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FROM: Kevin Jackson, Chicago Rehab Network

RE: **Comments on 2016 City of Chicago Budget & Action Plan**

DATE: October 22, 2016

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Our key recommendation to increase the stability of neighborhoods, increase quality of life for residents, and to provide a ladder of opportunity for families is for the City to allocate substantial resources for housing revitalization. It is critical to rehab vacant homes and to expand occupancy options to ensure a robust tax and consumer base. The capacity exists, with leadership and investment, to lead a robust effort to rehab thousands of homes. This will accomplishment will create a return for the City and provide a backstop for the continued deterioration of the unoccupied single family stock.

No Section 108 funds are utilized which can be used to leverage significant dollars. Other leverage should be captured from the Chicago Infrastructure Trust which intends to work in disinvested neighborhoods but should only do so in coordination with the Department of Planning and Development and in partnership with established community development corporations who specialize in these markets. Capital budget allocations do not include any dollars for housing – though without question general obligation bonds can be used for residential rehab.

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The 2016 Department of Planning and Development Budget has increased to \$141.2 million. Of note, the Corporate allocation to the Department has increased to \$14.5 million. This is the first year the proceeds from the Affordable Requirements Ordinance are recorded in a Special Revenue Fund line item budgeted for over \$23 million.

The Federal HOME Allocation is at over \$14 million dollars. Set at \$8 million for 2016, this is a critically important resource which is not meeting demand. The City expects \$100 million in revenue from the Real Estate Transfer Tax which any cities partly dedicate to their housing trust funds. In Chicago, the 50% of the RETT is dedicated to the CHA and none towards any real estate activities.

As expected, there is a reduction of the Federal Community Development Block Grant of \$12 million dollars. CDBG dollars are very flexible and can meet a wide variety of community needs according to Federal guidelines. The first chart shows changing budget allocations of CDBG funding per Department.

<b>CDBG Allocations by Department 2014-2016</b>			
<b>City Department</b>	<b>2104 Revised</b>	<b>2015</b>	<b>2016</b>
Transportation	\$15,000,000		
Commission on Human Relations	\$1,059,809	\$1,148,357	\$1,157,531
Law	\$1,781,681	\$1,774,938	\$1,798,883
Police	\$2,265,108		
Public Health	\$12,138,637	\$11,926,768	\$11,455,346
Buildings	\$9,546,065	\$6,640,630	\$6,738,401
Streets and San	\$6,000,000	\$7,600,000	
Family & Support Services	\$26,430,407	\$25,537,715	\$24,659,854
Finance	\$1,451,025	\$1,445,750	\$1,217,152
Fleet	\$134,595	\$140,357	\$151,963
MOPD	\$2,926,048	\$3,096,915	\$3,089,231
Budget and Management	\$3,630,231	\$3,644,182	\$3,561,863
Planning and Development	\$33,234,280	\$31,544,388	\$28,809,776
<b>Total CDBG</b>	<b>\$115,597,886</b>	<b>\$94,500,000</b>	<b>\$82,640,000</b>

Tracking of Delegate Agency allocations provides a look at the overall delivery system of services for Chicago residents. It shows a priorities and the strength of partnerships with service providers. These funds are administered through contracts with sub-grantees, typically community based organizations. The next chart lists the change in funding by department for delegate agency activities.

### Delegate Agency Appropriations by Department

	<b>2014</b>	<b>2015</b>	<b>2016</b>
BUSINESS AFFAIRS AND CONSUMER PROTECTION	\$3,394,110	\$3,394,110	
CULTURAL AFFAIRS SPECIAL EVENT	\$575,000	\$742,000	
DEPARTMENT OF POLICE	\$4,600,408	\$4,262,733	
DEPARTMENT OF PUBLIC HEALTH	\$10,216,412	\$8,837,149	\$ 1,076,837
FAMILY AND SUPPORT SERVICES	\$21,590,000	\$193,961,637	\$ 20,813,820
FINANCE GENERAL		\$750,000	
MAYORS OFFICE-DISABILITIES	\$1,349,932	\$1,330,000	\$ 1,330,000
PLANNING AND DEVELOPMENT	\$24,634,073	\$28,796,349	\$ 11,455,647
<b>Total</b>	<b>\$66,359,935</b>	<b>\$242,073,978</b>	<b>\$ 34,676,304</b>

The City has received \$64.4 million in *CDBG Disaster Recovery Funds* and has been allocated to the following departments:

<b>City Department</b>	<b>2015</b>	<b>2016</b>
Dept. of Buildings	\$ 1,500,000	
OMB	\$ 17,690,000	\$1,827,000
Dept. of Water Management	\$ 35,000,000	\$38,475,000
Planning and Development	\$ 8,810,000	8,583,000
CDOT	0	15,600,000
<b>Total</b>	<b>\$63,000,000</b>	<b>64,485,000</b>

The Capital Budget for 2016 will spend \$356.3 million to make overall city improvements to be delivered by private contractors. The allocations are shown below.

<b>CAPITAL BUDGET</b>			
		<b>2015</b>	<b>2016</b>
Greening	Downtown	\$28,900,000	\$4,900,000
	Neighborspace	\$6,178,015	\$3,203,000
	Streetscaping	\$67,927,495	\$21,239,497
Facilities	City Buildings	\$6,775,000	\$7,380,000
	Library	\$5,321,000	
Infrastructure	Industrial Streets	\$25,173,430	
	Other	\$10,587,435	\$10,600,000
	Neighborhood Infrastructure	\$37,614,000	\$30,885,000
	Sidewalks	\$11,000,000	\$11,000,000
	Bridges	\$24,900,000	\$110,465,800
	Intersections	\$13,393,000	\$3,048,000
	Major Streets	\$94,870,000	\$93,184,000
	Transportation	\$9,729,600	\$48,484,650
	Bicycles/Pedestrians	\$115,947,980	
	Shoreline	\$13,700,000	
	CHA Streets	\$6,250,000	
	Aldermanic Menu	\$72,000,000	Not listed
	ADA Ramps	\$12,000,000	\$12,000,000
<b>Total</b>		<b>\$562,266,955</b>	<b>\$356,389,947</b>

Many of these projects are to be funded by general obligation bonds (GO Bonds) which are a flexible source of funding. In addition to what has been prioritized by the City, GO Bonds can also be used to strengthen the housing stock and to support the delivery of community based services. Specifically, GO Bonds can be granted to nonprofit organizations who strive to meet urgent community needs. The Bonds can also be used for the acquisition and rehabilitation of residential, industrial, and commercial property.