



NETWORK NEWS

Volume 1, Issue 2

Summer 2007

Are We Making Progress?

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We've seen two important new affordable housing policies from the 5th floor this year: the passage of the amended Affordable Requirements Ordinance and the just-passed Affordable Housing Preservation Ordinance.

Some reflection on both might reveal important next steps for those of us in the advocacy community.

Many of us have been working on the concept of the ARO for over 8 years now. The ARO as amended upholds the principles of inclusionary housing policies around the country - that booming real estate markets create both opportunities and burdens - that even people of modest means should benefit from city development improvements - that the funds raised from "in lieu" of fees can benefit housing for the poor (as the units created do not).

Still, it is hard not to be somewhat discouraged by the resistance along the way.

The original ordinance introduced by Ald. Toni Preckwinkle awarded density (read: profit) to developers in exchange for affordable units — that fact got lost in debates about mandates vs. incentives. On the other hand, the timing of the zoning rewrite



By Kevin Jackson

worked in our favor as the outpouring of community pressure forced the downtown density bonus as the precedent for what we have today.

In the end, it is good that Chicago finally has a policy in place which requires affordable housing in developments where the developer receives city assistance. That doesn't negate the fact, however, that thousands of affordable units could have been created if this had been done years earlier.

Our next big challenge is to ensure that stakeholders and decision-makers use their power to ensure application of the ARO on every eligible development. We raised the issue at the last Housing and Real Estate Committee Hearing and many aldermen understood that success of the ARO requires unprecedented coordination between key city departments and committees. CRN will be offering training over the next six months on this — and we'll do our best to keep sunshine on the issue too

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Logan Square leader Myra Cassasola, Ald. Rey Colon, Mayor Daley and Housing Commissioner Jack Markowski announce affordable housing initiative at Lorington Apartments.

Initiative Preserves Affordable Rental Units

Mayor Richard M. Daley recently announced a new three-year initiative designed to preserve at least 6,500 affordable Logan Square rental units

through a \$12 million investment and an allocation of \$150 million in tax-exempt bonds. The announcement came June 6 outside the Lorington Apartments. The units range in size from one to four bedroom apartments. The mayor also passed an ordi-

nance to help apartment buildings remain affordable after they lose federal use restrictions. His ordinance is modeled after a 2004 state law. It requires owners to give tenants notice before subsidies expire. CRN helped pass the state law.

Are We Making Progress?

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with our tracking system at www.chicagorehab.org/arrowatch.

While still in its infancy, I'm sure you'll agree that we have to start somewhere.

The Affordable Housing Preservation Ordinance recently passed out of Committee and City Council. It lays out a set of procedures and policies which builds on the Illinois Federally Assisted Housing Preservation Act to require that Chicago owners provide proper notice to the Commissioner of Housing if they intend to alter federal affordability restrictions on a rental property.

This city ordinance adds "qualified entities/developers" to the "right of purchase" category. This is a good policy in general that is standard protocol in cities throughout the country. It defines characteristics of qualified entities and requires the timely public posting of notices and sales agreements to be provided by the commissioner.

This is enabling legislation. A definite step in the right direction and a foundation to build upon — but largely unfunded with the proper resources. We know that there is sufficient development capacity and willingness of CDCs to serve as "qualified entities" and purchase these buildings. The key challenge towards achieving impact will be whether the resources exist to allow qualified entities to purchase and improve these assisted buildings for the low income households that reside there today and in the future.

Progress? You be the judge.



Waiting line, waiting list

When Bickerdike Redevelopment Corporation announced it would be re-opening its Section 8 waiting list, some 600 people started lining up two days before the pre-applications were actually handed out. Hundreds waited in line overnight, some for two nights, for a chance to apply for the affordable apartments. Once families are on the list, waits for Bickerdike's Section 8 units can be 1 to 3 years. The non-profit's total Section 8 portfolio is 454 units. In 2004, approximately 1,500 people stood in line for 500 slots on a Bickerdike waiting list that had not been opened in three years. Affordable housing, obviously, remains an important issue for Humboldt Park and Chicago residents.

Upcoming trainings

Midwest Academy and CRN will offer a multi-day training on preservation and tenant organizing in late September. There are two seats remaining! For more information, contact Gené Moreno at CRN, at 312-663-3936. CRN will also be offering additional trainings in coming months, including "Using TIF Resources for Affordable Housing" and "Tracking the Affordable Requirements Ordinance and Making It Work for Your Neighborhood."

Housing Commissioner Resigns

Jack Markowski, the city of Chicago's housing commissioner, resigned June 4 after 15 years on the job, including eight as the head of the agency. Markowski has become president of Park Bank Initiatives, the not-for-profit real estate development affiliate of Park National Bank. As he left office, Markowski shared plans to work on improving neighborhoods near bank branches and his initial projects will be focused on the city's Englewood and Pullman neighborhoods.

Markowski's tenure will be remembered as a time in which housing advocates and non-profit developers were able to engage a major city agency on issues related to affordable housing and pressing community needs.

Though the relationship often had its challenges, "Markowski never shied away from focusing on the tough issues when it came to the impact affordable housing had on the city," said Kevin Jackson, executive director of the Chicago Rehab Network. Markowski helped make political leaders understand the importance of affordable housing in the city, Jackson said. With his technical know how, experience as a community activist and public official, Markowski exhibited leadership and a willingness to discuss issues, Jackson continued.

"We hope the next commissioner will keep the open door policy that made for significant partnerships with the city and frank discussions on points of difference," Jackson said. "Disagreements on some issues did not prevent Markowski from working with community groups and we hope his successor operates the same way," he added.



Jack Markowski

DOH Quarterly Report Available

The Department of Housing recently presented its First Quarter Progress Report before the Committee on Housing and Real Estate. The Chicago Rehab Network was at the June 7 hearing to present its analysis.

With the recent passage of the amendments to the Affordable Requirements Ordinance (ARO) and especially the inclusion of zoning triggers, there were important issues to be addressed. CRN focused on the need for coordination between multiple city departments in reporting projects that fall under the ARO. A new opportunity exists to have city departments such as Zoning, Planning, and Buildings work together to foster open and transparent city government. For details, download our 1st Quarter 2007 Analysis at <http://www.chicagorehab.org>. Or, call 312-663-3936 to receive a faxed copy of the 1st Quarter 2007 Analysis.

Cook County Rental Alliance Tackles Housing Issues

The Cook County Preservation Rental Alliance is one component of the MacArthur Foundation Preservation Compact, which is composed of non-profit advocates, faith-based institutions, community groups, government agencies and other partners committed to preserving the county's affordable housing.

The Alliance's first meeting was held March 8 at First Baptist Congregational Church and is convened as a forum where preservation stakeholders can share knowledge and enhance their capacity to preserve Federally Subsidized rental units; exchange best practices; collect and distribute data and create and promote policies and regulations that support preservation activities and efforts; and coordinate with government agencies, public officials and "preservation-friendly" owners and developers. Among its objectives are to convene forums where stakeholders can jointly craft and assess strategies to save key at risk properties in Cook County.



The Alliance is co-convened by the Chicago Rehab Network and the Sargent Shriver National Center on Poverty Law. The Alliance is backed by the MacArthur Foundation-supported Preservation Compact, which seeks to stimulate preservation of one million units of subsidized housing nationally. The Compact intends to develop strategies to quicken ground activity in support of preservation.

On May 31, the Preservation Compact announced a comprehensive series of concrete steps that will save at least 75,000 affordable rental apartments in Cook County, by 2020. A key component of the plan is a Preservation Fund, through which community development leaders LISC and Community Investment Corp. will offer a suite of new financing tools to assist both preservation-minded buyers and existing rental property owners seeking to maintain affordability. The MacArthur Foundation has pledged \$10 million in seed money to the Preservation Fund.



CITY OF CHICAGO HOUSING FACTSHEET

Housing Cost Burden

In Chicago, **41%** of home owners and **46%** of renters are spending more than one-third of their income on housing.

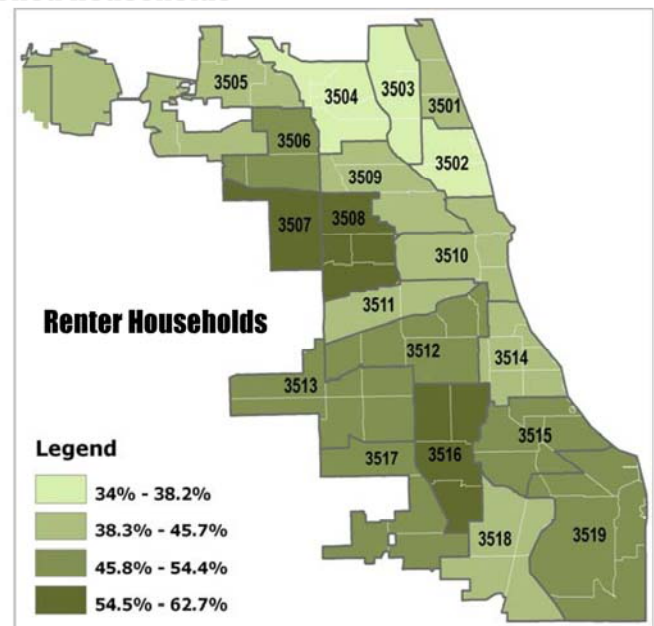
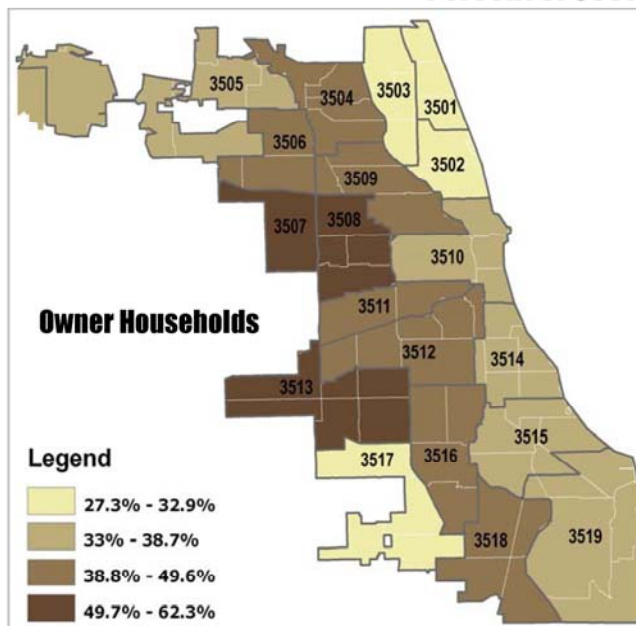
For the entire city of Chicago, the median monthly housing costs for owners with mortgages is **\$1,678** and for renters is **\$783**. The recent Census release indicate that 41% mortgaged owners and 46% of renters are paying more than 35% of their income on housing. In comparison, the 2000 Census showed that 26% of mortgaged owners and 31% of renters were cost-burdened.

The area with highest rate of both owner and renter cost-burden in the city is in the Humboldt Park, Garfield Park and North Lawndale community grouping* (Area 3508 on map) where 62% of owners and 63% of renters are cost-burdened. This area also reports the lowest median household income of **\$25,130** compared to the Citywide median of **\$41,015**.

Austin (Area 3507) has the second highest percentage of cost-burdened renter households at 59%, and the southwest communities of Garfield Ridge, West Elsdon, West Lawn, Gage Park, and Chicago Lawn have the second highest percentage of cost-burdened owners with mortgages.

See page 2 (City Snapshot) for detailed list of housing cost-burden rates in Chicago neighborhoods

Percent of Cost-Burdened Households



What does this mean?

When families and individuals pay more than a third of their income for housing, other basic needs such as food, utilities, and child care are often compromised. While citywide, cost-burden rates increased for both owner and renter households from the 2000 Census, the rate of cost-burdened owners nearly doubled from 26% to 41%--a trend that is indicative of the record-breaking foreclosure rates in the Chicago region in recent years. And when housing trends show that the City of Chicago has lost more than 50,000 rental units in just five years, affordable housing options become even more out of reach to those who need it most.

The Chicago Rehab Network has outlined its housing policy recommendations in its 2007 Policy Platform. Contact CRN for more information at 312-663-3936 or visit www.chicagorehab.org

Sources: U.S. Census Bureau: 2000 Census and 2005 American Community Survey.

*The ACS uses statistically-defined areas called Public Use Microdata Areas (PUMAs). This is the smallest geographic level available in the ACS. There are 19 PUMAs in Chicago, comprised of an aggregate of Chicago community areas. For more information, visit <http://www.census.gov/acs> or contact CRN.

The Chicago Rehab Network (CRN) is a citywide coalition of community based development organizations. Founded in 1977 by community groups seeking to pool expertise and share information, the coalition membership consists of over 40 housing organizations representing over 60 city neighborhoods. Over the years CRN's members have created tens of thousands of affordable housing units and made a visible impact on some of Chicago's most disinvested communities, while preserving affordable housing in some of its most rapidly gentrifying ones.



CITY SNAPSHOT: Housing Cost Burden

PUMA Community Area Groupings

PUMA	Community Area Groupings	2000 Median Household Income*	2005 Median Household Income	% Cost Burdened Renters	Median Monthly Rent	% Cost Burdened Owners w/ Mortgages	Median Monthly Owner Costs
3501	Rogers Park	\$38,957	\$37,694	43.3%	\$714	30.3%	\$1,657
3502	Lake View	\$71,798	\$66,388	35.3%	\$968	27.3%	\$2,398
3503	West Ridge	\$52,283	\$56,158	34.0%	\$877	32.9%	\$1,872
3504	Forest Glen Irving Park	\$58,679	\$46,899	38.2%	\$784	42.2%	\$1,963
3505	Edison Park Dunning	\$59,324	\$59,838	41.2%	\$859	36.2%	\$1,909
3506	Portage Park	\$52,717	\$41,659	47.9%	\$805	49.6%	\$1,788
3507	Austin	\$39,462	\$30,106	58.8%	\$788	52.1%	\$1,449
3508	Humboldt Park North Lawndale	\$27,667	\$25,130	62.7%	\$790	62.3%	\$1,355
3509	Hermosa West Town	\$43,959	\$44,681	42.5%	\$825	46.8%	\$2,151
3510	Near North Side Near South Side	\$54,761	\$60,646	43.0%	\$1,044	35.9%	\$2,239
3511	South Lawndale	\$35,216	\$33,990	41.0%	\$649	48.4%	\$1,567
3512	Armour Square McKinley Park	\$38,220	\$30,854	52.7%	\$710	47.9%	\$1,470
3513	Garfield Ridge Clearing	\$49,966	\$38,943	52.1%	\$724	53.4%	\$1,479
3514	Douglas Grand Boulevard	\$26,112	\$32,720	40.2%	\$683	36.1%	\$1,631
3515	Woodlawn Avalon Park	\$35,312	\$25,871	52.4%	\$680	38.7%	\$1,392
3516	West Englewood Washington Heights	\$36,073	\$27,911	57.1%	\$724	45.4%	\$1,196
3517	Ashburn Morgan Park	\$67,722	\$60,624	54.4%	\$794	29.0%	\$1,519
3518	Roseland Riverdale	\$36,006	\$32,081	45.7%	\$778	44.7%	\$1,240
3519	South Chicago South Deering	\$44,464	\$36,819	51.0%	\$696	36.4%	\$1,211

Notes: * 2000 Median Income is adjusted for inflation. Data from U.S. Census Bureau: 2000 Census and 2005 American Community Survey.
 *The ACS uses statistically-defined areas called Public Use Microdata Areas (PUMAs). This is the smallest geographic level available in the ACS. There are 19 PUMAs in Chicago, comprised of an aggregate of Chicago community areas. For more information, visit <http://www.census.gov/acs> or contact CRU.

What's in a Mixed Income Community?

(Editor's note: Given its 30 years of development experience, CRN has a work history and a perspective on challenges faced in the struggle to preserve and promote affordable housing. Looking at where we have come from as we plot our future course can be instructive. This reprint of a CRN Issue Brief, originally published in 1996, offers a chance to reflect on our work. CRN will offer other "look backs" from time to time in its quarterly newsletter.)

We may all agree mixed income communities would be a good thing, until we stop to define mixed-income. Ideally, a mixed income community would balance residents ranging from the richest to the poorest with everybody in-between. Can you think of any neighborhoods like that near you?

If you can, chances are they are not stable ones. They may be communities in decline, as middle or upper income residents, fearing for their property values, abandon the neighborhood to the poor, or they may be gentrifying ones. Does this mean when we say we believe in mixed-income communities we are embracing a model of communities in transition?

It is too often assumed that the best way to create "mixed income communities" is to lure people of higher income into lower income neighborhoods. The possibility of bringing low income people into wealthy neighborhoods like Lincoln Park is rarely broached, and if it is, as it has been in Chicago in connection with scattered site public hous-

ing, for instance, it never brings out the most generous impulses in the people already living there. To follow the public housing example, local resistance and prohibitive property values have conspired to ensure that very little scattered site public housing has been successfully placed in upper income neighborhoods.

Conversely, the Chicago real estate industry has had much success in encouraging upper income people to move into poorer neighborhoods, as it did in Lincoln Park. In the 1960s, Lincoln Park was a struggling community. By 1990, the median household income of Lincoln Park residents was over 150 percent of the city-wide median, and the average home value was \$324,000. Few low income people can now afford to help make a mix in Lincoln Park. What Chicago has yet to see is a neighborhood halted in the process of transition, neighborhoods where a balance is struck and the rich, the poor and the middle class live together for decades.

Part of the problem is that when upper income urban pioneers begin to move in, they often feel uncomfortable with their new neighbors. They have real fears of some of the problems that plague low income communities — like gangs, drugs and crime. Unfortunately, it is too easy for them to equate the prob-

lems with the people, and to mobilize against new development for the poor.

A more realistic approach to creating mixed income communities out of low income ones is to begin by investing in the people who already live in them.

In Chicago neighborhoods there is a lot of talk about making sure new housing conforms architecturally with the buildings that are already there — the Chicago Rehab Network extends this principle to the idea that new development should conform to the real needs of the people who are already living there — particularly the development that is done with public subsidies. Developing loft condominiums in Humboldt Park does not make a lot of sense if the families who live in Humboldt Park, who are in need of better housing, aren't impressed with the artistic allure of loft living, any more than it makes sense to miss the opportunity to link new development to the creation of jobs for neighborhood residents.

Striving for appropriate development points beyond itself to the importance of bringing in a broad range of voices into our plans — so that when we rebuild our neighborhoods, we can rely on our neighbors, both old and new, as partners.

Affordable Housing Works for Americans

The Chicago Rehab Network

Issue Briefs

- Chicago Rehab Network: Communities in Partnership
- Roseland: Revitalizing a Disinvested Community
- Affordable Homeownership for Working Families
- Rental Housing Crisis
- Supportive Housing
- What's in a Mixed Income Community?

Community Engagement and Development Funded by the Department of Housing





Commissioner Mike Quigley speaks to CRN members and staff during quarterly membership meeting in the south Loop.

Quarterly meeting a success

Members of the Chicago Rehab Network gathered at Grace Place (637 S. Dearborn Avenue) on May 24 to convene CRN's quarterly membership meeting. Representatives from member organizations reported on recent activities and accomplishments — from acquisitions and development activities to employment training, organizing and, with some organizations, adjusting to new aldermanic leadership.

CRN's membership meetings typically include a group of dynamic speakers to talk to members about various issues important to the affordable housing community. Members were able to engage Cook County Commissioner Mike Quigley, Dena al-Khatib of the Chicago Citywide Land Trust Program, and Darrell Price of Access Living.

Commissioner Quigley has been a staunch advocate for increased transparency within the Tax Increment

Financing program. He presented a new report, "A Tale of Two Cities," which highlights the increasing use of TIFs as an economic development tool in the city of Chicago and Cook County — most especially as a critical source of financing for affordable housing developments. Commissioner Quigley urged members to advocate for better accountability and transparency in the TIF process. Visit www.commissionerquigley.com for more information.

The Citywide Community Land Trust has been in effect since 2006. The program is an innovative approach to address affordable housing needs by keeping homes affordable for the long-term through a ground lease or restrictive covenant. Homes in the land trust are also kept affordable for future owners by placing a maximum resale price that is designed to give homeowners a fair return on their investment, while keeping the homes affordable for subsequent

buyers. Dena al-Khatib, CCLT director, presented an overview of the program and provided valuable information for both home buyers and developers participating in CCLT program. More information about CCLT can be obtained by contacting Dena al-Khatib at 312-742-0621.

People with disabilities face an even greater challenge finding safe, affordable, and accessible housing.

Darrell Price, of Access Living, a non-profit group that advocates for people with disabilities, spoke about continuing efforts to push for integrated housing and full access to housing programs receiving government assistance.

Access Living lobbied with National Adapt in Washington D.C. to raise awareness of institutional bias against people with disabilities that is fostered by the lack of integrated, accessible, and affordable housing. For more information about Access Living, visit www.accessliving.org.

Chicago Rehab Network members are non-profit, community development corporations and housing advocacy organizations dedicated to the creation and preservation of affordable housing.

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TAKIN' NOTE

Congrats to the **National Housing Law Project** and the **Woodstock Institute** on receiving the 2007 **MacArthur Award for Creative and Effective Institutions** ... **Joy Aruguete** of the **Bickerdike Redevelopment Corp.** on her appointment to the **Enterprise Network** advisory board ... **Kim Jackson** on her new role as executive director of **Lawndale Christian Development Corp.** ... **Angela Hurlock** and **Claretian Associates** on winning a **CNDA Chicago Community Trust** award and **Andy Geer** and **Heartland Housing**, which also won a CNDA award. ... Welcome aboard to new CRN Ameri-Corps volunteers **David Ellenwood** and **Tim Hollander**.

MEMBER SPOTLIGHT

Car sharing and the Center for Neighborhood Technology

I-GO Car Sharing is one among many exciting projects taking place at the Center for Neighborhood Technology (CNT), a non-profit that focuses on sustainable development. I-GO is another way to relieve some of the housing and transportation cost burden faced by working families. I-GO is a CNT initiative designed to make inexpensive and environmentally friendly transportation more accessible to Chicagoans. Launched in 2002 with support from the city and Department of Transportation as a pilot car-share program, today more than 100 I-GO cars are located in 23 communities. For a basic membership fee, drivers can access energy efficient hybrid vehicles for \$6 per reserved hour, plus \$0.50 per mile, at any of I-GO location in Chicago.

With gas, auto insurance and maintenance prices soaring, I-GO has become a valuable alternative to owning a car, with a savings of up to \$4,000 per year in transportation costs. According to CNT, 50 percent of those who owned cars prior to joining sold their cars after six-months of membership. Since becoming the car sharing programs chief executive officer, Sharon Feigon has helped increase I-GO's capacity three-fold. Before heading the I-GO program, Sharon was CNT's Manager of Research and Development and concentrated on innovative solutions to problems of urban sprawl.



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Community Empowerment and Development Without Displacement