

Chicago Rehab Network

Department of Housing 2nd Quarter 1999 Analysis

We would like to recognize the Department of Housing for their leadership in creating two important partnerships this summer, one in response to a Plan priority and the other in response to a threat to the continuation of affordable housing. As was briefly mentioned in DOH's second quarter report, DOH and CRN are co-sponsoring a Public-Private Finance Initiative to bring together finance experts, affordable housing developers and other stakeholders to develop new financing tools and revenue streams for affordable housing. This fall Working Groups will be convened around five promising areas of affordable housing finance and then final proposals will be presented at a conference in January.

DOH has also been instrumental in convening a Public Safety-Community Development Working Group with representatives from CAPS, the Corporation Counsel, the State's Attorney's Office, Dept. of Buildings, and affordable housing developers. This group is looking at ways to improve communication and working relationships to avoid the type of situation that led to the arrest of the property manager at Bickerdike Redevelopment Corporation on criminal housing management charges. All charges have been dropped against this individual but the Working Group will continue to work prevent a recurrence.

A review of the second quarter report shows that the City continues to make progress on the many goals and priorities set out in the Housing Opportunities Plan. Many of the multifamily programs are behind in their production at this half-way mark but we understand this may be attributable to delays in project closings. Of particular concern is that, for households with incomes from 16-30% of area median income, only 26% of the projected units have been produced and, for households with incomes from 31-50%, only 5% of the projected units have been produced.

1994-1998 Project Siting

Location of housing has important impacts on communities and housing residents. To understand the distribution of the units produced under the 1993 Five Year Plan the location of DOH assisted housing has been mapped out. The results are reported in our Summer 1999 Network Builder (see attached, pg. 4). CRN has undertaken this project as Chicago faces it's biggest community development challenge ever, the transformation of public housing. We hope that the discussion of this analysis provokes will lead to more open and equitable decision making in the location of affordable housing. The DOH Assisted Housing Units map (on page 4) shows the placement of new units of affordable housing created through the city's multi-family loan program, loans for single family development, and the Chicago Low Income Housing Trust Fund. Together, these programs created 11,621 units of housing. Most wards have received some DOH assisted

housing over the past five years, but if DOH's investment had been spread evenly, every ward would have received 232 units. In fact, very few of them did.

As is often the case in evaluating public policy and planning there are multiple conclusions that can be drawn from the maps. They show that assistance has gone to areas where the need can be expected to be most - very low income areas. As a coalition of community based developers CRN strongly supports this type of place-based community development. But while the pattern of concentration may reflect the areas of greatest need, it does not reflect the only areas of need. In 1995, the area affordable housing gap for low income families (with average incomes below 80% of the area median) topped 130,000 units. The *Family Income Below 80% of Area Median Income* map (on the bottom of page 5) shows that these families are live in virtually every ward of Chicago. Together, these maps call out for a more even distribution of assisted housing throughout Chicago, and the region.

The maps also show that much of the DOH assisted housing has gone into historically African-American areas reflecting maps of scattered site public housing developments and Section 8 rental vouchers. Such patterns have been decried as we all examine the impacts of past public housing siting and must be thoroughly discussed before we make massive new investments.

Historically family rental housing has been a priority for CRN because there is a great need for it, and because it is housing the market does not build on its own. Between condo conversions, deterioration and gentrification, decent rental housing for low income families is becoming more and more scarce. Yet these units might also be the hardest to site. A comparison between the *DOH Assisted Housing Unit* map (on page 4) and the *Multi-Family Loans for Family Units* map (on page 6) reveals that many wards that sited some assisted housing still failed to site any family rental units at all. Further analysis shows that some wards only got one type of housing. The *Single Family Units* map (on the right hand side of page 7) shows that a few wards did get single family units but no multi-family ones (16 - Shirley Coleman; 31 - Ray Suarez; 34 - Carrie Austin; 37 - Percy Giles). And the *Multifamily Loans for Senior Units* map (on the top left of page 7) shows that a few wards got rental housing for seniors, but not for families (21 - Leonard DeVille; 24 - Michael Chandler; 30 - Michael Wojcik; 33 - Richard Mell).

It would be wrong to suggest community acceptance is the only factor that contributes to these patterns: maybe some wards received little multi-family housing because single family housing dominates the existing stock, because there is little land available for new development, because of zoning restrictions, or because property values, or even parking restrictions make development too expensive. Developers report that in some neighborhoods where zoning rules require one parking space for every ten units of housing, the city insists that the match be one for one. Such a requirement is not just prohibitive to the development of affordable housing, especially in expensive neighborhoods, it is also a particularly ironic limitation on low income households, who

often own fewer cars than their richer neighbors whose market rate housing often carries no parking requirements.

Chicago Low Income Housing Trust Fund Expansion

The current report recognizes that at least one DOH program needs to look beyond the usual areas for assisted houses. On page 3 of the second quarter report DOH says that the Chicago Low Income Housing Trust Fund (CLIHTF) released a Request for Proposals targeting underserved communities, smaller buildings and larger bedroom size units. CRN acknowledges the importance of this step, the attached map shows that CLIHTF units funded from 1994-1998 followed siting patterns similar to other DOH programs. The CLIHTF program offers a unique siting opportunity though because it can create affordable housing in existing housing without the zoning approval fights that new developments can encounter.

HUD Budget

As we discussed during the hearing for the first quarter, the current Congressional budget situation jeopardizes the affordable housing commitments made through the *Housing Opportunities Into the Next Century* Plan. In preparing the Plan the Department of Housing projected \$66.8 million yearly from HOME & CDBG, half of this (\$33.9 million) will go to multifamily loans for rental housing. These two programs make up 84% of DOH's multifamily loan program in 1999. Under the House appropriation bill H.R. 2684 Chicago area Congressional districts will lose \$25.5 million in guaranteed funding for programs like CDBG, HOME, homelessness assistance and public housing. Nationally the appropriations bill cuts \$1 billion from 1999 actual spending. Chicago faces a budget deficit next year, it will be very difficult to make up for these crucial housing development dollars. **The full House will vote on the bill after Labor Day, Representatives must get a loud message to vote against the VA-HUD appropriations bill (H.R. 2684) and to fully fund HUD programs. We ask that the City Council adopt a Resolution to this effect at the next City Council meeting.**