community, is one of many properties that is benefiting from the state's donation tax credit program. Rehabilitation of the building will be completed sometime in 2005. The property will provide 137 units of affordable and supportive housing to formerly homeless and low-income individuals.

The tax credit program helped make this project work, says Andrew Geer, Executive Director of Heartland Housing, which developed the property. "The state donation tax credit program offers the first source of new money for affordable housing from the state we've seen in years," he adds. All told, \$2 million of the \$14 million dollar project came through donations from J. Freed and Company, a local developer, and Bank One.

J. Freed and Company, developer of the Goldblatt's building in Uptown, donated \$1.25 million to the project. The donation generated \$625,000 in state tax credits, which Heartland Housing was able to resell to Bank One. The bank then invested an additional \$925,000 in the Leland property and also benefited from tax credits through the program. "We worked with the Goldblatt's developer to arrange for a donation in lieu of TIF financing for the property, Geer explains. "Then, when we generated the tax credit, we were able to resell it to the bank."

Geer adds that the tax credit program helped fill in a gap that helped his organization complete the project.

"What made this project distinctive is that even with the competition for government resources, both projects were able to go forward," he says. "From a community development standpoint, the program had a significant impact and we hope to use it again."

"It's readily apparent that there's a housing crisis for working families," Preckwinkle says. "We need to get the private development community to help us respond to this crisis." Preckwinkle added that "in communities that had a large number of public housing units, we are now seeing more mixed-income development. But other communities will need affordable housing as well."

The Rehab Network and its members, though, believe that current economic realities are squeezing people out of city neighborhoods—and that set-asides can help moderate displacement.

"One of the most compelling reasons for inclusionary housing is the recognition of the high cost of real estate—and the real wages of people who live in Chicago," says CRN Executive Director Kevin Jackson says. "We believe housing incentives that are in place downtown can make sense for neighborhoods all around the city."

"What we try to do is bring an organized approach to putting affordable housing into the mix of the city's deliberations."

RACHEL JOHNSTON Director of Operations, Chicago Rehab Network

COUNTY

Always concerned with the displacement of long-term residents, CRN turned to creating positive tax policies designed to stem the tide of gentrification. Meanwhile, CRN has played an important role in working with the Cook County Assessor's Office to create tax relief policies that encourage the development of affordable housing. Changes in tax policy at the county level have had an impact on the fate of more than 40,000 units of affordable rental housing since 2002.

>> : CRN HAS TRAINED OVER 5,000 PRACTITIONERS SINCE 1977. >> : CRN ADVOCACY WORK HAS LEVERAGED OVER \$100 MILLION SINCE 2001. >>

Two of the most prominent efforts on which the Rehab Network and County have collaborated are the county's Class 9 and Class S programs.

Class 9, which reduces the assessment rate on rental projects that involve substantial rehab or new construction, was previously limited to census tracts with a majority of low- and moderate-income households. Three years ago, the Cook County Board of Commissioners adopted CRN's recommendation that the program be extended to all areas of the county.

Class S is an incentive program that rewards owners in high-rent areas who elect to stay in the project-based Section 8 program for an extended period of time.

“I think one of the Rehab Network's most important roles has been its demand for accountability on the part of government agencies with resources and influence.”

JULIA STASCH Vice President, Human and Community Development,
John D. and Catherine T. MacArthur Foundation

STATE

On the state level, CRN, the City's Department of Housing, the Illinois Housing Development Authority and a range of private firms, including Chicago Harris Bancorp, successfully advocated for the Illinois Affordable Housing Tax Credit in 2001. The program has leveraged \$26 million in state and private donations for affordable housing. Through the program, Illinois taxpayers receive 50 cents toward their state income tax for every dollar donated to a nonprofit housing developer.

Another important law now on the books is the Federally Assisted Housing Preservation Act, which aims to preserve 33,000 expiring rental units in Illinois. The law, passed by the Illinois legislature in June of 2004, expands the rights of tenants to explore options to buy their buildings and preserve their affordability. The next important challenge related to this law is to identify resources and encourage tenant-developer partnerships that can help preserve affordable housing.

Meanwhile, CRN's research capacity has also grown along with its advocacy and policy work. During the last year, CRN won a contract with IHDA and produced all the housing data and analyses for the next 5-year Illinois Consolidated Plan.

FEDERAL

On the federal level, CRN has played a lead role educating officials in Illinois and Washington, D.C. about local and national housing needs. In the last two years, for example, CRN has brought together advocates and policymakers for conferences on federal housing policy and its impact on Illinois. In July of 2004, the organization was requested to testify before the House Financial Services Subcommittee on the need to preserve the nation's housing stock.

Meanwhile, CRN has also regularly shared best practices in the field for a range of organizations, including the National Association of Counties, National Community Partnership Network, the Enterprise Foundation and the City of Cleveland.

“One of the things that really appeals to me about CRN is that they are not rushing to say ‘this is what affordable means,’” says Jim Grow, staff attorney for the National Housing Law Project. “They broaden the notion of affordability but continue to work hard on the hardest part of it—preserving affordable housing for people with the lowest incomes. That's the biggest challenge—even if it's the most expensive and least politically popular.”

>> : THROUGHOUT ILLINOIS, THERE ARE OVER 33,000 RENTAL UNITS AT RISK OF LOSING AFFORDABILITY THAT WILL HAVE A NEGATIVE IMPACT ON THOUSANDS OF SENIORS, PEOPLE WITH DISABILITIES, FAMILIES WITH CHILDREN, AND INDIVIDUALS.

TIMELINE

1977

CRN is founded by a dozen community-based housing organizations.

1984

CRN negotiates a landmark CRA agreement, creating the **Neighborhood Lending Program**. First Chicago, Northern Trust and Harris Bank agree to invest \$170 million in disinvested communities.

1989

The **Neighborhood Lending Program** has financed construction or preservation of almost 5,000 units of housing in disinvested tracts. Only 4 of 572 loans made through 1989 defaulted.

1994

CRN founds the **Urban Developers Program**, the nation's first master's level program in community development.

1998

As a founding member of the Chicago CRA Coalition, CRN helped negotiate landmark **CRA commitment** from Bank One. The agreement was remarkable for winning commitments to calculate lending targets based on market share, and an access account for checking and saving with relaxed credit score standards and substantial financial literacy education support.

1980

1981

CRN publishes the **Development Without Displacement** policy statement.

1983

CRN creates the **Tax Reactivation Program (TRP)**.

1987

The **Tax Reactivation Program** restored 1,682 units of housing to the tax roles as affordable housing.

1985

1992-3

CRN rallies 270 organizations to participate in the **Chicago Affordable Housing and Community Jobs Campaign**. The 2 year campaign convinces the city of Chicago to increase its commitment to affordable housing by \$750 million over five years.

1996

CRN initiates the **Community Development and Empowerment Workshop Series**.



CHICAGO REHAB NETWORK SUMMARY OF FINANCIAL POSITION

YEAR ENDED JUNE 30, 2004 (With Comparative Totals for 2003)

	2004		2003	
Assets	\$ 1,102,491	\$ 1,353,414		
Total Liabilities	45,051	87,017		
Net Assets				
Unrestricted	352,382	268,245		
Temporarily Restricted	705,058	998,152		
Sub-Total Net Assets	1,057,440	1,266,397		
Total Liabilities and Net Assets	\$ 1,102,491	\$ 1,353,414		

REVENUES AND EXPENSES

SUPPORT AND REVENUES	UNRESTRICTED		TEMPORARILY RESTRICTED		2004		2003	
		\$	\$	\$	\$			
Foundations & Corporations	245,534	256,250	501,784	1,038,571				
United Way membership	24,087	-	24,087	32,524				
Government grants	142,746	-	142,746	160,876				
Conference fees	25,005	-	25,005	4,105				
Dues, interest, and fees	27,659	-	27,659	30,657				
Publication revenue	4,450	-	4,450	-				
Fact Book sponsorship	58,500	-	58,500	-				
Net assets released from restrictions	549,344	(549,344)	-	-				
Total support and revenues	\$ 1,077,325	\$ (293,094)	\$ 784,231	\$ 1,266,733				

EXPENSES

Program Services	\$ 868,043	\$ -	\$ 868,043	\$ 909,302
Administrative	100,224	-	100,224	176,573
Fundraising	24,921	-	24,921	25,553
Total Expenses	\$ 993,188	\$ -	\$ 993,188	\$ 1,111,428

Change in net assets	84,137	(293,094)	(208,957)	155,305
Net Assets, beginning of year	268,245	998,152	1,266,397	1,111,092
Net Assets, end of year	\$ 352,382	\$ 705,058	\$ 1,057,440	\$ 1,266,397

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Program Officer

SUSAN ANDERSON
Program Officer &
Housing Illinois

HERVENIA MITCHELL
Office Manager

SUE DYER
Community Development Fellow

KRISTIN OSTBERG
Research Officer

1998

CRN works with Chicago Department of Housing to renew its **5 year affordable housing plan** that committed \$1.3 billion to the creation, development and preservation of affordable housing in Chicago.

Franklin Raines, CEO of Fannie Mae, and a party of 400 join CRN to celebrate its 20th Anniversary Gala at the Palmer House Hilton.

2001

Illinois Affordable Housing Tax Credit becomes state law creating \$26 million in new housing resources.

CRN hosts the **Valuing Affordability Conference**—a 3-day strategic planning conference with caucuses exploring cutting edge affordable housing strategies for community empowerment, statewide planning, neighborhood preservation, housing set-asides and living rents and other issues.

2003

CRN publishes *Affordable Chicago*, an analysis of the City's housing production during 1998-2003 Housing Plan.

The new 5- year plan, called **Build, Preserve, Lead**, commits \$1.8 billion towards affordable housing.

1995

1999

CRN initiates with the City's Department of Housing the **Public Private Finance Initiative**. Over 200 leaders of Chicago's housing and finance industries take part in the 6 month initiative to identify new resources after the city's new **5 Year Affordable Housing Plan** identifies lack of resources as a major challenge.

2002

CRN publishes **Present Realities Future Prospects**, the results of its study of operating costs for Low Income Housing Tax Credit Projects.

The Cook County Board passes **tax relief proposals** for Class 9, Class 3 and Class S properties.

Introduction of Housing **Set-Aside** ordinance in Chicago City Council calling for a 25% mandate for affordable housing in every development over 10 units.

2000

2004

CRN works on preservation of the **rental housing stock** in Illinois. SB2329 passes the Illinois House and Senate unanimously which gives tenants an opportunity to purchase affordable buildings to maintain restricted rents.

National housing leaders join 300 stakeholders to learn of risks and challenges to the federal commitment and its impact on Illinois.

2004

Affordable Housing Fact Book released with statewide housing data by county and municipality. The extensive trend analysis produced reveals over 800,000 households that are cost burdened by rents or mortgages.

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Thank you to those supporters who have made our work possible over the years:

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William Blair & Company



“Our fundamental goal is the same as it was 25 years ago: to revitalize neighborhoods through the development and rehabilitation of housing for community members. The only way to achieve that is through the growing and combined efforts of committed allies—in government, corporations, the faith community and among not-for-profit housing developers. After all, we don’t set an agenda for affordable housing alone—we set it together. That’s what community is about: a shared sense of direction.”

KEVIN JACKSON Executive Director, Chicago Rehab Network



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