
Affordable Housing and the City Budget

A Community Toolkit

Chicago Rehab Network



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The City Budget, as a process, is often overlooked as a place for individuals and community groups to impact social change, but it can be one of the most important.

This process is happening **now**. On October 22, Mayor Daley will present and release the proposed 2010 Budget.

This is your opportunity to tell your alderman that affordable housing is important and needed in your community.

Use this toolkit to:

- Get an overview to Affordable Housing in Chicago page 3-5
- Learn about the City Budget Process page 6-7
- Learn about Chicago's Affordable Housing Crisis page 8-11
- Contact your alderman and make your voice heard page 12-14

Key Dates*

- Proposed City Council Budget released Oct. 22nd
- **Departmental Budget Hearings** **TBA**
- Proposed Budget and City Council Meetings Nov. 12th, 18th and 25th / Dec. 2nd

*Subject to change



Affordable Housing and the City Budget

The right to safe, decent, affordable housing should be a priority among governments. The Chicago Rehab Network has long maintained that **Housing is Foundational**--the fundamental idea that housing, like healthcare and education, is essential to healthy and stable communities and family life; children perform better in schools, families and seniors are safer and healthier and the workforce is stronger with access to affordable housing.

The last few years have been a tumultuous time in the economy. In a short period of time, we have seen communities gentrify, families be displaced by the housing boom and rental housing lost due to the wave of condominium conversions. Many of the same communities are suffering again, ravaged by foreclosures as the housing boom became a bust and the economy collapsed.

While the road to recovery is a tremendous opportunity to employ new and innovative ways to enhance affordability and stabilize communities, the reality is that it takes money to fulfill these goals and priorities. But as the City of Chicago embarks on the process of setting its budget priorities for FY 2010, we find ourselves faced with the largest deficit in recent memory. In the 2010 Preliminary Budget, the Corporate Fund's available resources total \$2.796 billion while Corporate Fund expenses total \$3.316 billion. **This means that the city is already estimating a 2010 deficit of \$519.7 million.** Keeping affordable housing a priority amidst this challenging environment will be difficult but crucial for neighborhoods and for the City at-large.

At Chicago Rehab Network, we continue to maintain that affordable rental housing is an essential component of the housing market, serving the needs of low and moderate income households, seniors, students, young families, and those who are not yet able to afford to buy a home.

We also uphold the merits of place-based development strategies, which take into account the housing needs and existing neighborhood assets in Chicago's many diverse communities as well as being guided by the local knowledge of community development corporations and community leaders and local institutions.

More importantly, the creation of affordable housing serves as a true catalyst for Chicago's economic growth by creating jobs and giving households and families the ability to spend less of their income on housing so that more can be spent on other needs and to contribute to the commerce of the community. Now, more than ever, the City of Chicago needs the kind of leadership that will herald new policies and creative measures that prioritize and preserve affordability.

Get Informed and Take Action

Do you have foreclosures in your neighborhood? Are you finding it more difficult to pay your rent? Are you having trouble getting your bank to make your home loan more affordable?

Across Chicago, there are many people asking the same questions. The data shows that **Chicagoans are spending more of their income to house themselves, foreclosure filings continue to rise at staggering levels, and the need for affordability is now reality for one out of every two Chicago households.**

What can you do?

1. Get the Facts

Use and share the data and information in this toolkit. See the attached Fact Sheet and CRN Preliminary Budget testimony and visit www.chicagorehab.org for more information about affordable housing.

2. Contact your Alderman

Your Alderman needs to hear about your concerns about affordable housing. Use the Sample Letter in this toolkit to help you write a letter to your Alderman. You can find out who your alderman is by visiting the Chicago City Clerk website at www.chicityclerk.com or calling 311. See the attached list of City Aldermen and their local office address and contact information.

3. Contact the Office of Budget Management

Although the public hearings about the Preliminary Budget are over, it is never too late to let the Budget Department know about what you think is important in your community. Make sure that when you contact the Budget Department, your Alderman knows about it!

4. Get your neighbors and community involved and make sure your elected leaders know that affordable housing is the foundation for healthy and stable communities.

Building a strong constituency requires the effort of the entire community. Urge your neighbors to join you in advocating for affordable housing in your community.

Let us know about your effort to make affordable housing a priority in your neighborhood. Contact Chicago Rehab Network at 312-663-3936. Visit our website at www.chicagorehab.org

What does the City budget for Affordable Housing?

The City's affordable housing activities are administered by the **Department of Community Development** which is guided by the Five Year Affordable Housing Plan. In January of 2009, the City passed its fourth Five Year Affordable Housing Plan for 2009-2013, *Accepting the Challenge*.

Like other city departments, the Department of Community Development receives Corporate Funds (city-derived resources), federal, state, and private grants to operate its programs.

On average, less than one percent of the Department of Community Development's budget comes from city-derived resources. In the Preliminary 2010 Budget, the Department of Community Development is estimated to receive just under **\$30 million** from the Corporate Fund, or 1 percent of the total funds available.

Fig. 1. Percent of Corporate Funds to Department of Community Development

Year	Corporate Funds to DCD	Corporate Fund	%
2003	\$14,268,618	2,598,600,000	0.55%
2004	\$13,640,000	2,601,600,000	0.52%
2005	\$15,205,000	2,839,700,000	0.54%
2006	\$12,603,000	2,941,700,000	0.43%
2007	\$31,301,000	3,116,700,000	1.00%
2008	\$20,859,000	3,139,600,000	0.66%
Est. Year-End 2009	\$33,492,000	3,152,272,000	1.06%
Prelim Est 2010	\$29,983,000	2,796,261,000	1.07%
		Average	0.73%

More on the Web:
 Download CRN's Preliminary Budget Testimony by visiting <http://www.chicagorehab.org/policy/CityBudget.aspx>

CRN advocated during the budget process to encourage Aldermen to assist non-profit landlords and managers with heating costs.

Facing a potential crisis among non-profit owners of multi-family buildings with the imminent rise of utility costs, CRN and its members used the FY 2006 budgeting process to make its concerns heard to aldermen and the Department of Housing.

Recognizing the opportunity to preserve affordability and prevent deterioration of rental housing stock, CRN urged aldermen to use a portion of the Chicago Skyway Lease proceeds to create a program that would provide grants to non-profit owners who are responsible for heating costs.

*In 2006, the Department of Housing launched the **Heating Assistance for Non-Profits** program and by March, it had assisted 22 non-profits and more than 3,400 low-income rental units.*

The Budget in Brief

What it is and why it matters.

Budgets deal with money. All of the money the city receives and spends must be accounted for in the budget plan, and even if the numbers change over the year, and they most likely will, the numbers in the budget **establish spending priorities.**

The City of Chicago, by law, produces a balanced budget. This means that its streams of incoming revenue (taxes, federal grant money, etc.) must equal its expenditures (city services, police, garbage pick-up, housing programs, etc) to produce a zero balance.

Revenue in the budget is allocated to different departments. It is the budget that earmarks certain revenue streams for particular departments, thus supporting specific programs. Additional revenue streams in the budget, such as Federal grants, are required by statute to be allocated to specific city services and programs. If a department receives less money in the budget, they have less money to spend on programs.

The primary source of funding for City Departments comes from the Corporate Fund. City Departments and services receive funding from multiple sources which are accounted for in the City Budget. The central city fund is called the Corporate Fund. The Corporate Fund receives its revenue from city-generated revenue streams. When you pay sales tax, parking fees, or a transaction tax when you sell your house, the revenues go into the City's Corporate Fund. The Corporate Fund is then allocated to all City Departments and Agencies in order to operate city services.

Tax Increment Financing (TIF) revenues are NOT accounted for in the City Budget. While most cities include TIF revenue in their municipal budgets, the City of Chicago does not. Administered under the Department of Community Development, TIFs are funded through taxpayer dollars and serve as a significant revenue source to the City's finances and operation. TIFs fund economic development projects throughout the City including affordable housing. CRN has called for heightened accounting of this revenue source in the City budget.

Making sure your interest is heard in this process helps ensure that it remains a spending priority. The Budget, as a document and process, is often overlooked as place for individuals and community groups to impact social change, but it can be one of the most important. **Budgets, overall, are a critical component for government accountability and transparency.**

The Budget Process

What has already happened.

Different city departments submitted revenue and expense estimates to the Office of Budget Management, who produced the 2010 Preliminary Budget estimates, which were released on July 30th, 2009. In August, the City held public hearings where individuals were allowed to comment and provide feedback on the 2010 Preliminary Budget estimates. City departments also gave the Office of Budget Management comments at separate meetings.

What is happening now.

With the public and city department comments on the 2010 Preliminary Budget Estimates, the Office of Budget and Management is working to balance department requests with available resources. On October 22, the Mayor is scheduled to submit the proposed 2010 budget to City Council for review. Once the Proposed Budget is released, copies will be made available to the public at the Office of Budget Management or online at www.cityofchicago.org/budget.

Following the announcement, each department of the city will have a separate City Council hearing where they outline why they need the resources allocated to them or why they need more. It is similar to a performance review, as each department head will report on what they did last year, what they hope to do in the future and the money they would need to do so. The hearings are open to the public, but only Alderman may make comments or ask questions. Many Aldermen will use materials and stories given to them by their constituents. It is important that your voice is heard. **To find out about the Departmental hearings schedule, visit the Chicago City Clerk's website at www.chicityclerk.com.**

Where you come in.

Your Alderman needs to hear from you! Balancing this year's budget is going to be a challenge, and funding for many departments and programs will be tight. Making sure your alderman hears from you about the most critical needs in your community is crucial, as it can be easy for one issue to get lost in the discussion of all the others.

In this toolkit, we have compiled useful resources concerning affordable housing as well as a sample letter and a few talking points if you set up a phone or in person meeting. These materials will assist you in making the needs and concerns of your community known to your Alderman, so he/she can advocate for retaining their funding.

Affordable Housing in Chicago

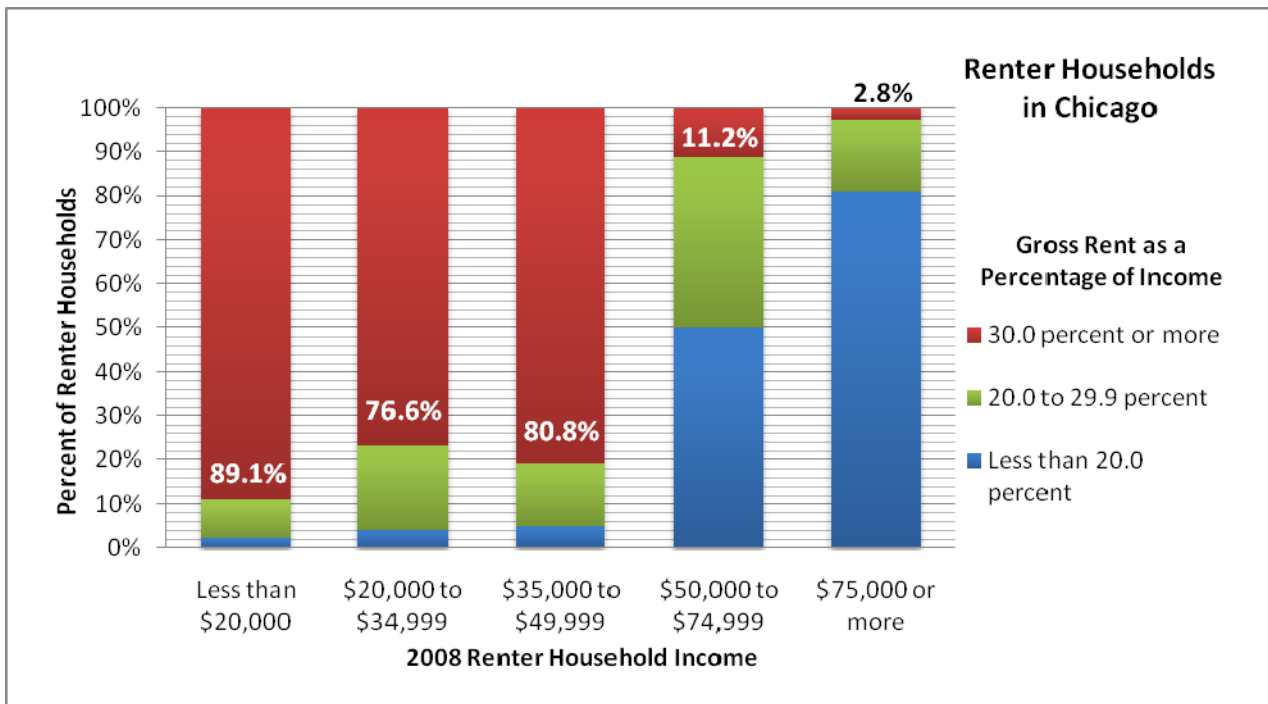
Hundreds of thousands of Chicagoans cannot afford shelter.

Renter households earn significantly less than homeowners; the median renter household income was \$30,804 in 2008, a 16 percent decline from 2000. To measure affordability, a household would need to spend less than 30 percent of their income on housing. More than that, housing cost is deemed unaffordable. Overall, 52 percent of renters spend more than a third of their income on housing. However, CRN's analysis shows that more than three-quarters of renters earning less than \$35,000 a year and four out of five renter households earning between \$35,000 and \$50,000 are cost burdened.

RENTER

Fig. 2 Gross Rent as Percentage of Income

Household Income	Less than 20.0 percent	20.0 to 29.9 percent	30.0 percent or more	% spending more than one-third on housing
Less than \$20,000	3,704	14,197	146,121	89.1%
\$20,000 to \$34,999	4,142	19,728	78,285	76.6%
\$35,000 to \$49,999	13,401	38,590	218,139	80.8%
\$50,000 to \$74,999	40,110	30,976	8,941	11.2%
\$75,000 or more	64,422	12,823	2,231	2.8%



Source: 2008 American Community Survey

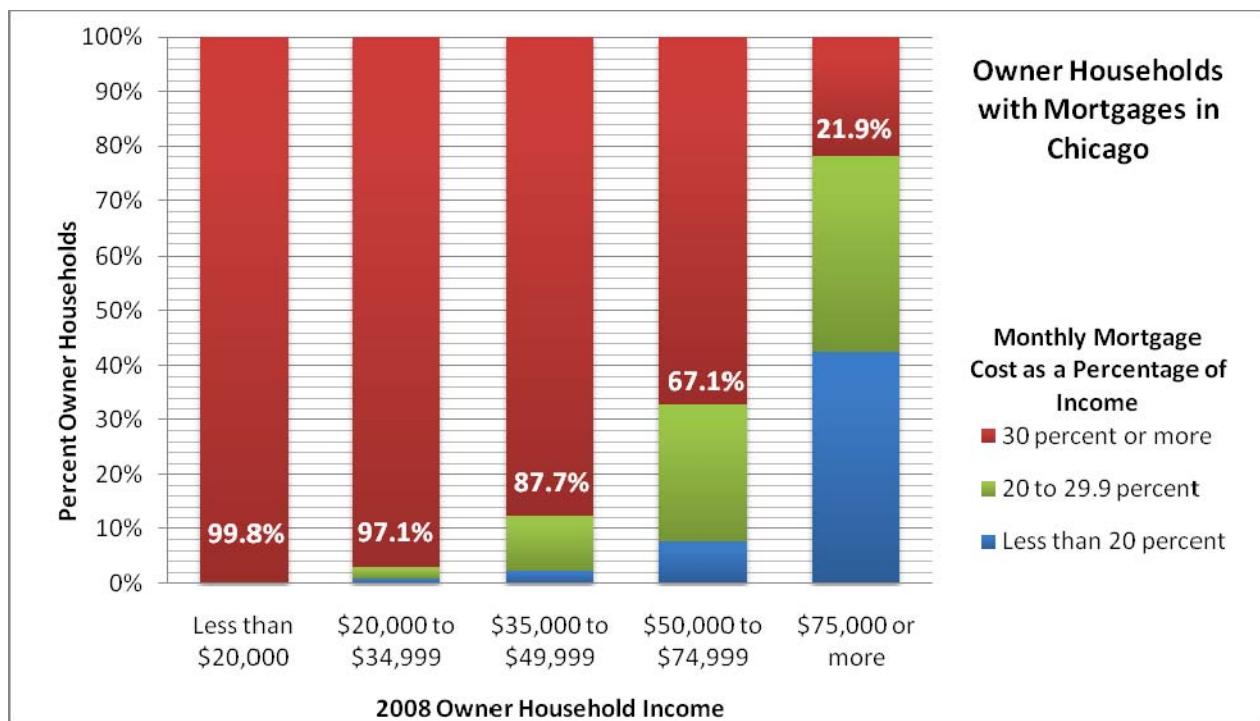
Homeowners, even though they earn significantly more than renters, do not fare any better in housing affordability. The median income for homeowners in 2008 was \$70,369. This is about a 1 percent increase from 2000. However, the slight increase in median income does not correspond with the number of homeowners who pay \$2,000 or more per month in housing costs since 2000. Since 2000, the homeowners who spend \$2,000 or more a month on housing increased nearly seven-fold. A household would have to earn at least \$85,000 a year to be able to afford that payment and the data does not show a commensurate increase in households earning above this income.

CRN’s analysis also shows that the share of homeowners who are cost burdened increased from about 1 in 3 mortgage holders in 2000 to 1 in 2 in 2008.

OWNER

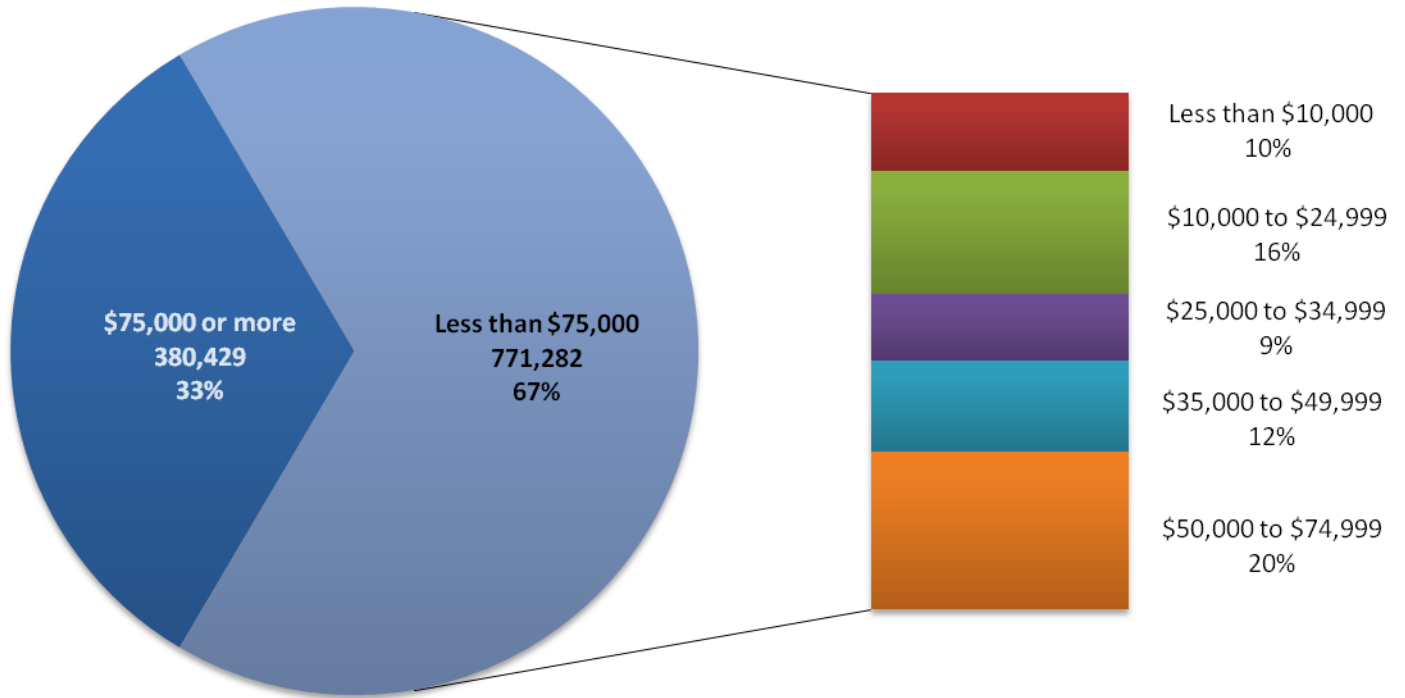
Fig. 3 Monthly Mortgage as Percentage of Income

Household Income	Less than 20 percent	20 to 29.9 percent	30 percent or more	% spending more than one-third on housing
Less than \$20,000	0	51	22,616	99.8%
\$20,000 to \$34,999	250	719	33,020	97.1%
\$35,000 to \$49,999	950	3,986	35,178	87.7%
\$50,000 to \$74,999	5,673	19,004	50,286	67.1%
\$75,000 or more	81,702	68,449	42,034	21.9%



Source: 2008 American Community Survey

Incomes of Chicago Households



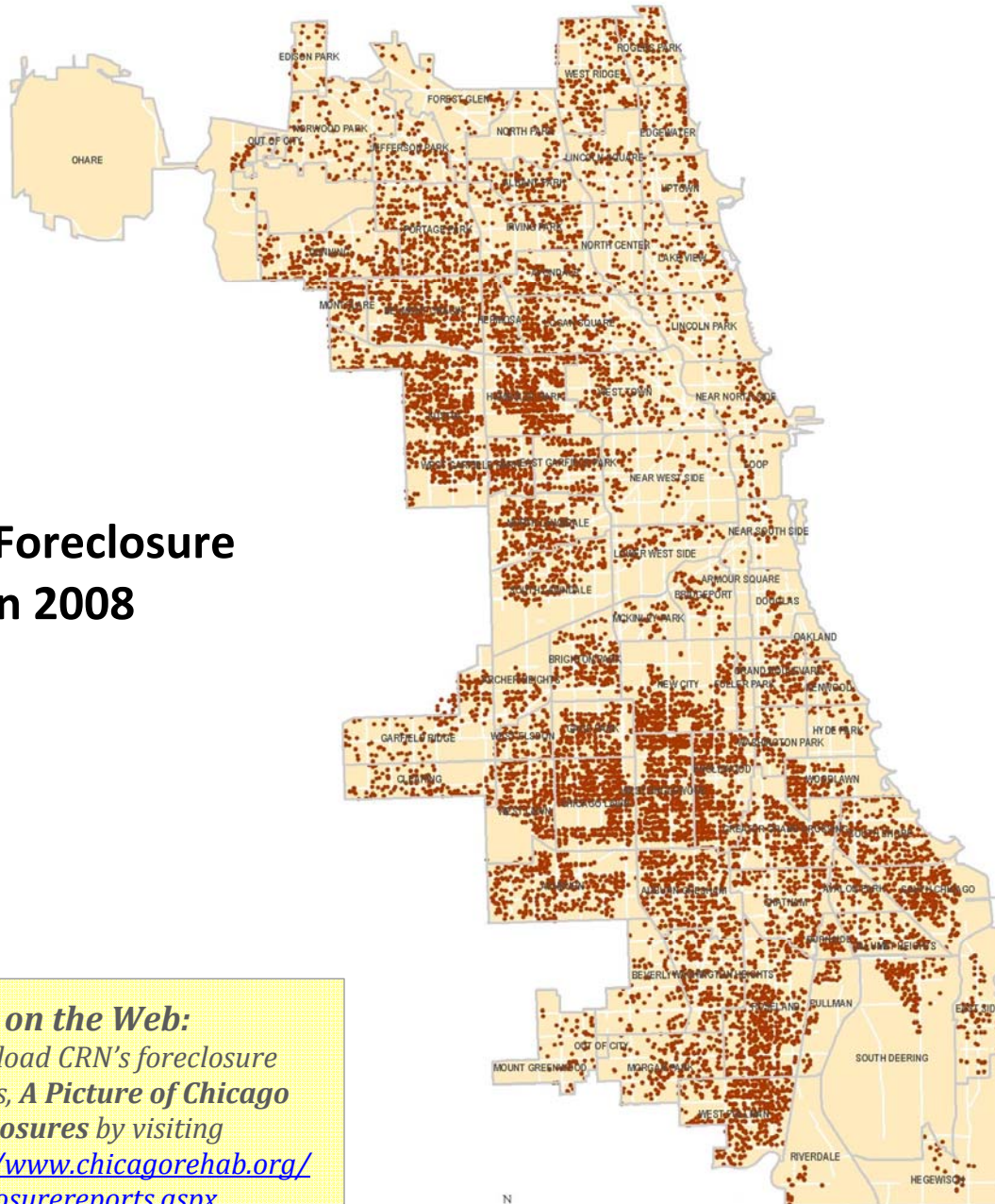
**Two-thirds of Chicagoans
earn less than \$75,000 a year.**

➔ **More on the Web:**
 Download *CRN's Affordable Housing Fact Sheet* by visiting
<http://www.chicagorehab.org/crn/factbook/index.aspx>

Source: 2008 American Community Survey

Foreclosures are devastating low-income, minority communities

In all of 2008, there were over 16,058 foreclosure filings in Chicago, with the highest concentrations in the West and South side communities which are also predominantly low-income and minority communities. According to CRN's analysis, there are already 10,162 foreclosure filings reported the first half of 2009 signaling that an even greater crisis to Chicago neighborhoods is yet to come.



16,058 Foreclosure Filings in 2008



More on the Web:

Download CRN's foreclosure reports, *A Picture of Chicago Foreclosures* by visiting <http://www.chicagorehab.org/Foreclosurereports.aspx>.



Source: RealInfo.net
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SAMPLE LETTER

Dear Alderman _____,

[Insert information about you or your organization]

With a significant budget deficit facing the city and the ongoing recession, it is more important than ever to support the work of the Department of Community Development. Incomes and jobs are unstable, and what my neighbors [or community] and I need most of all is to be able to count on having a safe, decent and affordable place to live. Affordable housing provides a true economic stimulus: when families can afford housing, it leaves more income to spend on groceries, healthcare and education.

The lack of affordable housing affects all of us and as a resident of your ward I am extremely concerned with the budget shortfall affecting the Department of Community Development. **[Insert examples of how lack of affordable housing has affected you or your organization, ie overcrowding, number of foreclosed buildings on your block, increasing rents]**

I ask that you show your commitment to affordability during the budgeting process by ensuring that funding for affordable housing is secured and maintained. We all do better when we can afford to live in stable and healthy neighborhoods.

Sincerely,

[Your Name]

Aldermanic Contact Information

If you do not know what ward you live in, you may go online to the City Clerk website and look it up using your address: <http://www.chicityclerk.com/citycouncil/alderman/find.html>

Ward	Name	Office	Zip Code	Phone
1	Alderman Manuel Flores	2058 N. Western Avenue	60647	773-278-0101
2	Alderman Robert Fioretti	429 S. Dearborn Street	60605	312-263-9273
3	Alderman Pat Dowell	5046 S. State St.	60609	773-373-9273
4	Alderman Toni Preckwinkle	4659 S. Cottage Grove, St. 203	60653	773-536-8103
5	Alderman Leslie A. Hairston	2325 E. 71st Street	60649	773-324-5555
6	Alderman Freddrenna M. Lyle	406 East 75th St.	60619	773-846-7006
7	Alderman Sandi Jackson	7129 S. Yates Blvd.	60649	773-375-9180
8	Alderman Michelle Harris	8539 S. Cottage Grove	60619	773-874-3300
9	Alderman Anthony Beale	34 East 112th Place	60628	773-785-1100
10	Alderman John Pope	3522 E. 106th Street	60617	773-721-1999
11	Alderman James A. Balcer	3659 S. Halsted St.	60609	773-254-6677
12	Alderman George A. Cardenas	2458 W. 38th Street	60632	773-523-8250
13	Alderman Frank J. Olivo	6500 S. Pulaski Rd.	60629	773-581-8000
14	Alderman Edward M. Burke	2650 W. 51st Street	60632	773-471-1414
15	Alderman Toni Foulkes	3045 W. 63rd Street	60629	773-863-0220
16	Alderman JoAnn Thompson	5335 South Western Blvd.	60609	773-434-3399
17	Alderman Latasha R. Thomas	7811 S. Racine Ave.	60620	773-723-0908
18	Alderman Lona Lane	8146 S. Kedzie	60652	773-471-1991
19	Alderman Virginia A. Rugai	10400 S. Western Ave	60643	773-238-8766
20	Alderman Willie Cochran	6357 S. Cottage Grove	60637	773-955-5610
21	Alderman Howard Brookins Jr	9612 South Halsted	60628	773-881-9300
22	Alderman Ricardo Munoz	2500 S. St Louis	60623	773-762-1771
23	Alderman Michael R. Zalewski	6247 S. Archer Ave.	60638	773-582-4444
24	Alderman Sharon Denise Dixon	2100 South Marshall Blvd. St. 801	60623	773-522-2430
25	Alderman Daniel S. Solis	2439 S. Oakley Blvd	60608	773-523-4100
26	Alderman Roberto Maldonado	2434 W. Division Street	60622	773-395-0143
27	Alderman Walter Burnett, Jr.	1463 W. Chicago Ave.	60622	312-432-1995
28	Alderman Ed H. Smith	259 N. Pulaski	60624	773-533-0900
29	Alderman Isaac Carothers	5253 West. Madison Street	60644	773-261-4646
30	Alderman Ariel E. Reboyras	3348 N. Milwaukee Ave.	60641	773-794-3095
31	Alderman Ray Suarez	4502 W. Fullerton Ave.	60639	773-486-6488
32	Alderman Scott Waguespack	2657 N. Clybourn	60614	773-248-1330
33	Alderman Richard F. Mell	3649 N. Kedzie Ave	60618	773-478-8040
34	Alderman Carrie M. Austin	507 W. 111th St	60628	773-928-6961
35	Alderman Rey Colón	2710 N. Sawyer Ave.	60647	773-365-3535
36	Alderman John Rice	6839 W. Belmont Ave.	60634	773-622-3232
37	Alderman Emma Mitts	5344 W. North Ave.	60639	773-745-2894
38	Alderman Thomas R. Allen	5817 W. Irving Park Rd.	60634	773-545-3838

39	Alderman Margaret Laurino	4404 West Lawrence Avenue	60630	773-736-5594
40	Alderman Patrick J. O'Connor	5850 N. Lincoln Ave.	60659	773-769-1140
41	Alderman Brian G. Doherty	6650 N. Northwest Highway	60631	773 792-1991
42	Alderman Brendan Reilly	311 West Superior St. 212	60654	312-642-4242
43	Alderman Vi Daley	735 W. Wrightwood	60614	773-327-9111
44	Alderman Thomas M. Tunney	1057 W. Belmont Ave.	60657	773-525-6034
45	Alderman Patrick J. Levar	5205 N. Milwaukee, St. 100	60630	773 545-2545
46	Alderman Helen Shiller	4544 North Broadway	60640	773-878-4646
47	Alderman Gene Schulter	4237 North Lincoln Avenue	60618	773-348-8400
48	Alderman Mary Ann Smith	5533 N. Broadway Ave.	60640	773-784-5277
49	Alderman Joe Moore	7356 N. Greenvview Ave.	60626	773-338-5796
50	Alderman Bernard L. Stone	6199 N. Lincoln Ave.	60659	773-764-5050

Office of Budget Management

Eugene Munin

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2010 Preliminary City Budget Summary

The City of Chicago projects **\$2.796 billion** in Corporate Fund availability in 2010 and expenditures totaling **\$3.315 billion**. The 2010 preliminary budget shows a 5 percent increase in corporate expenses, or \$129.5 million, over the 2009 year-end estimates, while available funding shows a decrease of 11 percent in revenue, or \$441.5 million. **This represents a total shortfall of \$519.7 million for the year 2010** and already includes the infusion of \$51.3 million from the Parking Meter Lease Rainy Day Fund.

The city attributes the bulk of this shortfall to “economically-sensitive” revenue sources. The Real Estate Transaction Tax revenue continues to fall since the beginning of the recession. By the year’s end, the City estimates real estate transaction tax revenue to drop by nearly 54 percent from \$120 million collected in 2008 to just under \$55 million by the end of 2009. The City’s 2010 preliminary budget estimates real estate transaction tax revenue of just \$52.5 million compared to a high of \$242.3 million in 2006.

Fig. 1. Real Estate Transaction Tax Growth

<i>Real Estate Transaction Tax Growth</i>				
Year	Amount (\$)	Corporate Fund (\$)	% Corporate Revenues	% Change from prior year
1998	87,400,000	2,173,200,000	4.02%	
1999	89,500,000	2,234,100,000	4.01%	2.40%
2000	101,700,000	2,370,400,000	4.29%	13.63%
2001	108,000,000	2,423,000,000	4.46%	6.19%
2002	125,600,000	2,438,400,000	5.15%	16.30%
2003	145,400,000	2,598,600,000	5.60%	15.76%
2004	190,800,000	2,601,600,000	7.33%	31.22%
2005	236,300,000	2,839,700,000	8.32%	23.85%
2006	242,300,000	2,941,700,000	8.24%	2.54%
2007	205,766,000	3,116,700,000	6.60%	-15.08%
2008	119,462,000	3,139,600,000	3.81%	-41.94%
2009 Est. Year-End	54,778,000	3,152,272,000	1.74%	-54.15%
2010 Preliminary	52,587,000	2,796,261,000	1.88%	-4.17%

Resources for Housing

In the preliminary 2010 budget, the Department of Community Development is estimated to receive just under **\$30 million** from the corporate fund, about \$3.5 million less than the estimated year-end total for 2009. The Department also has additional grants of **\$170.3 million**, which includes the \$55 million from the Neighborhood Stabilization Program, and another \$80.4 million in Recovery Act funds. The Recovery Act funds are from the following three programs: \$39.1 million from the Tax Credit Assistance Program, \$22.5 million from the Tax Credit Exchange Program, and \$18.8 million from the Workforce Investment Act. The Department will also utilize **\$5.4 million** in CDBG Recovery dollars for foreclosure mitigation, prevention, and expansion of the Troubled Buildings Initiative to include distressed condominiums.

The total estimated resources for the Department of Community Development, including corporate funds, grants, and Recovery Act funds are approximately \$286 million.

Fig. 2. Corporate Funds to Department of Community Development

<i>Corporate Funds to DCD</i>	
2003	\$14,268,618
2004	\$13,640,000
2005	\$15,205,000
2006	\$12,603,000
2007	\$31,301,000
2008	\$20,859,000
Est. Year-End 2009	\$33,492,000
Prelim Est 2010	\$29,983,000

Chicago Rehab Network's Recommendations:

With the significant budget deficit facing the city and the ongoing recession, it is ever more important to support the work of the Department of Community Development. Unemployment in the City of Chicago is more than 11 percent. The City is proposing even more furlough days for its employees. Incomes and jobs are unstable but what Chicagoans need to be able to count on is access to safe, decent, affordable housing.

We have and continue to maintain that affordable housing is foundational for stable and healthy communities. Affordable housing provides a true economic stimulus: when families can afford housing, it leaves more of their income to spend on groceries, healthcare, and education. The Association of Homebuilders calculate 1.6 new jobs for every unit of housing. The city should orient its policies and priorities to programs and activities that will advance affordability and spur growth in Chicago's neighborhoods. We offer the following recommendations:

- 1. Prioritize Multifamily Family Rental Housing.** An unmistakable outcome of the rise and fall of the housing market is the considerable loss of rental housing stock to condominium conversions. Shifting housing policy priorities to rental housing is necessary: a recent report states that one-third of the nation's homeowners are underwater (Source: First American

CoreLogic). Condominiums reconverting to rental will unlikely be at an affordable rent to meet the City's median household income (\$45,505 in 2007). The trend in recent years has been anything but affordable—since 2000 the number of homeowners paying \$2,000 or more in their monthly mortgage increased by over 650 percent without a commensurate increase in household incomes (See CRN 2007 Affordable Housing Fact Sheet) . This places a premium on preservation of rental housing. The immense demand for rental housing was also made clear recently by CRN member, Bickerdike Redevelopment Corporation, who received 5,000 applications in response to opening its Section 8 waiting list for only 40 available spots in May.

2. **Safeguard funding levels for the Department of Community Development that will sustain services critical to affordable housing.** Significant dollars from the Recovery Act and Stabilization funds coming to Chicago will be administered through the Department of Community Development. Additionally, the Department is leading the city's foreclosure efforts through Neighborhood Stabilization Program and the forthcoming foreclosure mitigation, counseling and condominium deconversion programs. With the severity of the economic downturn, the City must fundamentally safeguard the Department of Community Development's budget. The Corporate Fund supports the Department's **Low-Income Housing Trust Fund Rental Subsidy** program. For this year alone, the Department estimates that the subsidy will assist more that 3,000 units of rental housing for households earning less that 30 percent of the median income, or \$22,500 for a family of four.

The Corporate revenue also funds the Department's **Multifamily Loan Program** and as many are aware, the credit crunch has made obtaining development and construction loans more difficult. In addition, the Low-Income Housing Tax Credit, a major Federal resource for affordable rental housing creation, has also suffered from the downturn. The Multifamily Loan program provides much-needed gap financing for affordable rental projects, especially as Federal and private financing sources continue to dwindle.

3. **Prioritize Non-profit community development corporations for new funds towards affordable housing.** Non-profit community development corporations are driven by their mission to create stable, healthy and affordable communities and are guaranteed to be long-term stewards of affordable housing. Non-profit shovel-ready projects should be given a higher level of priority to receive gap assistance from the Tax Credit Assistance Program and Tax Credit Exchange Program funds under the Recovery Act.

Transparency and Accountability

CRN also recommends the following changes to the budget reporting process which can greatly improve transparency and accounting for revenues going towards affordable housing and coming from affordable housing programs.

1. The Affordable Housing Opportunities Fund should be reported as its own separate item similar to the reporting for Special Revenue Funds like the CTA Real Estate Transfer Tax Fund. Revenue sources for the Affordable Housing Opportunities Fund, which includes fees from the Downtown Density Bonus, and its expenditures, should also be reported in the

budget. Currently, fees from the Downtown Density Bonus are being reported under the Licenses and Permits subcategory under the Corporate Fund.

2. All Tax Increment Financing information should be included in the budget. TIF funds are essential to the City's finances and operations and are funded through taxpayer dollars. Therefore it is important that the City includes TIF finances as part the budget.
3. An in-depth review of the Chicago Housing Authority's finances should be conducted in order to provide a complete picture of its revenue sources, expenses, and budget priorities. As the largest single recipient of affordable housing resources from the City and allocation of stimulus dollars for housing, CHA has largely operated with very little public discourse and dialogue between the communities it impacts through its Plan for Transformation. The economic crisis and the challenges it brings requires greater transparency and accountability but also calls on improved partnership and cooperation from all stakeholders in order to bring back stability in Chicago's communities.

WHO WE ARE Established in 1977, the **Chicago Rehab Network (CRN)** is a citywide coalition of neighborhood-based nonprofit housing organizations working to create and preserve affordable housing in Chicago and the region. Through research, publications, policy and advocacy, training and technical assistance CRN advocates for affordable housing resources at the local, state, and national levels.



City of Chicago

2009 HOUSING FACT SHEET

Population	2000	2007	2008	% change since 2000
Total population	2,896,016	2,737,996	2,741,455	-5.3%
% Immigrant	21.7%	21.6%	21.4%	-1.4%
Total Households	1,061,921	1,022,916	1,025,027	-3.5%
Average household size	2.67	2.61	2.61	-2.2%
Total Family Households	632,558	594,038	572,177	-9.5%
Average family size	3.50	3.49	3.59	2.6%
Total Non-Family Households	429,370	428,878	452,850	5.5%
Percent of residents in poverty	19.6%	20.5%	20.6%	2.6%

Race & Ethnicity	2000	2007	2008	% change since 2000
White	1,215,315	1,012,608	1,230,718	1.3%
African American	1,065,009	955,603	949,110	-10.9%
Hispanic or Latino	753,644	772,426	770,386	2.2%
Asian or Pacific Islander	127,762	135,431	134,954	7.1%
Native American/Hawaiian	10,290	5,471	7,493	-27.2%

Income	2000	2007	2008	% change since 2000
Median household income*	\$48,071	\$45,505	\$46,911	-6.0%
HUD Area median income	\$67,900	\$71,600	\$71,600	5.4%
Households earning < \$25,000	349,634	305,838	300,040	-14.2%
As a percent of all households	32.9%	29.9%	29.3%	-11.0%
Unemployment rate	10.1%	9.2%	9.4%	-6.9%

Households by Income level	2000	2007	2008	% change since 2000
less than \$25,000	349,634	305,838	300,040	-14.2%
\$25,000 - \$49,999	304,810	242,245	235,621	-22.7%
\$50,000 - \$74,999	188,700	180,747	179,879	-4.7%
\$75,000 or more	218,820	294,086	309,487	41.4%

Housing Units	2000	2007	2008	% change since 2000
Total Housing Units	1,152,868	1,188,595	1,195,229	3.7%
Total Occupied Housing Units	1,061,921	1,022,916	1,025,027	-3.5%
Owner-Occupied	464,865	510,581	492,157	5.9%
Renter-Occupied	597,063	512,335	532,870	-10.6%
Vacancy rate (All Units)	7.9%	13.9%	14.2%	80.5%
Homeowner vacancy	4.7%	3.8%	4.6%	-2.1%
Rental vacancy	5.7%	8.3%	7.3%	28.1%

Housing Market	2000	2007	2008	% change since 2000
Median home value*	\$165,541	\$297,812	\$287,500	73.7%
Median home sales price*	\$218,642	\$278,631	\$238,341	9.0%

Foreclosures

Total Foreclosure filings 2008	16,058
Total value of foreclosed mortgages	\$4.7 billion
Total amount of property tax liability	\$33.9 million
Total Foreclosure filings Jan-June 2009	10,162
Total value of foreclosed mortgages	\$3.4 billion
Total amount of property tax liability	\$30.6 million

Housing Cost Burden	2000	2007	2008
Renters			
% paying over 30% of income	49.6%	52.7%	51.9%
Median monthly gross rent*	\$796	\$864	\$863
HUD Fair Market Rent (2BR)	\$762	\$944	\$899

Number of Renter Households and their Monthly Rent Payments in 2008		% change in households since 2007	% change in households since 2000
less than \$750	182,411	-7.6%	-55.3%
\$750 to \$999	156,741	5.8%	51.1%
\$1,000 to \$1,499	128,952	13.6%	142.5%
\$1,500 or more	51,685	19.3%	174.1%

Owners with Mortgages	2000	2007	2008
% paying over 30% of income	34.4%	51.0%	50.3%
Median monthly owner cost*	\$1,571	\$1,937	\$1,940

Number of Mortgaged Households and their Mortgage Payments in 2008		% change in households since 2007	% change in households since 2000
less than \$1000	28,674	-13.9%	-49.5%
\$1,000 to \$1,499	73,934	-8.7%	5.6%
\$1,500 to \$1,999	91,175	-7.1%	182.1%
\$2,000 or more	172,423	6.3%	697.5%

Cost Burdened Households by Income

Income level	Renter HH	Owner HH
less than \$20,000	89.1%	99.8%
\$20,000 - \$49,999	79.6%	92.0%
\$50,000 - \$74,999	11.2%	67.1%
\$75,000 or more	2.8%	21.9%

Housing Snapshot

Housing stress. The share of homeowners who are cost burdened increased from about one in three mortgage-holders in 2000 to one in two in 2008. The cost burden rate among renters remained the same since 2000, increasing about 2 percentage points to 52 percent. Overall, about half of all Chicago households spend more than a third of their income on housing.

Housing mismatch. Households earning below the City's median household income--\$46,911--bear the brunt of housing costs: four out of five renters who earn less than \$50,000 annually are cost burdened. Among owners, two out of three mortgage-holders earning between \$50,000 and \$75,000 annually--well above the city median--spend more than a third of their income on housing. Owners with monthly housing costs of over \$2,000 increased seven-fold since 2000. A household would need to earn at least \$85,000 to afford that payment.

Increasing rate of foreclosures. In the first half of 2009, foreclosure filings are already 63 percent of the total foreclosure filings in 2008. In a year and a half, over \$8 billion worth of mortgages went into foreclosure.

Increasing demand for rental housing. There are 18,400 fewer owner households in 2008 from the prior year. Renter households, on the other hand, show the opposite trend. After falling 14 percent from 2000 to 2007, renter households increased by 4 percent in 2008 from the prior year.

Housing cost. Home values fell by 3.5 percent in 2008 from the previous year after benefiting from significant increases since 2000. The median rent, which has also been steadily increasing since 2000 fell slightly by 0.11 percent

* Dollar amounts adjusted for inflation

Sources: 2000 U.S. Census; 2007, 2008 American Community Survey; Illinois Real Estate Market Pulse www.; Foreclosure data from RealInfo.net; HUD Fair Market Rents and Income limits; A Picture of Chicago Foreclosures: monthly reports on foreclosures in Chicago, CRN 2008, 2009 available at www.chicagorehab.org