

# **Chicago Housing Justice League's Recommendations for the Five Year Housing Plan, 2019-2023, to the Chicago Department of Planning & Development July 31, 2018**

The Chicago Housing Justice League is collaborative of 37 groups, organizing for just housing since its inception in January of 2018. The League's central mission is to inform and influence the City of Chicago's 5 Year Housing Plan, 2019-2023, as League members recognize the Plan's potential to create and improve projects, programs, and policies to better the lives of Chicago residents. The Chicago Housing Justice League has developed a set of principles to guide the 5 Year Housing Plan and create more equitable housing opportunities across Chicago. The Chicago Housing Justice League is committed to assisting the City in integrating these shared Principles into the 5 Year Plan process and gathering input from Chicago's residents.

## **What We Stand For**

We believe that housing is more than shelter, that it is the platform for meaningful aspects of life: friends, neighbors, schools, and our sense of place and belonging. We also believe it is possible to create a just housing system in which every person in every community has healthy, affordable, and dignified housing in inclusive and well-resourced neighborhoods, and further, that it is the responsibility of the government to protect and promote this system. We believe in the prioritization of housing affordability and stability for all Chicagoans over the prioritization of profit from land and housing. We believe that housing is a human right, not a commodity to maximize profit. We, therefore, urge the City of Chicago to adopt and implement people-first policies, programs, and projects that create and protect neighborhoods and communities where families can thrive. The principles enumerated here shall be enforced with the understanding that they are interrelated and each one must be upheld to create and enforce a just housing system.

## **Chicago Housing Justice League Guiding Principles, Adopted March 27<sup>th</sup>, 2018**

The City of Chicago Is Responsible for Implementing Housing Strategies, Policies, and Procedures to Ensure:

1. Everyone has access to safe, healthy, accessible, and affordable housing, regardless of where they live.
2. New investment does not lead to displacement.
3. Development is driven through democratic processes, by and for the community.
4. Low-income households have increased access to affordable housing options near public transit, jobs, parks, healthy food options, health clinics, and good public schools.
5. No households after paying housing costs, including utilities, shall be cost-burdened.
6. Housing policies are viewed through a racial equity lens.
7. Housing is created and maintained in a way that is ecological sustainable.
8. Housing is preserved or created for families and traditionally marginalized communities, including but not limited to: people with disabilities, immigrants, indigenous peoples, homeless and low-income residents, seniors, veterans, people of color, reentering citizens, gender non-conforming individuals and LGBTQ persons.
9. Tenants and residents are guaranteed the right to organize.

10. Historical injustice is recognized and rectified.
11. Culture, art, food, language and other components of communities are inclusively honored and valued.

### **Our Recommendations**

Mayor Emanuel has stated five priorities for the 5 Year Housing Plan, 2019-2023: (a) avoiding displacement; (b) preserving affordability; (c) expanding affordable rental housing; (d) expanding opportunities for homeownership; and (e) addressing chronic homelessness. The Chicago Housing Justice League believes its listed principles and the City's stated priorities have much in common and, consequently, we submit the following project, program, and policy proposals that align with the interests of the City and, if implemented, would work to improve the living conditions of all Chicago residents. For convenience, our proposals are classified by the Mayor's five stated priorities and, recognizing the importance of how decisions are made, we've added a sixth category, Democratizing Decision-making.

#### **A. *Avoiding Displacement:***

1. To promote neighborhood stability and slow the pace of displacement linked to gentrification, the City should enact a Just Cause or Good Cause for Eviction Ordinance. This ordinance would prevent unwarranted, no-fault evictions against tenants that are current on their rent and have not committed any serious lease violations and, thereby, engender in landlords and tenants a long-term interest in the well-being of their neighborhood.
2. On all projects of a certain size the City should require Community Benefits Agreements developed via a committee of residents. The committee makeup should be between 18-24 residents who live within a half mile of the site, with at least 33% of the people being renters, and at least 50% being people who have lived within a half mile of the site for at least five years.
3. To fully implement the recommendations in the Five Year Housing Plan, the City should redistribute TIF money in areas that are not blighted sooner than their original TIF expiration date, as having TIFs in non-blighted parts of the city accelerates the overdevelopment, skyrocketing housing costs, and displacement. It also does this at the cost of other areas of the city, as non-TIF district taxpayers have to make up the difference in tax revenue for taxing bodies to meet their tax levies due to unnecessary TIFs in well-developed areas. Also, having TIFs in non-blighted areas is not consistent with the purpose or letter of state law that allows municipalities to establish TIF districts.
4. The City should implement a racial equity analysis process as a central component for all housing and development decisions. Racial equity analyses shall be a public process, with members of the general public being included. Also, both individuals trained in conducting racial equity analysis and people of color shall be prioritized as committee members. The City cannot create or execute an equitable plan without understanding and documenting its history of exclusion and subjugation. It should then provide within the 5-year plan document a historical timeline and maps of Chicago's demolitions of public housing buildings and note the changes in population demographics in the areas where demolitions have occurred; historical description, timeline, and maps of redlining, block-busting, and contract selling in Chicago; appropriate maps and charts showing the disproportionate impact of the subprime lending that led to a crisis of foreclosures; and maps and charts that detail the disproportionate impact of property tax assessments of the last number of years.

#### **B. *Preserving Affordability:***

1. The City should create a line item in the Five-Year Plan to support its new Preserving Existing Affordable Rentals (PEAR) program, designed to preserve naturally occurring affordable rental housing in Chicago's iconic two-to-four unit buildings. The City should invest \$375 million over five years to preserve 5,000 units, and ensure that a majority of the units are kept affordable for households at or below 60% of the area median income for a period of 30 years. The program should require or incentivize accessibility modifications, employ a racial equity lens, and ensure that a portion of the units are available to people with disabilities, reentering citizens, and other marginalized populations. The city should offer rehab grants to 2-4 unit property owners and purchase subsidies to incentivize potential owner-occupants to purchase a 2-4 unit building in their neighborhood.

2. The City should fund a three-to-five year lead remediation project, using Chicago Department of Public Health and University of Chicago targeting, committing \$25 million from Chicago's corporate fund annually for lead remediation, in addition to any external dollars received for lead remediation.

**C. *Expanding Affordable Rental Housing:***

1. The City should work with the Chicago Housing Authority (CHA) to increase the supply of conventional public housing and improve program transparency and accountability by adopting the Homes for All Ordinance introduced in City Council in June, 2018.

2. The city should finance and rent sustainable social housing on city-owned vacant land. In contrast to typical public and subsidized housing, there would be no income cap for tenancy, but instead rent would be a fixed portion of tenant income. Funds can be secured via the bond-generation process, using the City's access to preferred interest rates to keep costs low vs commercial loans used by real estate developers. Housing should not be targeted to a "uniform" unit, but should vary in size and layout to allow for a wide range of occupants, from large families to students to the elderly to young professionals to empty-nesters.

3. The City should increase onsite affordability requirements under the Affordable Requirements Ordinance (ARO) and eliminate in-lieu-of fees. Units created under the ARO should be kept affordable in perpetuity set citywide goal 30% of the affordable units must be 3-and 4-bedrooms and 30% of the affordable units must be 2-bedrooms. Example: 100 unit building. 30 affordable units are required. 10 must be at least 3 and 4-bedrooms and 10 must be at least 2-bedrooms. Affordable units shall be Type-A adaptable or comply with Uniform Federal Accessibility Standards (UFAS). DPD will report on leasing rates and create a centralized web portal for families seeking housing to know where there are vacancies. The ARO will provide rents that are truly affordable to minimum wage workers, seniors, people with disabilities, families of color. For upzoning requests seeking approval for 10+ units: ¼ of the affordable units will have rents between 15-20% AMI (\$251-\$354 for 3 bdrm), ¼ of the affordable units will rent at 30% AMI (\$610 for a 3-bdrm), half the affordable units will have rents at 50% AMI (\$970 for a 3-bdrm). These policies should apply to buildings constructed under the Transit Oriented Development Ordinance (TOD).

4. The City should triple the existing resources for the Chicago Housing Trust Fund using non-ARO in lieu fees.

5. The City should amend the City's Human Rights Ordinance to add "covered criminal history" as a protected class in the housing section preventing landlords from asking in their initial screening about criminal history, and not ask about arrest and juvenile convictions at all. Once prospective tenants "pass" other screening criteria landlords would then be able to implement an "individualized assessment" of criminal history, by taking into account specific factors set forth in the ordinance.

6. All newly constructed affordable units shall comply with adaptability standards under UFAS (Uniform Federal Accessibility Standard) or Type A adaptability. Only 1% of Chicago's housing stock is accessible and most of that is unaffordable to people who only receive Supplemental Security Income. Approximately 56,000 Chicagoans have mobility disabilities and many more will develop disabilities with age. Requiring that all new

construction be accessible to people with physical disabilities will begin to address the terrible discrepancy in the supply and the need for affordable accessible housing.

**D. *Expanding Opportunities for Homeownership:***

1. To promote alternative forms of homeownership the City should support the creation of 15 Limited Equity Cooperatives during the five year plan, thereby creating hundreds of units of affordable housing. The City should establish a \$25 million no-interest or very low-interest loan fund to cover pre-development and acquisition costs, and an additional \$5 million in annual grants to make share-purchases available to families at or below 80% AMI. To ensure success, the City should: 1) prioritize neighborhoods with historically low rates of home ownership; 2) work with the county to develop a program to forgive property taxes during five-year start-up phase; 3) make sure first time homeowner assistance is available to cooperative members; 4) assess taxes on coops at their restricted resale value, instead of market rate; and, 5) create a tenant opportunity to purchase/right of first refusal ordinance.

2. The City should provide nonprofits with a 0% loan program to purchase properties at a discount through, for example, foreclosure auctions, tax sales, and purchases through mortgage guarantor portfolios. This would enable these nonprofits to retain these homes for first-time homebuyers, and thus reduce displacement of low- and moderate-income individuals and families, and increase affordability. Owners seeking to create rental units through this program would be required to keep units affordable over the recapture term. The City should spend \$8 million dollars per year to be allocated across the City for a total of a \$40 million investment to acquire 40 properties over five years at an average cost of \$200,000 per property. The nonprofit will work with real estate partners to promote the home and list it on the market and solicit offers from owner-occupant borrowers and upon completed rehab of the home, the nonprofit will have an advisory committee of community residents and staff determine which offer will be accepted based on a variety of criteria related to housing needs and involvement in the community.

3. The City should assist Lugenia Burns Hope Center's Housing Bronzeville project for its first phase of Bronzeville South Affordable Homes, consisting of 10 homes on the 5500 block of S. Lafayette in the Washington Park community. For the project the homes to be priced at \$175,000-\$180,000, affordable to prospective homeowners making 60% to 80% of AMI. The developer of the project should be awarded a subsidy of \$60,000 for each home, plus \$1 lots, a commitment to infrastructure improvements, and the waiver of certain fees.

**E. *Addressing Chronic Homelessness:*** No specific recommendations for this priority, at this time.

**D. *Democratize Decision-making:***

1. The City should adopt policies and procedures that mandate all development decisions (especially those implicating the ARO and TOD, and including evaluation and decision-making at the ward or aldermanic level) be transparent (subject to the Open Meeting Law and the Freedom of Information Act) and are structured to meaningfully engage community participation.

2. The City should make transparent the scoring method of awarding grants to developers and contractors, and promptly make available for public inspection its evaluation of each application. The City should increase opportunities and support for mission-based nonprofit developers by adding their nonprofit, mission-based status as a positive criterion in the scoring system.

3. The City should adopt an ordinance giving all renters the right to organize and be protected from discriminatory and retaliatory treatment relating to exercise of this right.

4. All housing should be environmentally sound, resilient, and sustainable by, for example, increasing zoning height limits to provide density, via a high level of environmental and efficiency certification, purchasing electricity from community solar, installing PV panels on roofs, and subsidizing the use of geothermal and wind energy.