

Summary of the Draft Woodlawn Housing Preservation Ordinance

The draft Woodlawn Housing Preservation Ordinance incorporates input from over a decade of planning efforts by the Woodlawn community, feedback from the Woodlawn housing working group, one-on-one meetings, and broader community engagement spanning 16 Woodlawn community meetings attended by hundreds of Woodlawn residents.

Goals of the Woodlawn Housing Preservation Ordinance:

- 1) Help protect existing residents from displacement;
- 2) Create new rental and for-sale housing opportunities that are affordable to households at a range of incomes;
- 3) Ensure that existing housing stock offers good quality housing for residents;
- 4) Promote housing options to support equitable and inclusive income diversity in Woodlawn;
- 5) Support neighborhood economic development opportunities.

Funding Details:

The ordinance includes 11 key sections detailing nearly \$10 million in funding for each new program to accomplish the above goals:

- Section 1 states the name of the ordinance as the Woodlawn Housing Preservation Ordinance.
- Sections 2 and 3 allow the Disposition of City-owned Land in Woodlawn for the Development of Homeownership and Rental Units. These sections detail the specific affordability requirements for buildings of various sizes and unit counts.
- Section 4 provides details regarding Community Economic Development. It identifies Neighborhood Developer Preferences and Hiring of Local Residents on City owned vacant land. This section also states that there will be a competitive selection process for use of City-owned land.
- Section 5 states that any development on City land shall follow design guidelines and should be in accordance with community area plans and other rules established by relevant City departments.
- Section 6 appropriates **\$1.5 million for the Preservation of Existing Affordable Rental (PEAR)** program. This is an apartment building refinance program to help existing owners refinance their property to keep tenants in place and rents affordable.

- Section 7 appropriates **\$500,000 for Renew Woodlawn**. This is a homeownership program tailored for low to moderate income households. Note: these City funds will be paired with funds from partners to expand the impact.
- Section 8 appropriates **\$1.52 million for the Woodlawn Loan Fund to supplement \$5 Million from banks and other lenders**. This is a program to purchase and rehabilitate vacant units to create new affordable housing options.
- Section 9 appropriates **\$1 million for the Woodlawn Long-term Homeowner Home Improvement Grant Program**. The program will assist homeowners with ten or more years of residency in their home with a grant of up to \$15,000 for home repairs.
- Section 10 provides details regarding the Tenant Right of First Refusal Pilot. This component requires an owner of a building with ten or more units to notify tenants 30 days before listing the property for sale. It then allows a 90-day window for tenants to make a valid offer for the property.
- Section 11 provides details on DOH’s continued involvement in Woodlawn by tracking legally restricted affordable housing units, reconvening the housing working group and coordinating data for the area.

We hope this summary is helpful as you review the ordinance.

Q & A Re: Draft Woodlawn Housing Preservation Ordinance

Q: When will the ordinance be introduced?

A: DOH is working with Ald. Taylor, Ald. Hairston, and Mayor Lori Lightfoot to determine the best timeline to move forward.

Q: How does the ordinance protect low-income residents from displacement?

A: There are several factors working in Woodlawn’s favor: unlike many neighborhoods facing rising housing costs, the City owns 27 percent of the community’s 1,200 vacant lots which provides a high level of control over their future. In addition, 28 percent of Woodlawn’s existing rental housing is guaranteed to be affordable long-term. Both help to ensure our goal that everyone who lives in Woodlawn now will be able to stay in Woodlawn.

In addition, the ordinance creates two provisions that directly assist low-income renters with staying in their homes: a “right of first refusal” that gives residents a head start on purchasing their apartment buildings, and an expansion of the Preservation of Existing Affordable Rentals (PEAR)

program, which offers low-cost refinancing to existing apartment building owners in exchange for a commitment to keep a portion of their units affordable for the long term.

Q: How does the ordinance attract and support a range of incomes to the neighborhood and increase the homeownership rate?

A: We heard from many stakeholders about the need to ensure that current residents can stay in the community while also helping grow a strong middle class through homeownership opportunities in Woodlawn. That's why this ordinance invests in Renew Woodlawn, which rehabs existing vacant homes and sells them affordably to owner occupants. The ordinance also establishes homeownership goals on city-owned land with purchase price assistance to households making up to \$106,000 for a family of 4. This builds on existing city efforts such as the Building Neighborhoods and Affordable Housing program which has a pilot for homeownership in Woodlawn. The ordinance specifies that on City-owned land, homeownership will be at least 75 percent affordable.

Q: The ordinance earmarks \$4.5 million for affordable housing programs in Woodlawn. How will that work?

A: The ordinance earmarks an initial outlay of \$4.5 million provided by the City or other sources. It is leveraged by another \$5 million by lenders to acquire and rehab vacant properties as affordable housing. This funding is an initial investment; the City will continue to monitor and encourage the use of the programs to assess the need for additional funds in the future.

Q: Is this the final version of the ordinance? Is there still time to make changes?

A: The Woodlawn Affordable Housing Preservation Ordinance is in draft form and is open for public comment. The Department of Housing welcomes feedback at DOH@cityofchicago.org. The deadline for public comment is Friday, March 6.