



# Pathways to Removing Obstacles—Chicago Housing Initiative (PRO-CHI)

Public Hearing

October 17, 2023



# Agenda

- Welcome
- Overview of the Department of Housing (DOH)
- Introduction to the HUD PROHousing Grant
- Overview of DOH PROHousing Application (PRO-CHI)
- Public Comment



# Introductions

City of Chicago, Department of Housing



# Welcome

- Community Agreements:
  - Speak from your own professional or personal experience
  - Embrace the emergent process
  - Listen deeply
  - Anchor in respect
  - Suspend judgement
- Housekeeping:
  - Please remain silent until called upon
  - Feel free to take breaks as needed

# ★ DOH Mission, Vision, Values

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**Mission**

- The mission of Chicago's Department of Housing is to expand access and choice for residents and protect their right to quality homes that are affordable, safe, and healthy.

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**Vision**

- The equitable distribution of resources across all 77 communities so that every Chicagoan can choose and remain in quality housing that is affordable, safe, and healthy.

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**Values**

- Equitable
- Collaborative
- Dedicated
- Resourceful

**Equitable:** We prioritize housing equity for Chicagoans who are marginalized by race, ethnicity, citizenship, ability, sexual orientation, arrest or conviction record, or income.

# DOH Leadership



**Jim Horan**  
Acting Housing Commissioner



**Natasha Hamilton**  
Managing Deputy Commissioner  
CERES



**Daniel Hertz**  
Director of Policy, Research, and  
Legislative Affairs



**Irma L. Morales**  
Deputy Commissioner  
Homeownership



**Tamra Collins**  
Deputy Commissioner  
Housing Development



**Rima Alsammarae**  
Director of Public Affairs

# ★ PRO-CHI Grant Team



Steph O'Connor  
Project Manager,  
Homeownership  
Development



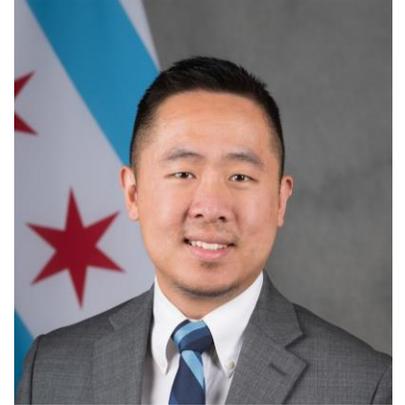
Matt Stern  
Senior Program Manager,  
Chicago Recovery Plan



Ugo Ukasoanya  
Equity Officer,  
CERES



Aaron Johnson  
Project Manager,  
Community Engagement  
and Racial Equity

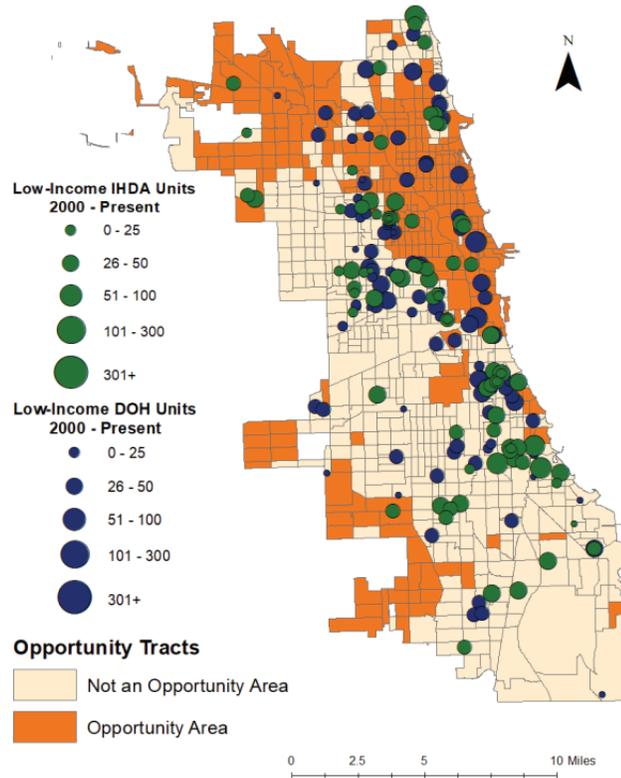


Frank Zhu  
Project Manager,  
Federal Funding



# What Drives Our Work?

Figure 4. LIHTC units Allocated 2000-2020 by Designation as an "Opportunity Area" per 2019 QAP Definition



## Racial Equity Impact Assessment (REIA)

### Four Levels of Racism

There are four levels of racism.<sup>16</sup> The matrix to the right provides a sense of how each type of racism is derived. On the left side of the matrix are singular and interaction-based types of racism, and at the top are individual and structural types. At the intersection of singular and individual racism exists internalized racism which describes what individuals may believe or the stereotypes to which they subscribe. When interaction-based and individual types are combined, interpersonal racism results in bigotry between individuals. Singular intersected with structural racism results in institutional racism, which is bias within an organization, agency, school. Crossing interaction-based racism with structural produces systemic racism or collective across institutions, history, and geographies.



For the purposes of the DOH workshops, institutional and systemic racism were the primary focus. These two racism types are embedded in laws and policies that are upheld passively and/or intentionally. An REIA can be both a proactive and or reactive strategy addressing harm flowing from laws and policies.

### ENGAGEMENT WORKSHOPS

DOH conducted a series of six virtual workshops between September and October of 2020. Over 130 residents, developers, housing advocates, funders, and policy makers registered for the workshops. Due to COVID-19, engagement was restricted to online.

Video presentations were developed to assist participants become familiar with racial equity concepts<sup>17</sup> and the QAP<sup>18</sup> prior to attending the workshops. During the workshops, the online platform Miro was used to provide visual notetaking throughout the process. Participants were led through a series of questions to walk through the current QAP and its awarding process through an equity lens, assess the benefits and the burdens, and brainstorm alternative strategies. The REIA workshops held were industry specific instead of the mix groups that REIAs usually present. This decision considered the power differences that exist between residents and landlords and developers and funders. The small group size and established peer relationships allowed us to focus on prioritizing process and facilitating trust building within each group. In the future with additional time for process and trust building, we would bring these groups together to build cross-group empathy. A workshop was also held with the ten DOH LIHTC program administrators to understand their racial equity concerns as administrators.



For the purposes of the DOH workshops, institutional and systemic racism were the primary focus. These two racism types are embedded in laws and policies that are upheld passively and/or intentionally. An REIA can be both a proactive and or reactive strategy addressing harm flowing from laws and policies.

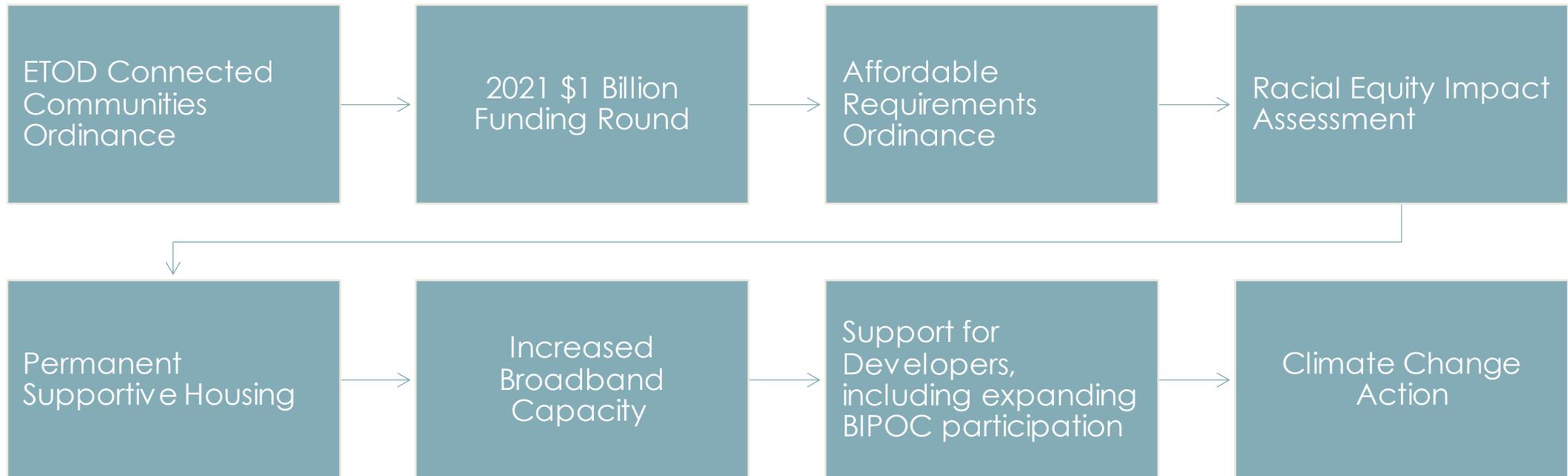




# Racial Equity Impact Assessment Outcome

- Ensure Black, Indigenous, people of color (BIPOC) developer/service providers benefit from Low-Income Housing Tax Credits (LIHTC)
- Prioritize investments in data infrastructure and reporting
- Prioritize access to affordable housing opportunities
- Ensure residents have choices about where they can live affordably
- Increase the inclusion, power, and self-determination that LIHTC residents have
- Improve outcomes and wealth building opportunities for residents
- Ensure residents with disabilities and diverse language needs can find and live in LIHTC units
- Support incentives for partnerships and wrap-around services

# A Roadmap of Change: DOH's Policies, Programs and Initiatives since 2019





# Federal Grant Overview

**Pathways to Removing Obstacles to Housing (FR-6700-N-98)**

U.S. Department of Housing & Urban Development



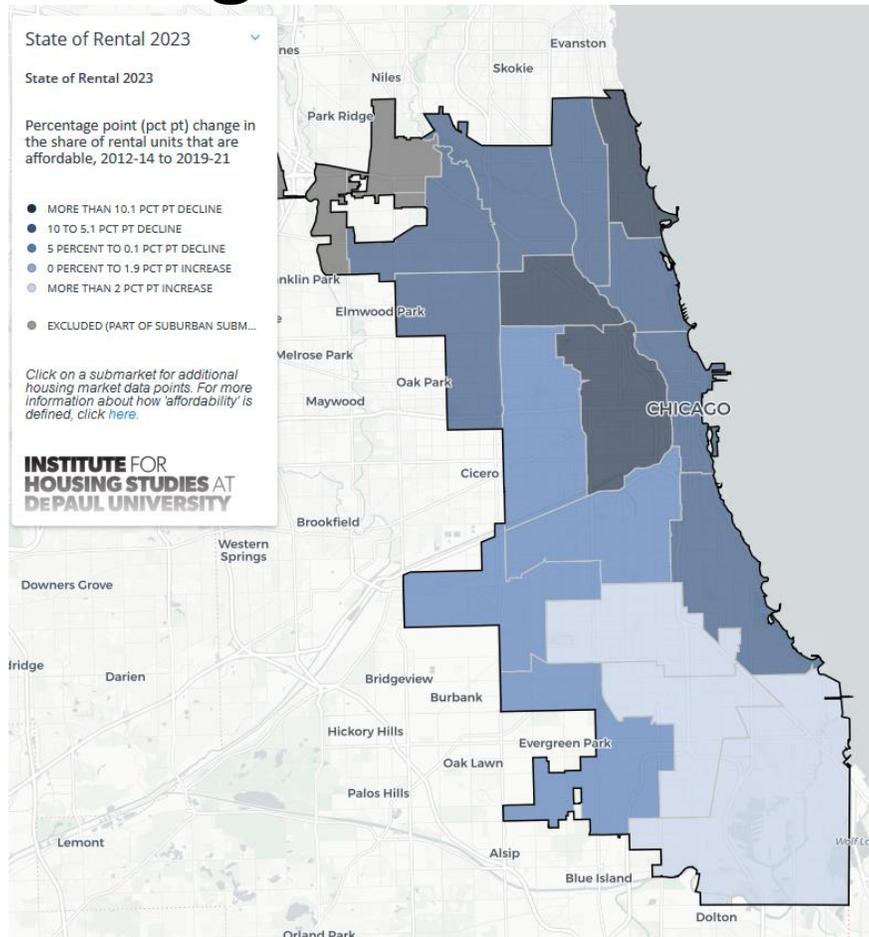
# Grant Opportunity to Address Chicago Housing Barriers

## Pathways to Removing Obstacles to Housing (PROHousing)

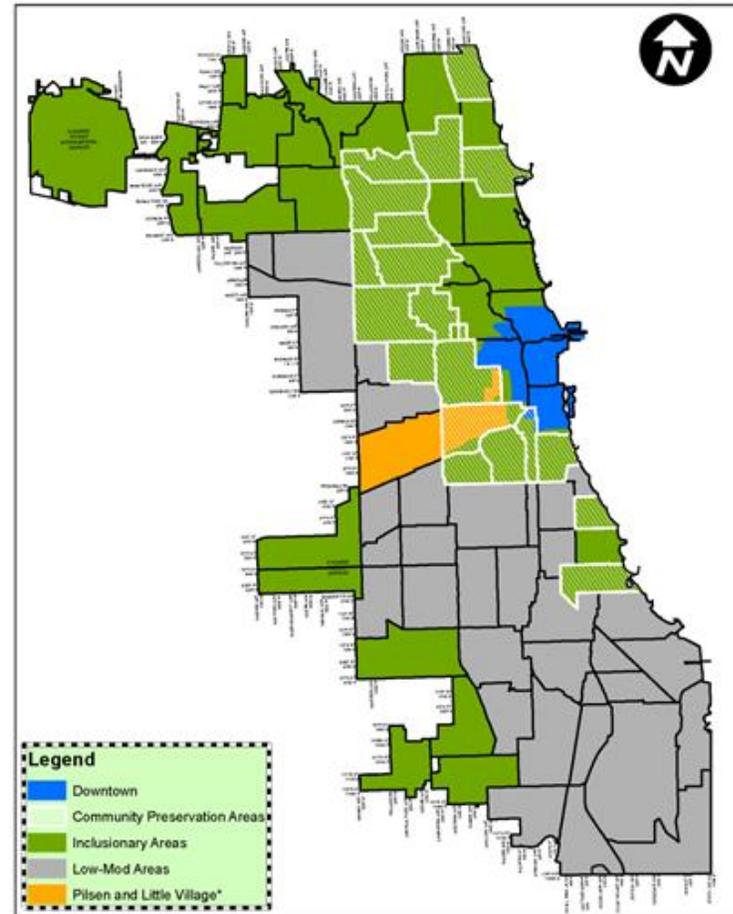
<b>Summary</b>	<p>This grant is issued by HUD to remove barriers and address affordable housing demand for households under 100% of the area median income. Specific barriers identified include:</p> <ul style="list-style-type: none"><li>• Outdated zoning, land use policies, or regulations</li><li>• Inefficient or delayed procedures and processes</li><li>• Gaps in available resources for development</li><li>• Deteriorating or inadequate infrastructure</li><li>• Lack of neighborhood amenities</li><li>• Challenges to preserving existing housing stock</li></ul>
<b>Funding Opportunity No.</b>	FR-6700-N-98 14.023 – CDBG – PRO Housing Competition
<b>Available Funding</b>	There is <b>\$85 million</b> available nationwide.
<b>Maximum Award</b>	The City can apply for a maximum award of <b>\$10 million</b> .
<b>Timelines</b>	The grant has a due date of <b>October 30, 2023</b> . If awarded, this grant would have a timeline of <b>6 years</b> to perform the work.



# Background – Acute Demand for Affordable Housing

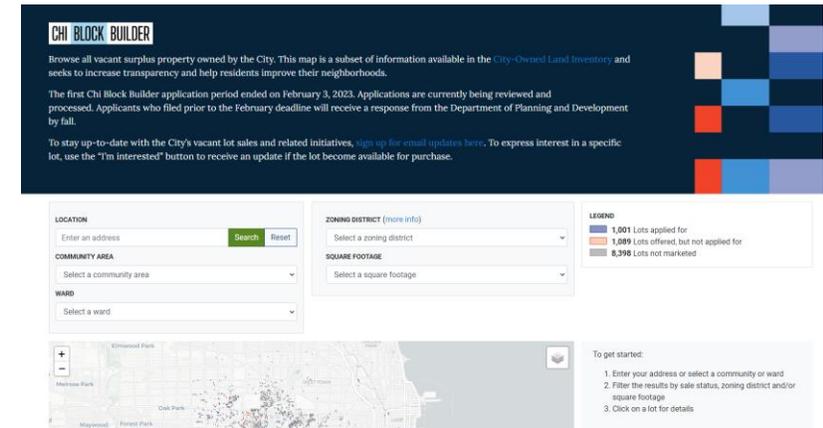
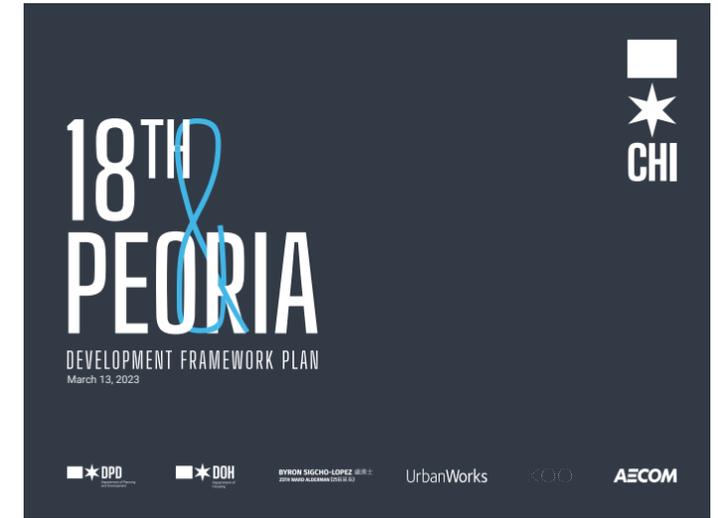


ARO Community Area Map



# ★ Background – Existing Efforts

- **DOH develops multifamily housing in two primary ways:**
  - Mixed-use, mixed-income in disinvested neighborhoods
  - Affordable housing development in transitioning and high-amenity areas
- **ChiBlockBuilder:** new land sales platform launched in 2022 to increase City land sales, transparency and efficiency
- **Acquisition of 18<sup>th</sup> & Peoria development site**
  - Pilsen neighborhood experiencing displacement and rising housing costs
  - Structured development with community input
- **Mayor Johnson's citywide process improvement strategy**





# Background – Key Barriers

- **Land assembly in high-amenity areas is challenging:**
  - High costs of land
  - Competitive local real estate markets
  - NIMBYism
  - Lack of local political support
  - Lack of substantial pre-existing public-sector land holdings
- **Disparate city processes**
  - Consecutive rather than concurrent approvals (environmental clearance, design approvals, zoning controls, building permitting, technical standards, underwriting)
  - Lack of optimized coordination between departments and agencies
  - Difficulty clearing title for land in city inventory



# City Project Proposal

**PRO-CHI**

**Pathways for Removing Obstacles – Chicago Housing Initiative**



# PRO-CHI Initiative

PRO-CHI Initiative		
Goal: Producing more affordable housing that reduces housing segregation by income and race		
	STRATEGY #1	STRATEGY #2
	Interagency land acquisition and development strategy	Green tape initiative for affordable housing production
ACTION #1	(a) Develop a comprehensive inventory of underutilized public and privately owned land	(d) Third party-led analysis and update to key DOH policies and procedures
ACTION #2	(b) Establish a legal and operational framework to enable land transfer, assembly, and holding	(e) Cross-departmental and interagency collaboration on housing development
ACTION #3	(c) Advance select parcels through predevelopment, including land acquisition	(f) Hiring of a development “ombudsman” to support developers in navigating city processes



# Strategy 1: Land Acquisition & Development Strategy

- **Action 1:** DOH, Dept. of Planning & Development (DPD), and the Chicago Housing Authority (CHA) will develop a **shared inventory** of vacant and underutilized land across the city.
- **Action 2:** Historically, the City of Chicago has owned tens of thousands of vacant and underutilized parcels, and we have focused on selling this land – not acquiring new parcels. Our PRO-CHI strategy will invest in **accelerating land sales for affordable housing**, and in establishing a **framework for land acquisition**.
- **Action 3:** DOH, DPD, and CHA propose to use PRO Housing grant funds to take actual steps towards **housing development** on a pilot basis for properties identified in Action 1 and acquired through Action 2.



## Strategy 2: Green Tape Initiative

- **Action 4:** DOH proposes to **review and improve our own policies** and procedures governing housing development projects through a combination of consultants and internal process reviews.
- **Action 5:** Convene a multi-departmental, multi-agency taskforce to map and **streamline the complex landscape** of approvals needed to develop affordable housing in Chicago.
- **Action 6:** DOH proposes to hire a **Development Ombudsman** to work across all City departments to better coordinate, streamline, publish and assist Chicagoans with navigating the development process



# Budget

## DRAFT budget: PRO-CHI

	2024	2025	2026	2027	2028	2029	Total
<b>Strategy 1: Interagency land acquisition and development plan</b>							
<b>Staffing &amp; Fringe</b>	\$ 309,339	\$ 327,899	\$ 347,573	\$ 368,429	\$ 390,536	\$ 413,967	\$ 2,157,743.72
City staff: planning lead	\$ 95,000	\$ 100,700	\$ 106,742	\$ 113,147	\$ 119,936	\$ 127,132	\$ 662,657
City staff: city-owned land system	\$ 95,000	\$ 100,700	\$ 106,742	\$ 113,147	\$ 119,936	\$ 127,132	\$ 662,657
Fringe Benefits (62.81% of aggregate)	\$ 119,339	\$ 126,499	\$ 134,089	\$ 142,135	\$ 150,664	\$ 159,703	\$ 832,430
<b>Consultants</b>	\$ 100,000	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 280,000
Land Inventory (Consultant)	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Analysis of Existing Plans (Consultant)	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Land use consultant	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ 80,000
<b>Land Systems Integration</b>	\$ -	\$ 102,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 110,000
Implementation of Systems Integration via COLS	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
System Maintenance & Back-End Costs	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 10,000
<b>Legal &amp; Operational Framework Costs</b>	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 100,000
Development of Framework (consultant)	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 100,000
Creation of Land Acquisition Team	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Land &amp; Parcel Advancement</b>	\$ -	\$ -	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 3,000,000
Predevelopment costs (exact activities TBD)	\$ -	\$ -	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 3,000,000
<b>Indirect cost calculation (admin, etc.)</b>	\$ 40,934	\$ 65,990	\$ 114,957	\$ 112,043	\$ 114,254	\$ 116,597	\$ 564,774
<b>Strategy 1 total</b>	\$ 450,273	\$ 725,889	\$ 1,264,531	\$ 1,232,472	\$ 1,256,789	\$ 1,282,564	\$ 6,212,518
<b>Strategy 2: Green Tape Initiative</b>							
<b>Staffing &amp; Fringe</b>	\$ 317,480	\$ 336,528	\$ 356,720	\$ 378,125	\$ 400,812	\$ 424,861	\$ 2,214,525.34
City staff: process improvement lead	\$ 95,000	\$ 100,700	\$ 106,742	\$ 113,147	\$ 119,936	\$ 127,132	\$ 662,657
City staff: development ombudsman	\$ 100,000	\$ 106,000	\$ 112,360	\$ 119,102	\$ 126,248	\$ 133,823	\$ 697,533
Fringe Benefits (62.81% of aggregate)	\$ 122,480	\$ 129,828	\$ 137,618	\$ 145,876	\$ 154,628	\$ 163,906	\$ 854,335
<b>Consultants</b>	\$ 150,000	\$ 150,000	\$ 350,000	\$ 350,000	\$ 50,000	\$ -	\$ 1,050,000
Existing Landscape Analysis of Processes Across City	\$ 150,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Redesign & Process Engagement	\$ -	\$ 100,000	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ 600,000
Consultant: policy dev and training	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 50,000	\$ -	\$ 250,000
<b>Indirect cost calculation (admin, etc.)</b>	\$ 46,748	\$ 48,653	\$ 70,672	\$ 72,812	\$ 45,081	\$ 42,486	\$ 326,453
<b>Strategy 2 total</b>	\$ 514,227	\$ 535,181	\$ 777,392	\$ 800,937	\$ 495,893	\$ 467,347	\$ 3,590,978
<b>Overall total</b>	\$ 964,500	\$ 1,261,070	\$ 2,041,923	\$ 2,033,409	\$ 1,752,683	\$ 1,749,911	\$ 9,803,496



## **Anticipated Long-Term Effects & Benefits**

- Increase in Affordable Housing Units
- Housing choice, desegregation
- Streamlined Development Processes
- Data-Driven Decision-Making
- Improved Coordination
- Enhanced Transparency



# Public Comment

# Public Comment Instructions

Please follow the instructions below to ensure an equitable and fair comment process:

- Public comment will be limited to **three minutes** and displayed on a timer
- Public comment will alternate between those in the room and those on Zoom
- Those on Zoom will need to use the raise hand feature to join the queue
- Those in the room will need to sign up using the public comment sign in sheet to join the queue

  **Provide Written Comment Here**

