

# E-Newsletter

April 2008

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- **HOT STUFF: Public Hearings Galore - Mergers and Plans**

These three hearings upcoming are sponsored by institutions which all impact your community. Don't underestimate the value of sharing your voice and experience in working to improve the neighborhood where you work and live.

**The Federal Reserve Board will hold an April 22 public hearing on Bank of America plans to acquire Countrywide Financial Corp.** The hearing will begin at 8:30 a.m. CDT at the Federal Reserve Bank of Chicago, 230 South LaSalle St. Anyone wishing to testify at the public meeting to be held in Chicago must submit a written request to Alicia Williams, Vice President, Federal Reserve Bank of Chicago, 230 South La Salle St., Chicago, IL 60604, or fax to 312-913-2626, no later than 5 p.m. CDT on April 8, 2008.

**The City has announced 3 public hearings as part of the Housing Planning Process.** Monday, April 14, 6:00 p.m. North Park Village, 5801 N. Pulaski Rd., Building C, Community Room Wednesday, April 23, 6:00 p.m. Washington Park Refectory, 5531 S. Russell Dr. Tuesday, May 6, 6:00 p.m. Austin Town Hall, 5610 W. Lake St.

**CHA Residents' Forum - Tuesday, April 8th** The CHA will host a resident forum to discuss recent policy issues, as well as the proposed Amended and Restated Moving To Work (MTW) Agreement, on Tuesday, April 8, 2008, at the South Shore Cultural Center, 7059 S. South Shore Drive. There will be a morning session (10 a.m. to noon), and an evening session (5 to 7 p.m.). Both sessions will cover the same material.

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## Time to Renew Five-Year Affordable Housing Plan

**By Kevin Jackson**

The Chicago Rehab Network has long maintained that the city housing department's quarterly reports are exemplary and a best practice to promote transparency in government. Looking at what a major city agency is doing every four months-through its reports to the city council's Committee on Housing and Real Estate allows elected officials and the public to see how programs are working, allows for changes when things aren't working and gives housing advocates vital information. The city has developed meaningful policies and resources because of this openness and the discourse that ensues.

Where did this tool come from? The Department of Housing's quarterly reports came out of the first decisions around the Five-Year Affordable Housing Plan back in 1993-and this function has grown more successful with each subsequent plan. As the Department of Housing begins preparing for the next Five-Year Affordable Housing Plan, housing stakeholders have again been invited to serve on an advisory group. The group will recommend priorities for the new plan that will be submitted to the city council.

This new planning opportunity is going to take the same thoughtful and diligent approach as in years past. The Chicago Rehab Network will contribute to the success of this process. We will present our analysis of the city's performance. We will participate and comment on the key issues based on interactions with and concerns expressed by practitioners, community leaders and others concerned about housing in our city.

We've already begun to hear that the economic downturn will likely result in fewer resources for affordable housing. We will argue a stronger response is required in these times. The next 5-Year Plan will lay the framework for our commitment to align our affordable housing with future events and possibilities, like the 2016 Olympics.

We will present new recommendations for how to best serve Chicagoans who need housing the most and encourage strategies that emerged out of the "Build, Preserve and Lead" plan (2003 - 2008). Through the past we've seen intervention and innovation in the areas of preservation and new housing developments. We have a new notification law that supports preservation, new

Affordable Housing Land Trusts, and a menu of inclusionary housing opportunities through the Affordable Requirements Ordinance (ARO) and the downtown Density Bonus.

We will continue to call for careful tracking of the ARO, given that the ordinance is new and will require new coordination with some city departments. The ordinance, however, is another example of where we should be moving with increased participation across departments and enhanced reporting.

Outside of the Five-Year planning efforts, we should pay attention to property taxes as they have always been a key element in maintaining strong neighborhoods. A committee chosen by the mayor has been assigned to examine and make recommendations about property taxes- we trust the committee will also have high level of transparency and solicit input from practitioners. Our experience and the history of the Five-Year Plan shows participation by independent non-profits, like the Chicago Rehab Network, increases the likelihood of better decision making because of greater awareness of problems and opportunities.

*(Kevin Jackson is executive director of the Chicago Rehab Network.)*

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### **Update on Federal Preservation Policy**

In fiscal year 2009, the Bush administration proposes to spend \$7 billion to renew all Project-based rental contracts and to provide a \$400 million advance appropriation to bridge renewal funding into 2010.

This is \$1.2 billion more than the Administration proposed last year and represents another step toward restoring full funding. This change is due entirely to advocacy by the housing community.



The fiscal year 2009 budget process will be a long one. The affordable housing community must highlight and to continue to use the need for affordable rentals and the preservation of existing stock as polarizing issues-especially with ever growing demands for affordable rental housing.

According to HUD's FY'09 budget justifications, the department estimates 43,000 fewer Project-based Section 8 affordable apartments will be funded. This would be double the number of Project-based Section 8 units lost to affordable market stock annually in recent years. Since 2001, approximately 10,000 Project-based Section 8 units have been lost nationally on a yearly basis.

The Chicago Rehab Network has sent letters to the full Illinois congressional delegation highlighting the need for lawmakers to adopt emergency supplemental appropriations to fully fund Section 8 contracts for the current fiscal year. Your participation is key to keeping the pressure on and building awareness within our delegation about the negative impact that loss of rental units would have on their constituents.

We applaud all 24 senators, including Sen. Dick Durbin and Sen. Barack Obama, for their bipartisan efforts to preserve affordable housing. Sen. Durbin and Sen. Obama joined Senator Dodd in urging the Senate budget committee to include a \$2.8 billion advance appropriation for Section 8 contracts in the pending budget resolution.

A comprehensive Preservation Bill will be in the pipeline for introduction by Congressman Barney Frank, chair of the House financial services committee. Mr. Frank (D-Mass.) has said that the adoption of an omnibus affordable housing preservation bill is among his top priorities for the coming year. The bill will include many policy and regulatory fixes proposed through the National Preservation Working Group of which we are a member.

Congress will also consider legislation to improve and modernize the Low Income Housing Tax Credit program. Sen. Maria Cantwell (D-Wash.) has introduced S. 2666, the "Affordable Housing Investment Act of 2008." The bill would make a number of improvements to the LIHTC program that would substantially benefit preservation, including repealing the 10-year rule for acquisition credits.

Here are few additional developments from Capitol Hill:

- The Illinois Housing Development Agency and Neighborhood Housing Services of Illinois will receive \$2.4 million in federal funding towards foreclosure counseling, according to Sen. Dick Durbin's office
- Illinois Democrat Jan Schakowsky is seeking co- sponsors for H.R. 4202, "The Inclusive Home Design Act," legislation to make homes accessible, or inclusive, for people with disabilities. H.R. 4202 would mean that all homes built with federal dollars accessible, and the number of homes available for people with disabilities would be greatly increased.

### • Important Events

**Action Now Fundraiser** On Friday, April 18, 2008, Action Now will be holding its first fundraiser reception in downtown Chicago at the Sheraton Hotel and Towers, 301 East North Water Street. The gathering is from 5:00 to 7:00 p.m. Please stop by after work to share a toast, grab a bite before the trip home, and welcome Action Now to the world. Contact Madeline Talbott for more information.

**Chicago Area Fair Housing Alliance** The Chicago Area Fair Housing Alliance (CAFHA) is hosting an event on April 29. The topic is "Fair Housing: Forty Years Later." Barbara Knox of HUD is one of the panel members. There will be a screening of a documentary film on the Chicago Freedom Movement, and CAFHA will release its report on the state of fair housing in the six-county metro Chicago region. The program will be held on April 29 from 9 a.m. to 12 p.m. at Access Living at 115 W. Chicago Avenue.

### • Job Opportunities

**The John D. and Catherine T. MacArthur Foundation is seeking to fill a position in the Program on Human and Community Development for a program officer with training and experience in housing policy, research, and the development of communications strategies necessary to enhance the policy impact of funded activities.** <http://www.cytiva.com/cejobs/DetailMac.asp?mac55>

- **Foreclosure Remedies from DC**

Somehow Congress and the Bush administration keep missing the point. The problems associated with the sub prime meltdown and the foreclosure crisis aren't going to just go away. It's going to take some hard decisions and something more than hope that the market corrects itself.

That means going beyond fixes for the financial industry side of the housing debacle and honestly dealing with a very simple fact: People are losing their homes and need help - as do the communities which will suffer from the abandoned and vacant home.

The recent legislation proposed by the Senate has some good elements, like provisions that would make it possible for communities to purchase housing to keep neighborhoods from suffering with enduring huge numbers of abandoned properties in their neighborhoods - as well as keep the homes out of the speculative market.

The Foreclosure Prevention Act of 2008 would offer \$100 million to pay for counseling and give states the ability to use \$10 billion for tax free bonds to try to combat the problem. It does offer help to deal with properties already in foreclosure and put aside \$4 billion that local governments could use to buy REO properties, which is a good idea.

The bill doesn't offer bankruptcy reform. A provision of Senator Durbin's was included in S.2636 but may not be included in final bill. Durbin's provision would have allowed modification of primary residence mortgages in court as mortgages on other types of homes can be revised in court. . Other elements of the bill, however, are open for exploitation by speculators, like a \$7,000 tax credit for people who purchase foreclosed properties.

What's needed is a multi-year plan to deal with the crisis and builds in provisions to curb abuses that ushered in the crisis. A major feature should be support for ending predatory lending, like Sen. Christopher Dodd's anti-predatory lending bill that would ban high broker fees, bad loan products, unwarranted prepayment penalties, fraudulent servicing and other abusive practices.

Stay tuned for our CRN advocacy alerts. As negotiations move forward, we'll need to voice our Chicago experience to the Illinois delegation and beyond.

- **Foundations Create Fund to Help Chicago Neighborhoods Benefit from 2016 Olympics**

The John D. and Catherine T. MacArthur Foundation, The Chicago Community Trust, the McCormick Tribune Foundation, and the Polk Bros. Foundation today announced that they are establishing a multi- million dollar fund to support the city's Olympic bid and ensure it provides lasting benefits to Chicago's neighborhoods and residents.

The 2016 Olympics Fund for Chicago Neighborhoods will make grants to help neighborhoods affected by the Olympics participate and benefit from planning for this global event. Funding likely will support city and community planning, education, employment and training services, affordable housing, research, and business, commercial, and retail development in the communities where Olympic venues will be located. These include Washington Park, Englewood, Grand Boulevard, Kenwood,

Woodlawn, and Douglas Park on the South Side and East Garfield Park, Near West, Pilsen, Little Village, and North Lawndale on the West Side.

## Learning About Building Community

The first group to participate in the this years' Community Development and Empowerment workshop series spent time at Bethel New Life in Austin. Led by instructor and Bethel New Life staffer Richard Townsell, the 25-member group toured Bethel's Beth Anne campus March 14, then took a chartered bus to see Bethel's off-site housing developments, child care facilities, and financial service projects in Austin and West Garfield Park.



Community Building was the first of the Series and included discussions of what it takes beyond brick and mortar to build a neighborhood. The next seven workshops will cover issues from proforma development to construction management to property management. While most workshops are full, strong demand exists to offer this Series again soon. Let us know if you are interested.

- **'Housing Policy' letter in Chicago Tribune**

John Bartlett, executive director of the Metropolitan Tenants Organization, recently had a letter published in the Chicago Tribune. Titled "Housing Policy," the letter highlighted the importance of housing, its impact on families and communities and made some recommendations for what needs to be done in the middle of economic bad times and the sub-prime market meltdown.

- **Housing Action Illinois 2008 Annual Convention**

On May 1 and 2nd in Naperville, Housing Action Illinois will hold their 2008 Annual Convention. This is a great event to hear about housing policy updates and to connect with other practitioners.

<http://www.housingactionil.org/events/Convention2008/coninfo.html>

- **CRN's Analysis of Housing Production in 2007**

The Chicago Rehab Network's analysis of the Department of Housing's 4th Quarterly report for 2007 is available. Last year was a difficult one in housing with increased foreclosures and mortgage defaults, the collapse of the subprime lending industry, rising consumer and gas prices all contributing to a precarious housing market and somber economic picture. Where should we be going from here? Our analysis outlines challenges and opportunities that we need to face as the housing markets tightens and the city enters the final year of the Department of Housing's third Five-Year Plan. Take a look.

<http://www.chicagorehab.org/policy/doh.htm>

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