

## **City Embraces Affordable Housing In Spite of Fact That 2000 Housing Production Misses Mark**

As the Mayor publicly embraces affordable housing as a top priority, an analysis of the City's Department of Housing performance figures shows that the City fell short of its goals in 2000. **At today's meeting of the City Council's committee on Housing and Real Estate at 11am in City Hall Council Chambers, Chicago Rehab Network will release its year-end analysis of DOH's activities.**

According to Kevin Jackson, executive Director, **"The City has a lot of work to do if housing for low-income families is truly a priority."**

Specifically, CRN will reveal to the Council Members that:

- **City expenditures and unit production did not reach goals for 2000:** multifamily programs met only 88% of projected expenditures and 87% of units created while single family programs reached 79% of expenditures and 80% of units.
- In 2000 there were 971 multifamily rental units created or preserved through DOH funding, a substantial reduction from 1999 production—1,467.
- **Senior housing represents a disproportionate percentage of the overall production in 2000 with six out of eleven projects, 63% of the 971 units, in 2000 for seniors.**
- **The lack of coordination between development subsidy and operating subsidy make multifamily rental housing production for very low-income households close to impossible.** DOH receives housing development funding from sources like the Low Income Housing Tax Credit, HOME, and bonds among others, to create or preserve units so that owners pay little or no debt on their projects. But once complete, buildings have operating expenses for utilities, taxes, maintenance and management, which average \$350 per unit, per month. The cost of these monthly operating expenses simply cannot be passed on to low-income families. So, while affordable housing developers have access to resources for development, they have a harder time securing adequate operating subsidy.

CRN will recommend that the City of Chicago increase its commitment to the Chicago Low Income Housing Trust Fund by \$500,000 per year, which would result in more than 140 new units affordable for very low-income families. CRN also calls upon the City to make affordable family housing a priority as it has with education: if Chicago values affordable neighborhoods, it will lead the way with resources and sound public policies. Full analysis attached.

**For more information contact Chicago Rehab Network at 312/663-3936.**

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