

# RACIAL EQUITY

# IMPACT ASSESSMENT

## QUALIFIED ALLOCATION PLAN

Chicago Department of Housing

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Letter from Commissioner Marisa Novara

This Racial Equity Impact Assessment (REIA) represents an exciting step forward for Chicago's Department of Housing (DOH). I personally had the honor of participating in the first REIA held in Chicago in 2017. Organized by Chicago United for Equity (CUE), I experienced first-hand that the REIA was a powerful tool to examine the potential outcomes of a proposal or the actual impacts of a longstanding policy. What I appreciated most about the process was that it forced us to separate the intentions of often well-meaning individuals from the results through a process that examines data by race and listening to impacted populations.

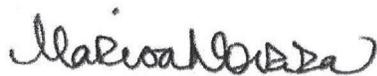
When I came to DOH in 2019, one of the first principles we established was to conduct our work through a racial equity lens. It was clear that the Qualified Allocation Plan (QAP) was a strong contender to first apply this tool. Given that Low-Income Housing Tax Credits (LIHTC) are our single biggest source for affordable rental units and the City had been allocating them since the late 1980s, we had ample ground to cover in examining 30+ years of results.

With guidance from CUE and support from Enterprise Community Partners, we listened to LIHTC residents, developers, investors, and advocates. We examined our data by race and took stock of where and how our data collection and tracking falls short. We sorted our findings by those that should influence the QAP itself, and those that apply to the broader systems surrounding it. You will see both reflected in this report, and a timeframe for implementation.

This REIA is the first step in the Department of Housing's ongoing commitment to examine the outcomes of our work by race and adjust accordingly. While this is the first REIA on a QAP in the country, our hope is that this is the first of many in a network of cities committed to this work. Given the long role that government has played in creating and maintaining segregation and inequities by race, this is our work to do.

If you have ideas or feedback on our next steps or would like to learn more about our process to initiate a REIA on one of your programs or policies, please drop us a line at [doh@chicago.org](mailto:doh@chicago.org).

With sincere thanks to all who contributed to this effort,



Marisa Novara  
Commissioner, Dept of Housing

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Applegate & Thorne-Thomsen, P.C.	Metropolitan Planning Council
Bickerdike Redevelopment Corporation	Michaels Development Company
Block by Block of Auburn Gresham	Milwaukee Ave Apartments
Brinshore Development	National Equity Fund
Chicago Lawyers' Committee for Civil Rights	Neighbors for Affordable Housing
Chicago Rehab Network	Northpoint Realty & Asset Management Company
Chicago Urban League	Northside Community Resources
City of Chicago DPD	Oak Park Regional Housing Center
Chicago Metropolitan Housing Development Corporation	Palmer Square Apartments
Communities United	Preservation of Affordable Housing (POAH), Inc
Community Investment Corporation	Preservation Compact
Corporation for Supportive Housing	Progress Center for Independent Living
Elevated Chicago	RBC Community Investments
Full Circle Communities, Inc.	Red Stone Equity Partners
Hagerty Consulting	Richman Asset Management
Health & Medicine Policy Research Group	Supportive Housing Providers Association
Heartland Housing	Shriver Center on Poverty Law
Hispanic Housing Development Corporation	Sixteen Hundred Investment Group Ltd
Housing Action IL	South Suburban Housing Center
Housing Choice Partners	The Community Builders, Inc.
Illinois Housing Council	The Mark Twain Apartments
Illinois Institute of Public Health	The Michaels Organization
Japanese American Service Committee	The NHP Foundation & Enlace Chicago
Keller Williams Realty, Inc.	The Progress Center for Independent Living
Latino Policy Forum	The Richman Group
Lawyers' Committee for Better Housing	University of Chicago
LUCHA	University of Illinois at Chicago
Merchants Capital	Village of River Forest

## Section 1: Introduction

The Low-Income Housing Tax Credit Program (LIHTC) is designed to provide incentives to the private sector to develop affordable rental housing. The Qualified Allocation Plan (QAP) is a set of instructions to guide LIHTC developers through the process of acquiring tax credits for producing affordable rental units.

The efforts of the Chicago Department of Housing (DOH) to building housing are multi-faceted and the QAP guides only a portion of those efforts, specifically those limited to rental developments that receive tax credits. While this constitutes many units, it does not cover the majority of the Department's programs. DOH's QAP has traditionally centered around economic mobility and investments in low-income areas, however racial equity has not yet been a factor in determining a developer's eligibility for tax credits or the design, location or operation of developments.

In 2020, DOH sought to examine the QAP and its processes through a racial equity lens and consider how incorporating racial equity into its design may garner opportunities for wealth building and advancing racial equity in communities developed with Low-Income Housing Tax Credits.

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## REPORT STRUCTURE

### ■ This report is organized into six sections:

1. Provides an executive summary of recommendations detailed in section six
2. Describes evolution of Chicago's Qualified Allocation Plan
3. Provides an assessment of the current landscape of low-income housing and the allocation of tax credits in Chicago as well as an overview of national observations
4. Outlines the process of the REIA
5. Presents the results and recommendations of the REIA, and humanizes them through fictional stories of residents, developers, property managers and residents
6. Details next steps for how DOH will continue to advance racial equity in the QAP and its processes

## Section 2: Executive Summary of Recommendations

Eight themes emerged from the REIA workshops which included an array of stakeholders including LIHTC residents, developers, funders, and housing advocates:

### **1. Ensure Black, Indigenous, people of color (BIPOC) developer/service providers benefit from LIHTC:**

The QAP should increase access to opportunities for small and newer developers of color to benefit from the LIHTC program. The LIHTC Program should also contribute to wealth building in BIPOC communities and reducing the racial wealth gap. The QAP process should encourage and prioritize applications from BIPOC developers, reduce barriers to participation, and support and incentivize BIPOC-owned developers, professional services and social service teams.

■ **KEY RECOMMENDATIONS**

**Encourage/prioritize** applications from and/or partnerships with BIPOC developers and service providers

**Review and strengthen** accountability and penalty structure for implementation and enforcement of MBE/WBE requirements, City Residence Hiring Ordinance and other local laws that aim to increase participation of BIPOC firms and employment of BIPOC residents

**Incentivize** BIPOC-led developers and professional service teams, including a method to consider demographics of nonprofits and BIPOC-led companies that cannot certify for MBE/WBE status

**Reduce** experience and capital barriers to investment

**2. Create production targets for specific subpopulations based on need:** DOH needs to prioritize investments in data infrastructure and reporting so that it can prioritize LIHTC developments serving residents that are most in need, and address the deficit of units for specific subpopulations in the QAP. The information collected about the existing DOH LIHTC portfolio and who is served reflects the minimum reporting required by the U.S. Department of Housing and Urban Development (HUD) and is not organized in a format that can be easily analyzed or understood by the public. Ideas and considerations for a data infrastructure and reporting strategy could include establishing data reporting expectations and templates for all deals moving forward. This data supported approach will help the QAP make departmental funding priorities unbiased and transparent.

■ **KEY RECOMMENDATIONS**

**Establish** data reporting expectations and templates for all LIHTC deals

**Create** numerical/proportional targets by sub-population

**Make** departmental funding priorities as clear and transparent as possible

**Require** fair housing plan in QAP application

**Invest** time and resources in a data infrastructure and reporting strategy

**3. Improve access to units for marginalized groups:** The QAP and its allocation process should prioritize access to affordable housing opportunities by ensuring that marginalized residents are not unfairly screened out of the process due to arrest/conviction records, evictions, or low/no credit scores. Tenant applicants need to be aware of appeal process and unfair screening practices.

■ **KEY RECOMMENDATIONS**

**Require** submission and review of tenant selection plans in application

**Review** affirmative marketing standards and update requirements

**Establish** guidelines and evaluation criteria for tenant selection plans and require individualized assessments of applicants

**Create and ensure** tenant applicants are aware of appeal processes when they suspect they were screened out unfairly

**4. Coordinate housing with other neighborhood amenities:** The QAP should ensure residents have choices about where they can live affordably by ensuring that affordable developments are built in highly resourced, amenity-rich areas. One way to accomplish this is for the QAP to require applications be coordinated with strategic initiatives like the City's Equitable Transit Oriented Development (eTOD) Policy Plan to ensure alignment with core values for site selection and community benefit. The QAP should prioritize applications that incorporate the arts and local culture of a community.

■ KEY RECOMMENDATIONS

**Adjust** expectations to acknowledge that awards in "opportunity," highly resourced, amenity-rich areas may have higher costs

**Incentivize** developments in accessible transit hubs

**Prioritize** developers that have a plan to incorporate arts/local culture/services of targeted residents in developments

**Incorporate** siting priorities of developments near community resources

**5. Improve engagement, management standards and enforcement in properties:** The QAP should increase the inclusion, power, and self-determination that LIHTC residents have over their living environments and improve their health, wealth, and opportunities in life. The QAP should address the review and update of community engagement standards to ensure meaningful engagement throughout the development process. The QAP and allocation process should require and provide guidelines for inclusivity and accountability throughout the entire lifecycle of a development.

■ KEY RECOMMENDATIONS

**Require** submission of maintenance reports, resident complaints and resolution reports in Annual Owner Certification

**Review and strengthen** accountability mechanisms and penalties for inadequate maintenance and property management

**Include** cure periods for specific maintenance and non-compliance issues

**Review and update** community engagement requirements in the QAP to ensure meaningful resident engagement in the development application

**Require and provide** guidelines for inclusivity and accountability in ongoing operations/maintenance and ensure feedback loops/accountability throughout the entire lifecycle of a development

**6. Improve resident outcomes and support homeownership and wealth building opportunities:** The QAP and the allocation process should improve outcomes and wealth building opportunities for residents. Incentivize applications that offer or provide access to programs like homeownership support and workforce development programs and require owners to track and report tenant outcomes to understand the impact of the LIHTC program on these initiatives.

DOH partners with housing counseling and community organizations across the City. Connecting residents to these existing programs should be intentional and standard practice.<sup>1</sup>

**■ KEY RECOMMENDATIONS**

**Prioritize** developments that offer or partner with agencies to provide workforce development/ career training programs that help tenants build skills and career pathways

**Prioritize** developments that offer or partner with agencies to provide financial counseling, savings programs, and other resources to build tenant wealth building

**Create** homeownership opportunities for single family and townhome developments as credits expire

**7. Create more accessible, family-friendly homes and make applications more user-friendly:** The QAP should ensure residents with disabilities and diverse language needs can find and live in LIHTC units that accommodate their needs. The QAP can incentivize applications to focus on specific subpopulations and/or to simply exceed the minimum requirements for accessibility.

The QAP and the allocation process should reward developments that exceed Federal and locally mandated requirements for accessibility, provide language services and are marketed appropriately.

*Example: In 2019, DOH selected The Chicago Lighthouse Residences at 1800 W. Roosevelt Road under the QAP. This is a first of its kind development focused on the blind and visually impaired. This kind of work needs to continue.*

**■ KEY RECOMMENDATIONS**

**Incentivize** developments that exceed Federal and locally mandated requirements for accessibility

**Prioritize** new credits to developers that have a track record of successfully serving residents with disabilities

**Require** that developers provide information in English and Spanish

**Increase** the proportion of family-sized units in the LIHTC portfolio and adjust total development cost to account for number of bedrooms so as not to disadvantage larger units

**Prioritize** projects that offer family supports

**Centralize** application and waitlist for all affordable housing developments and improve information available on DOH website

**8. Ensure LIHTC developments address mental health needs of residents:** The QAP should ensure residents feel safe in their homes and neighborhoods. The world is constantly changing, requiring government leaders to rethink their role in addressing the mental health needs of residents. The QAP can support incentives for partnership and wrap-around services that create or provide access to health and wellness spaces and activities.

<sup>1</sup> To learn more about DOH's delegate agencies, visit [chicago.gov/housing](http://chicago.gov/housing)



## ■ KEY RECOMMENDATIONS

**Develop** standards and guidance requiring developers to submit health and safety plans in applications that include safety and security measures

**Incentivize** development of supportive housing units with onsite social workers

**Encourage** community spaces, on-site services, health, and wellness spaces

**Require** programming and service plans in application

**Incentivize** use of "trauma informed" design and programming

**Incentivize** siting near and/or require coordination with social service providers

## Section 3: Introduction

### HISTORY OF CHICAGO'S QUALIFIED ALLOCATION PLAN

Established in 1986, the LIHTC program is a system for producing affordable rental units that rely on tax incentives and federal oversight by the Internal Revenue Service (IRS). The program was promoted as a way of bringing the "market discipline" of private sector developers, syndicators, lenders, and investors to the affordable housing industry. Chicago is one of the few jurisdictions nationwide that has tax credit allocation authority in addition to the State of Illinois. In Illinois, both the City of Chicago and the Illinois Housing Development Authority (IHDA) allocate LIHTC to affordable housing developments.

Until recently, the City of Chicago's QAP was a broad call for affordable housing proposals without much specificity or prioritization. The merger of DOH and the Department of Planning and Development (DPD) in 2009 did not result in substantial changes to the QAP until 2011. During Mayor Rahm Emanuel's tenure, from 2011 to 2017, the round for LIHTC applicants expanded from two to five years. In 2017, the selection criteria changed to include priority tracts which underscored the preservation of existing housing and the development of catalytic community enhancements such as housing and library combinations for the City.



**Photo credit: SOM** • The Roosevelt/Taylor library combines LIHTC, CHA and market rate units in the Little Italy community on the Near West side with the modernized version of the Little Italy branch of the Chicago Public Library designed with activity space for community and residents.

On January 1, 2019, DOH and DPD became independent departments again and in June 2019, Mayor Lori E. Lightfoot appointed Marisa Novara as Commissioner of the newly reformed DOH. One of Commissioner Novara's first actions was to revise the QAP to be more consistent, transparent and policy based. The 2019 version of the QAP and allocation processes addressed:

#### **Frequency**

- Set application cycles to better align with the state (biennially)

#### **Policy-setting approach with increased transparency**

- Shared the allocation amount for LIHTC, bond cap, and soft funds available
- Gave guidance on proportions not to exceed in deals
- Set asides for project characteristics, including the expectation of receiving and funding applications across three different market types: Redevelopment, Opportunity, and Transitional areas
- Encouraged income averaging to ensure a broader range of incomes are served including those at 30% AMI and below

#### **Concurrent with the 2019 QAP changes, DOH also worked to improve communication and transparency for all of its affordable programs, including:**

- Website with charts and maps of the location of units built under Affordable Requirements Ordinance (ARO)
- The location of multi-family (MF) developments benefiting from the investment of an in-lieu contribution
- Process map of how affordable deals advance through city processes

## **2019 ALLOCATIONS**

#### **The 2019 QAP laid out the following goals as Priority Tracts:**

1. Expand affordability in "opportunity areas" to advance economic mobility
2. Preserve affordable housing in gentrifying or "transitioning" neighborhoods to ensure stability of diverse neighborhoods as they change
3. Build affordable housing as an investment or revitalization strategy in disinvested, or "redeveloping," neighborhoods

DOH received 42 applications for 2,696 low-income units in neighborhoods across the city for the 2019 QAP cycle. Approximately half of the applications and proposed units were in redevelopment areas, reflecting several factors including lower land costs, substantial vacant land, LIHTC's incentives to developments located in high-poverty qualified census tracts (QCT), large concentrations of low-income residents needing housing, and general political dynamics in these areas where local resistance may be less prevalent. Less than 25% of the total affordable units proposed in applications were in opportunity areas.

In addition to the locational priorities of the 2019 QAP, applications were prioritized based on overall project feasibility, mix of funding requests, availability of specific sources and the IRS requirement to maximize the number of affordable units created at the lowest cost. Based on these criteria, 11 developments were selected to move forward with an award: 18% in opportunity areas, 36% in redeveloping areas, and 46% in transitioning areas. When viewed by unit count, nearly half of all units were in opportunity areas, 30% in gentrifying areas and 22% in transitioning areas (Table 1).

**Table 1. Number and Percentage of DOH-LIHTC Allocations in 2020 by Neighborhood Type**

	<b>Number of Developments (% of total)</b>	<b># Affordable Units (% of total)</b>
<b>Opportunity Areas</b>	2 (18%)	438 (49%)
<b>Redeveloping Areas</b>	4 (36%)	201 (22%)
<b>Transitioning Areas</b>	5 (46%)	264 (29%)
<b>Total</b>	11 (100%)	903 (100%)

### Section 4: About the QAP and Tax Credit Allocations

The QAP is the policy document that guides the allocation of LIHTC. As a policy document, the areas QAP may influence include:

- Where housing units are built and preserved
- The size, quality, design, and amenities of the units and the types of households they accommodate
- Types of services provided to tenants
- The size, experience, and characteristics of the development team

Since its inception, tax credits have been allocated for the construction and preservation of approximately 25,000 income-restricted affordable housing units. During the same period, IHDA has allocated tax credits for the development or preservation of approximately 19,000 units in the city of Chicago.

Chicago’s LIHTC program is only one part of the City’s affordable housing portfolio. Across all funding sources and programs, the City reports approximately 47,000 units in its affordable rental housing portfolio.

While LIHTC is an important source of funding for affordable housing, it is not the only financing source that the City uses for development. The City coordinates with other funding agencies like HUD, the Chicago Housing Authority (CHA), and IHDA to produce and preserve affordable units in Chicago.

### SNAPSHOT OF CHICAGO’S LIHTC ALLOCATIONS

#### ■ Chicago’s LIHTC Production Numbers

*The majority of Chicago’s LIHTC units are new construction developments in high-poverty areas.*

Between 2000 and 2020, the City’s LIHTC program allocated tax credits to develop or preserve approximately 10,000 low-income units across the city. Sixty percent of allocations since 2000 were in qualified census tracts, a federal designation for high poverty areas to incentivize development and preservation in these neighborhoods for revitalization purposes. During the last two decades, approximately two-thirds of all tax credit units were in new construction. One-third of allocations were for units acquired and rehabilitated for preservation purposes.

## WHERE ARE DOH-ALLOCATED LIHTC UNITS LOCATED?

### ■ Neighborhood Race/Ethnicity

*Affordable housing units funded by the City's LIHTC program created since 2000 are predominantly located in majority Black neighborhoods. The City's LIHTC program is under-represented in majority white and majority Latinx neighborhoods.*

Less than 20% of all LIHTC units are located in majority white neighborhoods (Figure 1), while 30% of Chicago's tracts are majority white (Table 2). In contrast, there is a high concentration of LIHTC units in majority Black South and West side neighborhoods (Figure 2); 50% of all low-income LIHTC units allocated since 2000 are in majority Black neighborhoods, whereas only 35% of all city tracts have majority Black populations (Table 2). For majority Latinx census tracts on the West and Northwest sides, LIHTC units are underrepresented (Figure 3). While over 20% of all Chicago census tracts have majority Latinx population, only around 6% of all LIHTC units are in tracts with majority Latinx population (Table 2).

**Figure 1. LIHTC units allocated 2000-2020 by % White Residents**

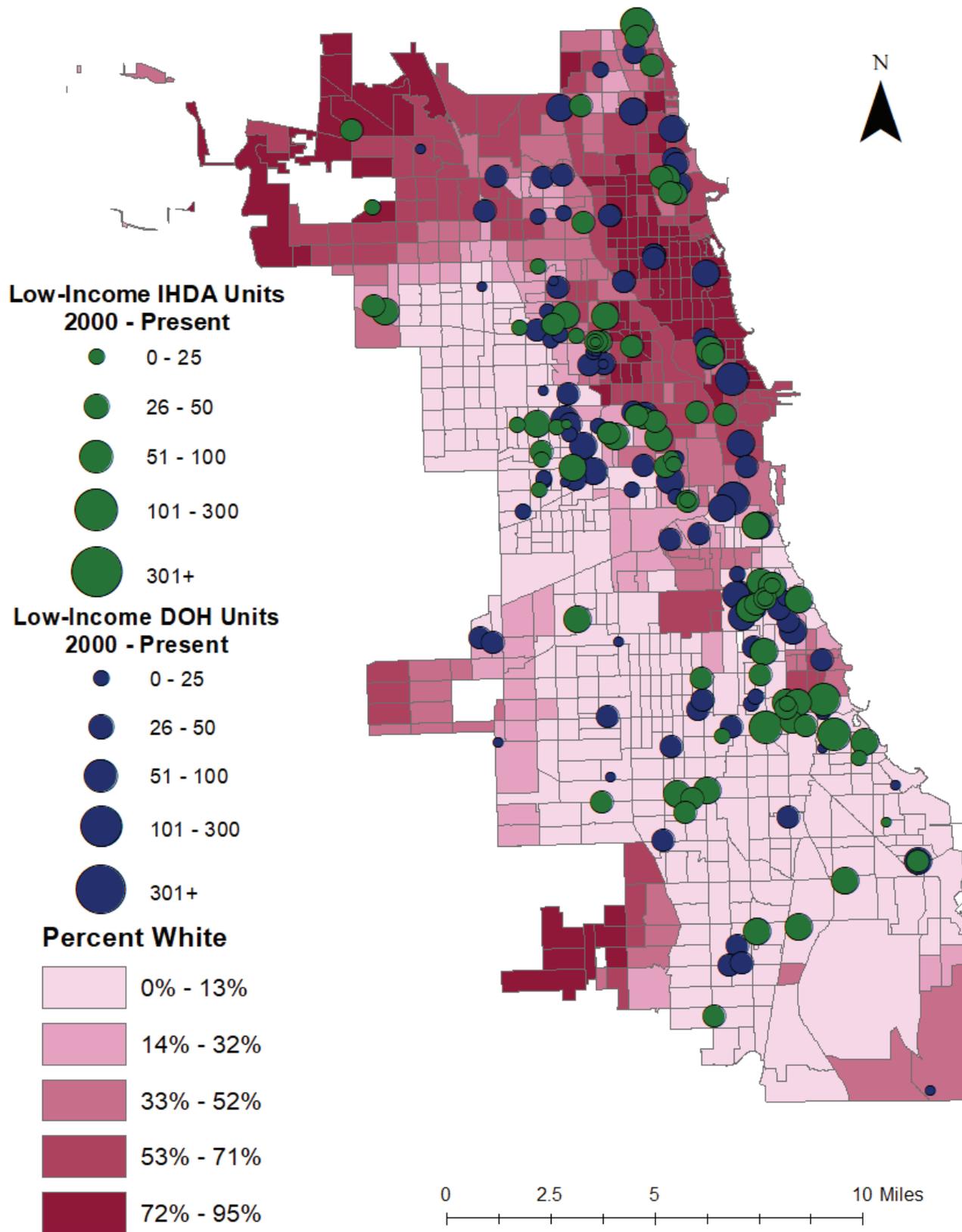


Figure 2. LIHTC units allocated 2000-2020 by % Black Residents

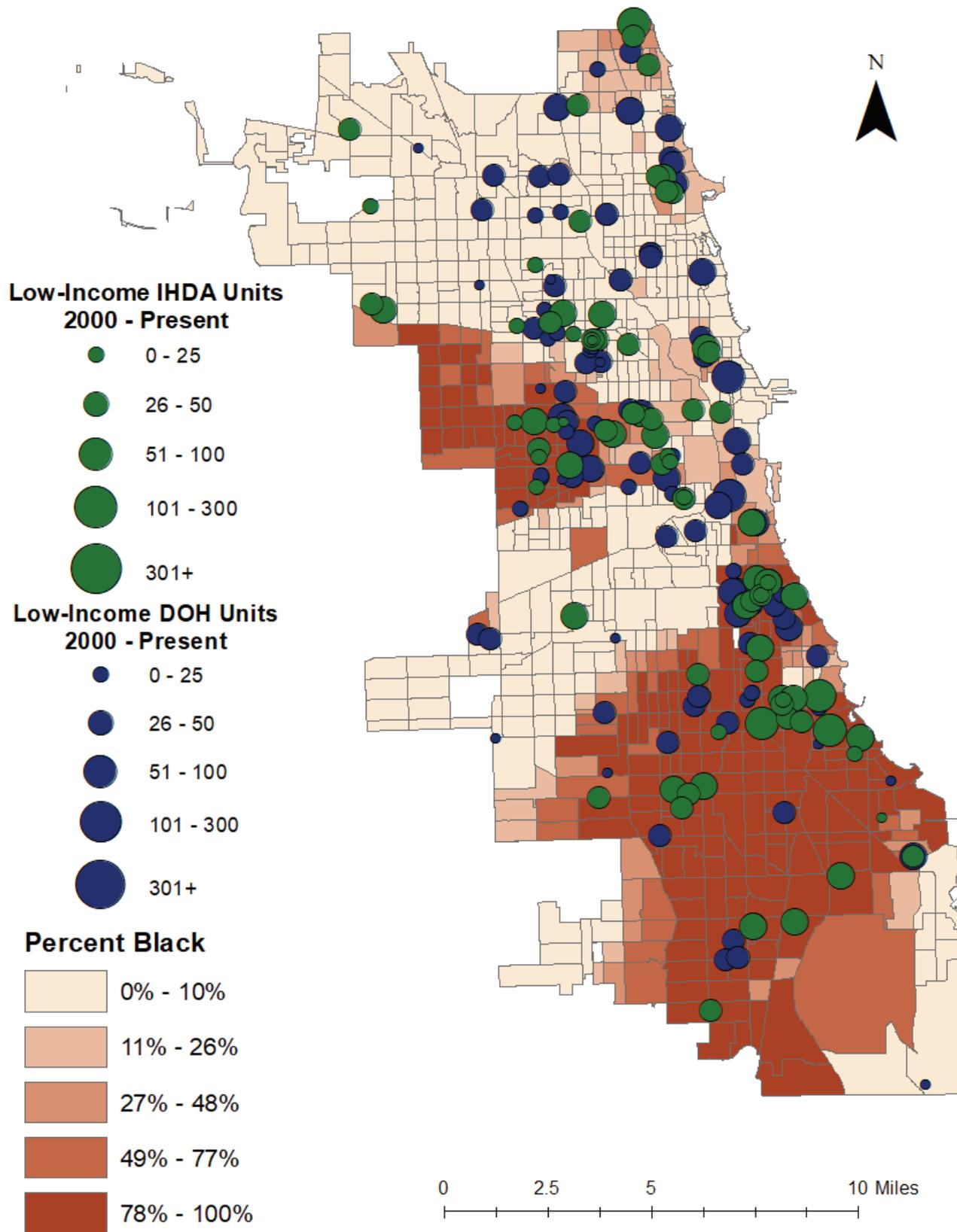
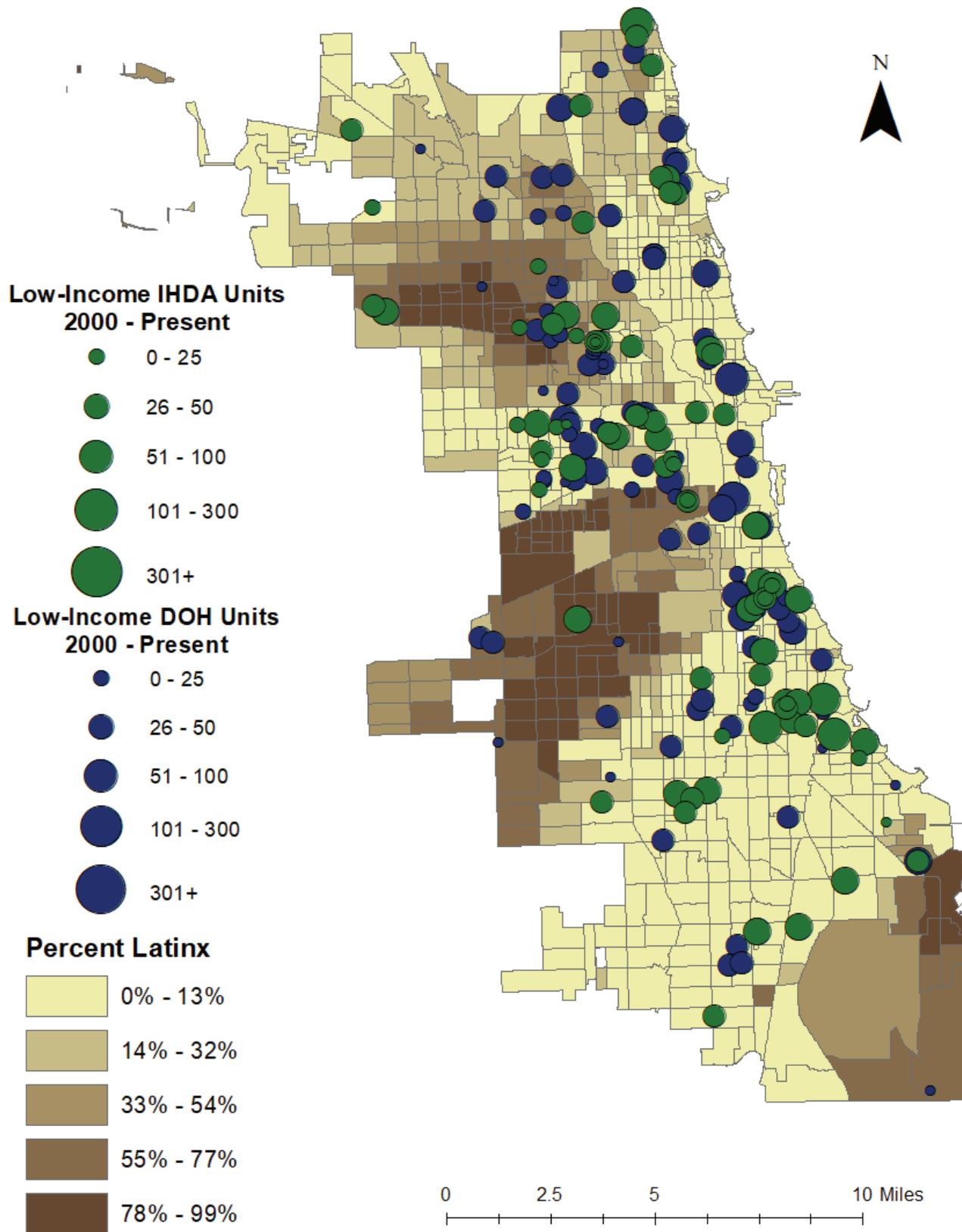


Figure 3. LIHTC units allocated 2000-2020 by % Latinx Residents



**Table 2. Percent of LIHTC Low-Income Units by Majority Racial/Ethnic Composition**

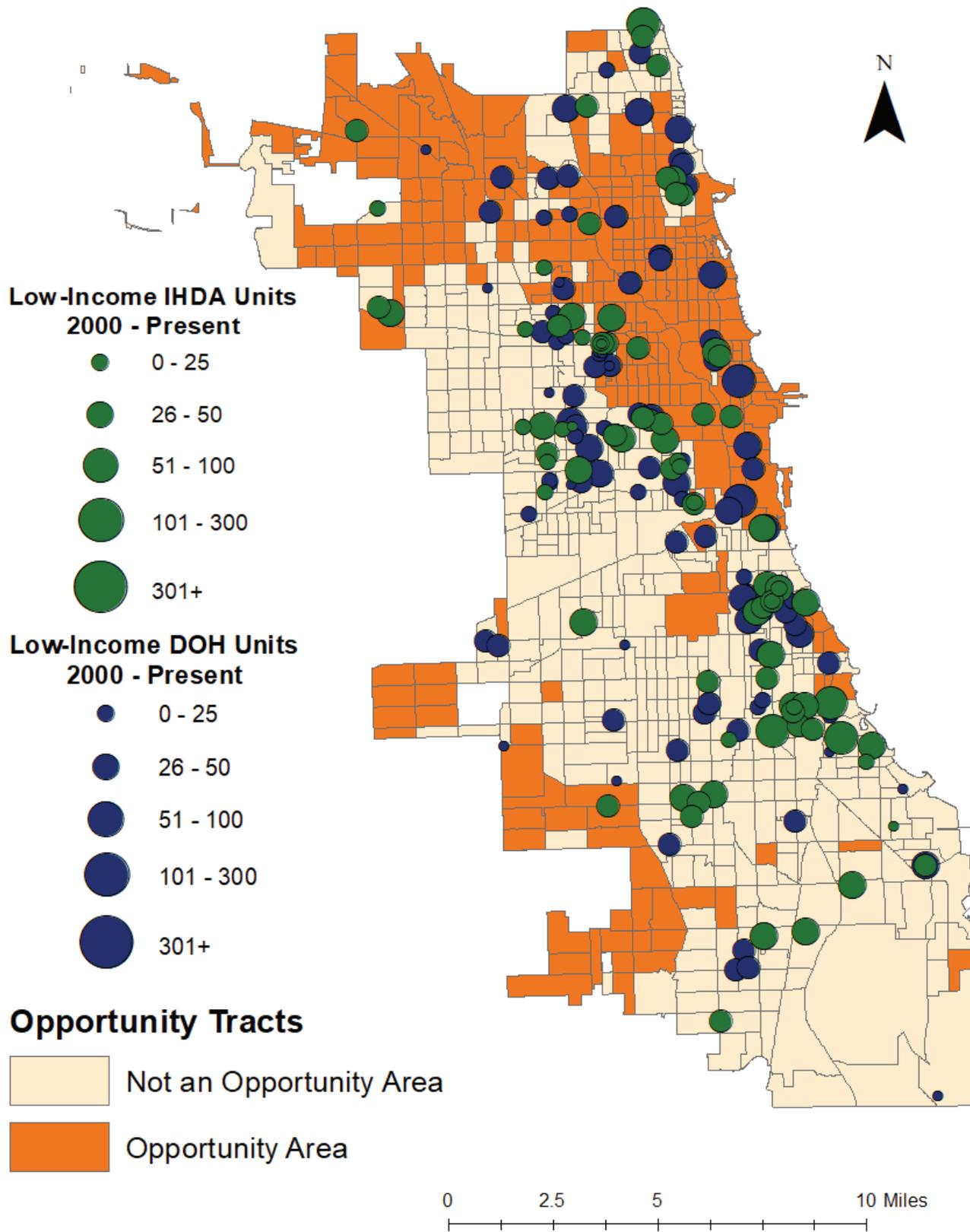
Race/ Ethnicity	% of DOH-LIHTC Units in Majority Race/ Ethnicity Tract	% of Chicago Census Tracts that are Majority Race/ Ethnicity
<b>Non-Hispanic White</b>	17%	30%
<b>Black</b>	50%	35%
<b>Latinx</b>	6%	21%

Source: American Community Survey 5-year estimates, 2014-2018; LIHTC database

### NEIGHBORHOOD RESOURCES

Considerable research has documented how neighborhoods matter in shaping residents’ access to resources, exposure to risks and impact their life outcomes. There are various metrics available to quantify access to resources such as proximity to food outlets, high performing schools, transit, jobs, etc. Due to Chicago’s legacy of institutional racism and systematic disinvestment from neighborhoods of color, access to resources often follows neighborhood racial composition which also mirrors household income. Because of these patterns, a simplified metric of neighborhood opportunities was applied to the City’s 2017 QAP and classified census tracts as “opportunity areas” if tracts reported less than 20% poverty and if half of all households reported incomes above the median for the City. Figure 4 maps LIHTC-funded low-income units over opportunity area designation.

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





A quarter of low-income units financed with LIHTC allocations between 2000 and 2017 were in Opportunity areas,<sup>2</sup> - while 40% of Chicago’s census tracts classify as Opportunity Areas.

**Table 3. Percentage of DOH-Allocated LIHTC Units, 2000-2017 in “Opportunity” Areas**

% of DOH-LIHTC Units in Opportunity Areas	% of Chicago tracts Opportunity Areas
26%	40%

## WHAT TYPES OF UNITS IS CHICAGO’S LIHTC PROGRAM PRODUCING?

The types of units developed through the LIHTC program can influence the profile of tenants that are served by them in addition to household size. Table 4 summarizes the race and ethnicity of households by size and age. This information helps assess whether the LIHTC program is adequately meeting the needs of households by race and size.

From this high-level information, for instance, for households with more than three members, insufficient units were developed to meet the larger household sizes of the Latinx population, and perhaps a surplus of units were developed for the needs of white low-income households. Comparing the demographic breakdown of low-income senior households, Table 4 indicates that the LIHTC program appears to be adequately serving senior population for Black and white-led households, but potentially over-producing for the Latinx population.

To ensure LIHTC adequately addresses the needs from different subpopulations, the City should assess available data, identify data needs and invest in a data infrastructure and reporting program.

**Table 4. Household/LIHTC Size and Age by Race/Ethnicity in Chicago**

	All low-income* households	Black low-income households	White low-income households	Latinx low income households
% of households that have 3+ members**	21%	21%	6%	40%
% of LIHTC Units with 3+ bedrooms***	17%			
% with householder > 62**	37%	41%	44%	28%
% of LIHTC Units targeting seniors***	43%			

\* 60% of Chicago AMI

\*\* American Community Survey, 2018

\*\*\* LIHTC database: <https://lihtc.huduser.gov/>

## WHO LIVES IN LIHTC UNITS?

*Black residents are over-represented in LIHTC units, representing approximately 67% of all LIHTC tenants despite only representing 41% of low-income households. LIHTC tenancy for Latinx households shows the opposite trend: while 21% of Latinx households are low-income, their estimated share of LIHTC households is 14%.*

<sup>2</sup> It is important to note that “opportunity” designation uses data for 2018 conditions. It is possible that at the time of previous LIHTC allocations neighborhoods may have had a different classification if they experienced significant demographic change during the period of 2000-2018.



Demographic information for residents of the City’s LIHTC-funded units is collected during lease up and reported to HUD. The data is not detailed by all races and is not collected in a way that is useable for this study. Tenant data is currently limited to a “Yes” or “No” for African American, White and other. The City must collect meaningful data on race and invest in a data infrastructure that allows for data informed policy making to be done by race.

Table 5 shows Black households are over-represented among low-income households in the city and among LIHTC tenants. Over 40% of all households with incomes less than \$40,000 per year (a rough proxy of low-income) have a Black head-of-household, despite constituting just 30% of the citywide population. Latinx households show the opposite trend: comprising approximately 21% of all low-income households although only representing 30% of the population citywide. White Chicagoans are similarly underrepresented: less than 23% of low-income households have a householder that self-identifies as white, less than the overall share of the white population of 33%. At 5% of all low-income households and 6% of the population, low-income Asians most closely match their population distribution. Based on preliminary data for tenants living in LIHTC units in 2020, Black residents are over-represented, making up approximately 67% of all LIHTC tenants despite making up 41% of households in poverty. LIHTC tenancy for Latinx households again shows the opposite trend: while making up 21% of households in poverty, their estimated share of LIHTC households is 14%. Low-income white residents are similarly under-represented in LIHTC properties.

**Table 5. Chicago Share of Low-Income Households and Total Population by Race/Ethnicity**

	<b>White (Non-Latinx)</b>	<b>Black</b>	<b>Latinx</b>	<b>Asian</b>	<b>Native American/ Hawaiian</b>	<b>Other</b>
<b>Estimated Share of All Chicago Households earning &lt;\$40k/yr.*</b>	23%	41%	21%	5%	<0.5%	10%
<b>Share of total Chicago population</b>	33%	30%	29%	6%	<0.5%	2%
<b>Estimated Share of LIHTC residents**</b>	12%	67%	14%	5%	<0.5%	1%

\*\$40k household income is used as a very rough threshold for low-income status, which is slightly higher than the area median income (AMI) limit for a one-person household in 2020. Data for this table was derived from five-year estimates from the American Community Survey for household income by race and ethnicity, independent of size (2018)

\*\* Preliminary estimates using data from 2020 Annual Owner Compliance reports

## WHO DEVELOPS DOH ALLOCATED LIHTC UNITS?

DOH does not track the race/ethnicity of the development teams that have received LIHTC allocations from the City of Chicago. The obstacles to becoming a LIHTC developer are great and extend beyond the allowances DOH could include in the QAP or its policies. LIHTC investors require levels of experience and liquidity from the development team that prohibits inexperienced and undercapitalized teams. Allocating agencies need to advocate for change, answer the need for liquidity, and foster a process for developers and vendors to gain experience.



The Department of Housing has programs and initiatives designed to increase minority participation and local hiring. These programs and pilots have focused on single family renovation, vacant building preservation, and access to loans and grants. Current programs include the national award-winning Troubled Building Initiatives (TBI) and the Rebuild Program.

In order to succeed in seeing more BIPOC participation in LIHTC development teams, DOH should expand on the capacity building efforts of these single-family programs and identify similar programs and resources for larger development projects. Through requirements for partnership and commitments to resources, DOH can identify opportunities to mentor developers and their teams through building types – from single-family rehab through multifamily renovation to LIHTC new construction.

## ■ National QAP Observations

The QAP is a powerful tool that states, U.S. Territories, and a few select cities<sup>3</sup> can use to shape the affordable housing market and advance the goals of racial equity. Across the country, many states are shaping their QAPs to help place low-and moderate-income families in areas that allow for adults to age in place<sup>4</sup> and increase the economic self-sufficiency of their residents.

While many states attempt to advance equity and desegregate communities, only three - Massachusetts, Pennsylvania, and North Carolina - highlight race in their QAPs. These states explicitly declare that they are aiming to reduce racial segregation and acknowledge that access to living in high opportunity areas is racialized. Most other QAPs instead use proxies for racial representation. The majority of states that attempt to advance integrated communities, for instance frame the discussion around high opportunity zones.<sup>5</sup> California has been successful in dispersing LIHTC properties in high opportunity areas, but they have yet to achieve projects in communities that are racially integrated with white residents.<sup>6</sup>

The State of Ohio has prioritized having multiple income levels (between 20% AMI to 60% AMI) in a LIHTC project and identifies residents at 60% AMI as workforce families, residents between 59% and 30% AMI as minimum wage families, and those below 20% AMI as residents living off Social Security income, according to the Kirwan Institute.<sup>7</sup> Ohio also prioritizes projects including public housing project-based vouchers to provide additional subsidies for residents at lower AMI levels and offers \$75,000 in developer fee supplements for projects that serve lower AMI levels. Both Ohio and Indiana<sup>8</sup> set aside tax credits for projects with strong community revitalization plans in designated areas.

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<sup>3</sup> <https://liht.huduser.gov/>

<sup>4</sup> [https://www.housingonline.com/councils/national-council-housing-market-analysts/resources/discussion-papers-evolving-issues/affordable-assisted-living-new-frontiers-aging-place/#\\_Toc446330285](https://www.housingonline.com/councils/national-council-housing-market-analysts/resources/discussion-papers-evolving-issues/affordable-assisted-living-new-frontiers-aging-place/#_Toc446330285)

<sup>5</sup> [https://mf.freddiemac.com/docs/Affordable\\_Housing\\_in\\_High\\_Opportunity\\_Areas.pdf](https://mf.freddiemac.com/docs/Affordable_Housing_in_High_Opportunity_Areas.pdf)

<sup>6</sup> <https://case.edu/socialwork/nimc/sites/case.edu.nimc/files/2019-08/Grady%20Boos%20Qualified%20Allocation%20Plans.pdf>

<sup>7</sup> <https://kirwaninstitute.osu.edu/research/implementing-fair-housing-and-equity-assessment-advancing-opportunity-through-low-income-housing-tax-credit>

<sup>8</sup> <https://prrac.org/building-opportunity-ii-a-fair-housing-assessment-of-state-low-income-housing-tax-credit-plans/>



Alabama, Ohio, North Carolina, and South Dakota allocate negative points to applications that place projects near environmental and health and safety hazards, while California, Arizona, and Michigan all provide additional preference points to projects which are located near transit.<sup>9</sup>

Additional trends that may impact the QAP process are the efforts of San Francisco and New York which use it to strengthen their overall affordable housing plans. San Francisco centralized and simplified all affordable home applications which allows residents to customize their search to find homes that meet their needs. The application system is also built on an inclusive digital platform which is accessible for people with disabilities.<sup>10</sup>

New York City recently announced its commitment to strengthening racial equity in its affordable housing environment by requiring any affordable home developments on public land to have 25% ownership stake from a minority or woman-owned business or a nonprofit organization.<sup>11</sup> These efforts include but do not solely apply to the QAP.

## Section 5: Racial Equity Impact Assessment (REIA) Overview

An REIA is an examination of how different racial and ethnic groups will likely be affected by a proposed action or decision. DOH hosted a series of workshops focused on determining the benefits and burdens of the QAP in its current form. This section outlines the REIA process that was used to help determine recommendations for future iterations of the QAP.

### WHAT IS AN REIA?

An REIA is a process through which a set of questions is posed to stakeholders to investigate the benefits and burdens of a policy or practice. The REIA can be a vital tool for identifying new options to remedy long-standing inequities. Below are questions DOH considered throughout the QAP REIA process:

**What is the proposal? What is the intention?** In this case, what was proposed was a revision of the QAP using a racial equity lens to determine inequities in the plan, its processes, and results.

**What does the data show?** A variety of data was considered to better understand components of the low-income housing tax credit landscape such as demographics, location, allocation, and developer selection.

**How was the community engaged? What was learned from the community?** Community engagement is extremely important in any process where policy changes are considered. In this REIA process, DOH connected with various stakeholders such as residents, developers, housing advocates, and funders to learn from multiple perspectives.

**Who will benefit and who will be burdened? What are the ways to make this plan more racially equitable?** This process helped determine gaps in equity by identifying those who benefit and those burdened by the current QAP and its processes.

**What is the plan for implementation?** Recommendations stemming from this assessment will be used to help

<sup>9</sup> <https://prrac.org/building-opportunity-ii-a-fair-housing-assessment-of-state-low-income-housing-tax-credit-plans/>

<sup>10</sup> <https://medium.com/exygy/reimagining-the-affordable-housing-process-in-san-francisco-98808bee851>

<sup>11</sup> <https://www1.nyc.gov/site/hpd/news/050-20/mayor-de-blasio-taskforce-racial-equity-inclusion-new-requirement-give#/0>

change policies and increase racial equity.

**How is progress tracked?** Tracking and monitoring the development of policies after the assessment is very important so changes are documented and addressed. Moreover, accountability is key when new policies are developed.



## RACE AND EQUITY

At the beginning of each REIA workshop, conversations began by breaking down the words Race and Equity. 'Race' is a term that refers to any one of the groups that humans are often divided into based on physical traits regarded as common among people of shared ancestry.<sup>12</sup> Race is a socially designed concept; race is not real. However, it is perceived as real. Through lived experiences in the United States and beyond, individuals feel the perception of race through racism and the racist structures that persist in society. The definition of equity is the state, quality or ideal of being just, impartial, and fair. The concept of equity is synonymous with fairness and justice.<sup>13</sup> Equity involves trying to understand and give people what they need to enjoy full, healthy lives.<sup>14</sup> Equity and equality are not synonymous, since equality means everyone gets the same allotment while equity means everyone gets what they need.

Equity is just and fair inclusion into a society in which all, including all racial and ethnic groups, can participate, prosper, and reach their full potential.<sup>15</sup> Equity gives all people a just and fair shot in life despite historic patterns of racial and economic exclusion. During the workshops, participants were encouraged to think about how race and equity impact the world. To conduct racially equitable work, organizations must acknowledge history, shift power, and embrace accountability by considering the following questions:

- How has systemic and structural racism shaped historical and current events?
- How can power be shifted to groups that have been historically marginalized or harmed?
- How can storytelling, demographic data, and other opportunities be used to embrace accountability to outcomes?

## DEFINING RACIAL EQUITY

The City of Chicago's working definition of racial equity is a future state where race is no longer a predictor of outcomes:

- Racial equity as a PRODUCT: Race no longer determines one's socioeconomic outcomes; everyone has what they need to thrive, no matter who they are or where they live.
- Racial equity as a PROCESS: Those most impacted by racial inequity are centered and meaningfully involved in the planning and design of policies and practices that impact their lives.

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<sup>12</sup> [https://www.raceforward.org/sites/default/files/RacialJusticeImpactAssessment\\_v5.pdf](https://www.raceforward.org/sites/default/files/RacialJusticeImpactAssessment_v5.pdf)

<sup>13</sup> [https://www.raceforward.org/sites/default/files/RacialJusticeImpactAssessment\\_v5.pdf](https://www.raceforward.org/sites/default/files/RacialJusticeImpactAssessment_v5.pdf)

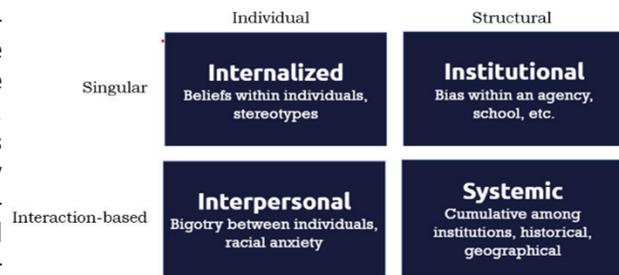
<sup>14</sup> <https://www.aecf.org/blog/racial-justice-definitions>

<sup>15</sup> <https://www.aecf.org/blog/racial-justice-definitions>



## 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, 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.

**AFFORDABLE HOUSING RACIAL EQUITY IMPACT ASSESSMENT**  
Do you work in support of housing developments that are funded by LIHTC (low-income housing tax credits)?  
Join this workshop!

The Chicago Department of Housing in partnership with Enterprise Community Partners and Chicago United for Equity is conducting a first-ever Racial Equity Impact Assessment (REIA) on the Qualified Allocation Plan (QAP) process through which developers receive LIHTC funding for developing low-income housing in Chicago.

**Frequently Asked Questions**

**What is REIA?**  
REIA is a tool for identifying and assessing the potential for racial equity impacts of a policy or program. It is a process that involves a mix of quantitative and qualitative data to identify areas of concern and to develop strategies to address those concerns.

**Why is REIA needed?**  
REIA is used to identify, assess, and prevent racial discrimination and inequities. The process involves a mix of quantitative and qualitative data to identify areas of concern and to develop strategies to address those concerns.

**How does REIA help?**  
Conducting REIA on the QAP will help make the LIHTC application process and results more racially equitable and ensure more opportunities for community wealth building.

**Workshop Dates**

**Housing Advocates**  
Thursday, September 24  
Time: 10am - 12pm

**Funders**  
Tuesday, September 29  
Time: 2pm - 4pm

**Developers**  
Wednesday, September 30  
Time: 2pm - 4pm

Register: <https://tinyurl.com/QAPREIA>

For questions or more information, contact: [20200929@chicago.gov](mailto:20200929@chicago.gov) or [312-344-4700](tel:3123444700)

CHICAGO Enterprise CUE

**Housing Advocates (9/24 @ 10am)**

The image shows a Miro workspace with a central diagram and several sticky notes. The diagram appears to be a flowchart or process map related to the QAP process. The sticky notes contain text and images, likely representing participant input and discussions during the workshop.

<sup>16</sup> [https://www.raceforward.org/sites/default/files/Race%20Reporting%20Guide%20by%20Race%20Forward\\_V1.1.pdf](https://www.raceforward.org/sites/default/files/Race%20Reporting%20Guide%20by%20Race%20Forward_V1.1.pdf)

<sup>17</sup> <https://youtu.be/MZAACQ5t90A>

<sup>18</sup> <https://youtu.be/6ro32gG7hC0>



## ■ Additional Outreach

During the initial online REIA workshops, residents of LIHTC units were underrepresented. Recognizing that virtual sessions were not attracting residents in the way that onsite meetings would, DOH coordinated socially distanced on-site, pop-up sessions with the five different LIHTC developments below:

- The Continental Plaza; Auburn Gresham
- The Leland; Uptown
- Harvest Commons; Lawndale
- The Howard Apartments; Rogers Park
- Villa Guadalupe; South Chicago



Over 40 residents participated in the on-site resident engagement sessions.

## Section 6: The Stories Behind the Results:

### ■ Meet our fictional developers, property manager, and residents.

Input from the six online REIA sessions and five on-site resident engagements was collected and grouped thematically. To ensure accessibility of the results to a diverse audience, as per the equity goals of this assessment, the issues are presented through eight narratives and six fictional characters that demonstrate the intersectionality of the many ways that the LIHTC program can reproduce racial inequities for both developers and residents. The narratives are informed by the direct quotes that we collected during the online sessions and resident engagements. Our recommendations center the residents who are most marginalized to dismantle structural inequities and build a housing system that works for everyone. Using storytelling to present our recommendations ensures that we always name who we are working with and what systems we seek to transform. This also increases accountability around addressing residents as people instead of solely data points and disparities. The eight narratives introduced below highlight specific issues based on the REIA and research, including who benefits and who is burdened by these issues and a series of recommendations to remedy them, divided by the time frame for inclusion, and whether the recommendation can be directly incorporated into the QAP or is a complementary action to the QAP. Recommendations to be incorporated into the QAP are indicated with "(QAP)" after the recommendation; all others are marked "(non-QAP)."



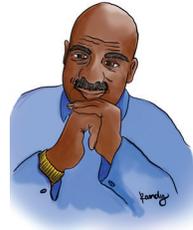
Joe



Toni



Brandon



Randy



Isobel



Luis



**Joe** has more than 20 years of development experience. He is responsible for a multibillion-dollar portfolio of residential, mixed-use, and adaptive re-use properties. Joe's company has been awarded LIHTC for the past 15 years.

**Toni** is the property manager for one of Joe's LIHTC properties in a majority Spanish-speaking neighborhood and does not speak Spanish.

**Brandon** has five years of development experience and four years of finance experience. He has an active pipeline of almost \$1 million dollars with 40 units.

**Randy** is Brandon's dad. He has lived in a LIHTC property with his wife for over a decade in a predominantly Black neighborhood.

**Isobel** lives with her three sons and her elderly mother. She was recently evicted from her last apartment because she couldn't afford to keep up with rising rents. She began working a second job to increase her income. She is looking for a LIHTC property that is wheel-chair accessible for her mother and has child-care options for her children.

**Luis** is Isobel's brother. He has lived in a LIHTC property for five years in a majority Latinx neighborhood. He is a veteran and has post-traumatic stress disorder (PTSD) and a drug addiction.

## ISSUE 1: ENSURING BLACK, INDIGENOUS, PEOPLE OF COLOR (BIPOC) DEVELOPERS/SERVICE PROVIDERS BENEFIT FROM LIHTC



With a team of over 50 development and professional service experts, Joe's company has been awarded LIHTC allocations for the past 15 years. He hopes for another year of advancing his vision for affordable housing through the LIHTC program.



Brandon hopes to receive his first LIHTC allocation in 2021, after previous unsuccessful applications. He is reviewing how the underwriting requirements favor prior experience. He wants to see if his finance experience can be considered 'prior experience' so that he can be a competitive applicant with five years of development experience.

To be a more competitive applicant, Brandon decides to partner with Joe in a joint venture. Brandon is concerned about how the partnership benefits Joe because of the fee split, but he is excited about the opportunity, as he hopes it will provide him with the knowledge and experience to one day be the lead LIHTC applicant and grow his company. The investors for Joe's company are interested in equitable development. Joe hopes his partnership with a Black developer like Brandon will be a first step. Joe also negotiated a fee split with the investors that will mitigate the risk of working with a less experienced developer with a smaller balance sheet.

### ■ Who is benefiting and who is being burdened?

- ▶ LIHTC has historically benefitted large developers who are predominantly white-led and professional service teams that have a long track record of winning tax credits.
- ▶ Underwriting standards requiring prior experience, financial capacity, back-office support and other criteria benefit large developers who are predominantly white-led, and create barriers to entry for smaller, newer developers of color.
- ▶ Small, BIPOC-owned, newer developer and professional service teams are disproportionately burdened and are unable to compete for tax credits.
- ▶ LIHTC and underwriting standards reinforce disparities in economic outcomes and opportunities between racial/ethnic groups.



## ■ Recommendations

To ensure that developers of color like Brandon benefit from the LIHTC program and contribute to wealth building in BIPOC communities while reducing the racial wealth gap, the following strategies are recommended:

By 2021,

- Ask for demographics of leadership and staff of the applicant team in the LIHTC application (**QAP**)
- Encourage applications from and/or partnerships with BIPOC developers and service providers with demonstrated commitment to advancing racial equity<sup>19</sup> (**QAP**)
- Incentivize BIPOC-led developers and professional service teams, including a method to consider demographics of nonprofits and BIPOC led companies that cannot certify for MBE/WBE status (**QAP**)
- Review and strengthen accountability and penalty structure for implementation and enforcement of MBE/WBE requirements, City Residence Hiring Ordinance and other local laws that aim to increase participation of BIPOC firms and employment of BIPOC residents (**non-QAP**)

By 2023,

- Set standards for joint ventures/partnerships to ensure that small, BIPOC-led firms benefit (**QAP**)
- In coordination with financial institutions, reduce experience and capital barriers to investment (**non-QAP**)
  - Create/align funds for smaller minority owned/new developers and professional services teams (e.g., contractors) to compete (e.g., credit enhancements, guarantees) (**non-QAP**)
  - Create training/support/technical assistance programs for first time applicants (e.g., NAHAS-DA<sup>20</sup> funding tied to third party consultant support to tribal council developers through entire life cycle and NYC course for BIPOC developers) (**non-QAP**)
- Establish pathways for the growth of BIPOC-led firms (**non-QAP**)
- Coordinate with DPS and DPD to identify “market study” firms that understand local issues, neighborhood & context (**non-QAP**)

## ISSUE 2: CREATING PRODUCTION TARGETS FOR SPECIFIC SUBPOPULATIONS BASED ON NEEDS



Brandon is researching and planning for his next development project. He is looking to target populations in Chicago that have the greatest need. He finds that Joe and a few other developers have received LIHTC allocations for senior housing in Black neighborhoods including the building that his dad Randy has lived in for the past 15 years. He wants to make sure he is planning a development that responds to needs and is struggling to find information about the types of populations DOH is prioritizing in the QAP.

<sup>19</sup> See “Minimum developer and owner capacity” (p. 38) in San Francisco’s RFQ: <https://sfmohcd.org/sites/default/files/Multisite%20Request%20for%20Qualifications.pdf>

<sup>20</sup> <http://naihc.net/technical-assistance/>



## Who is benefiting and who is being burdened?

- Existing data collection systems currently used for compliance are challenging to aggregate for public reporting purposes.
- Given the overall deficit of affordable housing across the city, there are insufficient units for sub-populations (e.g., large families, seniors, disabled, extremely low-income (ELI) households, homeless, formerly homeless or at risk of homelessness, etc.); It is unclear if resources/units are going to groups with the greatest need.
- There is a lack of publicly available data/transparency and clear prioritization which makes it difficult to evaluate the racial equity impact of the program.

## Recommendations

To ensure that LIHTC developments are serving residents who are in most need like Randy, the following strategies are recommended:

Starting in 2021,

- Collect, clean and analyze information about existing DOH LIHTC portfolio and who is served (age, race, income, disability, family size, housing cost burden, etc.) and targeting of developments (e.g., senior-serving, unit sizes, etc.) **(non-QAP)**
- Analyze/understand needs and scale of target populations (e.g., housing burden by sub-population, # of existing targeted units, etc.) using a racial equity lens (who is most impacted) **(non-QAP)**

By 2023,

- Based on a housing needs analysis, create numerical/proportional targets by sub-population so that applicants understand DOH priorities **(QAP)**
- Make departmental funding priorities as clear and transparent as possible **(QAP)**
- Establish data reporting expectations and templates for all LIHTC deals **(QAP)**
- Invest in data collection and data governance infrastructure **(non-QAP)**

## ISSUE 3: IMPROVING ACCESS TO UNITS FOR MARGINALIZED GROUPS



Isobel called Toni about applying to live in her building and asked her questions in Spanish. Toni responded saying that she does not speak Spanish but recommended that Isobel visit her property in-person and she could give her a flyer about her building in Spanish. Toni later learned that Isobel has a prior eviction. Toni receives many calls from people like Isobel who may have an eviction on their record, and/or low credit scores, no Social Security number, or arrest/conviction histories interested in living in the building that she manages. She often refers applicants like Isobel to other properties because her property's application process screens out applicants with low/no credit scores and have histories of arrests/convictions or evictions.



## Who is benefiting and who is being burdened?

- Strict eligibility criteria for tenants prohibits access for marginalized groups (e.g., minimum credit scores, arrest/conviction record, social security numbers, evictions, etc.) and disproportionately impacts BIPOC residents, prohibiting them from accessing this scarce resource.
- Rigid screening can turn away applicants with a no-fault eviction, with low credit score but alternative means of proving responsible tenancy, and proof of rehabilitation after incarceration.
- Many eligible groups may not be aware of affordable housing opportunities.



## ■ Recommendations

To ensure that Chicago residents like Isobel aren't automatically screened out, and are able to access affordable housing opportunities, implementation of the following strategies are recommended:

By 2021,

- Require submission and review of tenant selection plans in application, provide guidance and model language to ensure tenants with arrest/conviction records, low/no credit score and eviction history are not automatically rejected; Establish evaluation criteria and require individualized assessments of applicants **(QAP)**
- Review affirmative marketing standards and update requirements **(QAP)**<sup>21</sup>
- Evaluate funding formula for rental subsidies and ensure that a fair number of units, if not all, are open to undocumented immigrants or mixed immigrant households **(non-QAP)**

By 2023,

- Provide and require developer applicants to take training on best practices of tenant screening and how to comply with the Cook County Just Housing amendment and other fair housing laws **(non-QAP)**
- Create and ensure tenant applicants are aware of appeal processes when they suspect they were screened out unfairly **(QAP & non-QAP)**
- Develop guidance and require submission of affirmative fair housing marketing plan to ensure owner outreach to applicants least likely to apply **(QAP & non-QAP)**<sup>22</sup>

## ISSUE 4: COORDINATING HOUSING WITH OTHER NEIGHBORHOOD AMENITIES



Joe tried to build his LIHTC-allocated property near his luxury condo development in a majority white and affluent neighborhood but faced opposition from the residents of the neighborhood. Brandon wants to build his LIHTC property in the neighborhood that his dad lives in but wants to see more resources and amenities in the neighborhood before locating his development there. When he reached out to the local elected official about increasing investment in amenities, the official encouraged Brandon to pursue a mixed income development because there is a high concentration of existing LIHTC properties and the higher income residents could attract more investment to the neighborhood.



Brandon decided to prepare a presentation for his elected officials about why they should invest in more amenities near LIHTC properties and so he reached out to his dad, Randy, for more information about his experiences living in LIHTC properties in the neighborhood. Randy has lived in his building for over a decade. Randy wants more neighborhood amenities like health clinics, transportation, and grocery stores.



<sup>21</sup> <https://www.prrac.org/pdf/affirmativemarketing.pdf>

<sup>22</sup> <https://www.ctfairhousing.org/wp-content/uploads/CFHC-AffirmFurthGuideProviders.pdf>



## ■ Who is benefiting and who is being burdened?

- ▶ There is a historic concentration of LIHTC housing units in disinvested areas, which limits options of where to live affordably for low-income Chicagoans who are majority people of color. In part this is due to high numbers of residents needing affordable housing in these areas, which is in turn due to a century of racism, blockbusting, redlining and disinvestment since the start of the Great Migration in 1916. It is also due to present-day challenges in locating affordable housing in affluent and/or majority white communities due to zoning laws, aldermanic prerogative and local resistance.
- ▶ Many LIHTC units are located in neighborhoods with few resources (e.g., jobs, parks, high performing schools, groceries, transit, social services, etc.), and while many experience deep and meaningful community ties and informal economies in these spaces, others wish for different options as they seek improved health, wealth and educational outcomes.<sup>23</sup>
- ▶ LIHTC residents are concerned about the loss of community-serving and affordable resources/goods/services in transitioning/gentrifying areas.

## ■ Recommendations

To ensure that Chicago residents like Randy are able to live in neighborhoods of their choice with access to the building blocks to thrive (e.g., health promoting resources like jobs, healthcare, parks, transit) and developers like Joe and Brandon can develop in neighborhoods like these, the following strategies are recommended:

By 2021,

- Adjust expectations to acknowledge that awards in “opportunity,” highly resourced, amenity-rich areas may have higher costs (e.g., land acquisition, parking requirements, etc.) **(QAP)**
- In coordination with the eTOD policy plan, incentivize developments in accessible transit hubs **(QAP)**

By 2023,

- In transitioning areas, prioritize developers that have a plan to incorporate arts/local culture/services of targeted residents in developments **(QAP)**
- Incorporate siting priorities of developments near community resources **(QAP)**
- Reduce zoning barriers including aldermanic ability to veto a zoning change for affordable housing without a fact-based reason **(non-QAP)**
- Prioritize City-owned land in highly resourced areas for affordable housing **(non-QAP)**

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**23** This report’s authors seek not to reinforce narratives of stigmatized versus idealized communities. Racially-concentrated Black communities have for too long been portrayed as having deficits (of wealth and “opportunity”) away from which one should want to move, while areas of concentrated white wealth are portrayed in terms of abundance and unquestioned positives into which one should want to move. Our goal instead is a nuanced, respectful take on experiences across neighborhood types, not as a simplified good or bad but as a thoughtful set of positives and negatives to be honestly assessed, understood and solved for. While there is a dearth of research on the negative impacts of segregated white wealth, our view is that the negatives of segregation accrue across race and income, not only in low-income communities of color.



## ISSUE 5: IMPROVING COMMUNITY ENGAGEMENT, MANAGEMENT STANDARDS AND ENFORCEMENT IN PROPERTIES



Randy shared with his son, Brandon, that the previous property owner of his building used to host an annual health fair that he and his neighbors really enjoyed. After a new property management company took over the building last year, they stopped hosting the fair. He has made multiple requests about the health fair and requests for maintenance improvements, but the requests have all been ignored. The programming of the new property management does not reflect the needs and interests of Randy and his neighbors and suffer from low attendance.

### ■ Who is benefiting and who is being burdened?

- ▶ There is often a lack of meaningful community engagement/input in the 1) development of QAP/LIHTC priorities, 2) specific development applications, and 3) ongoing operations and maintenance of properties.
- ▶ Residents are burdened when building design, location, programming does not address the needs of community.
- ▶ There are maintenance and management issues in existing properties (deferred maintenance, unresolved complaints, etc.) that contribute to poor health outcomes for low income residents.
- ▶ Many residents feel disrespected and talked down to/not taken seriously by housing staff.

### ■ Recommendations

To increase the inclusion, power, and self-determination that LIHTC residents like Randy have over their living environments and improve their health, wealth, and opportunities in life, the following strategies are recommended:

By 2021,

- Review and strengthen accountability mechanisms and penalties for inadequate maintenance and property management:
  - Include cure periods for specific maintenance non-compliance issues like Georgia's QAP<sup>24</sup> (e.g., <72hrs for health and safety complaint) **(QAP)**
- Require submission of maintenance reports and resident complaints & resolution reports in Annual Owner Certification (AOC) **(QAP)**
- Require submission of property maintenance and management plans<sup>25</sup> in Stage II of application process for review as well as to check against annual compliance **(non-QAP)**
- Increase communication and coordination with DOB around complaints and asset management transactions in DOH portfolio **(non-QAP)**
- Develop and require distribution of brochures so that tenants know who to contact at the City with building complaints **(non-QAP)**

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<sup>24</sup> [https://www.dca.ga.gov/sites/default/files/2021qap\\_boardapproved.pdf](https://www.dca.ga.gov/sites/default/files/2021qap_boardapproved.pdf)

<sup>25</sup> Enterprise Green Communities Criteria for reference materials:  
<https://www.greencommunitiesonline.org/operations-maintenance-resident-engagement>



By 2023,

- Review and update community engagement requirements in the QAP to ensure meaningful resident engagement in the development application **(QAP)**<sup>26</sup>
- Ensure meaningful tenant engagement in QAP updates (e.g., create city-wide LIHTC resident steering committee) **(QAP)**
- Require standards for property management companies (including licensing, etc.) **(QAP)**
- Require and provide guidelines for inclusivity and accountability in ongoing operations/maintenance and ensure feedback loops/accountability throughout the entire lifecycle of a development (e.g., Local School Council, tenant councils/resident boards in public housing, etc.) and outlined in resident engagement plans submitted in application **(QAP & non-QAP)**
- Work with partners (e.g., CAFHA and All Chicago) to develop and require housing staff to take training in anti racism, cultural competency (including sexual orientation and gender identity), serving residents with disabilities, mental health first aid, and trauma-centered service trainings **(QAP & non-QAP)**
- Develop semi-annual property scorecard using existing data (DOB, AOC) on property quality, complaints, etc.; provide to owners and give several weeks to resolve prior to making public **(non-QAP)**
- Increase funding to allow to adequately staff and increase frequency of DOH inspections **(non-QAP)**

## ISSUE 6: IMPROVING RESIDENT OUTCOMES AND SUPPORTING HOMEOWNERSHIP AND WEALTH BUILDING OPPORTUNITIES



Isobel is a resident who recently moved into Toni’s building. Because of her new job, she is worried that she may now exceed income requirements for LIHTC units. Although her income has increased, she cannot afford the rent in non-LIHTC properties in her neighborhood. Her goal is to eventually move from a LIHTC property to owning a home so that she can build wealth for her sons.



### ■ Who is benefiting and who is being burdened?

- ▶ It is unclear if residence in the City’s LIHTC units leads to better outcomes for tenants; an evaluation is needed.
- ▶ Income recertification/restriction inhibits upward mobility/aspiration rather than acting as a launching pad.
- ▶ There are few pathways to homeownership or other wealth building opportunities for residents.

### ■ Recommendations

To improve outcomes and wealth building opportunities for residents like Isobel, the following strategies are recommended:

<sup>26</sup> See Georgia’s QAP for examples of requirements for community outreach and engagement criteria as well as tenant feedback: [https://www.dca.ga.gov/sites/default/files/2021qap\\_boardapproved.pdf](https://www.dca.ga.gov/sites/default/files/2021qap_boardapproved.pdf); See Texas QAP “Criteria promoting community support and engagement,” (p.48) <https://www.tdhca.state.tx.us/multifamily/docs/21-QAP-StaffDraft.pdf>; See Health Action Planning community engagement guidelines in Enterprise Green Communities Criteria: <https://www.greencommunitiesonline.org/>; See Elevated Chicago Community Engagement Principles and Recommendations: <https://www.elevatedchicago.org/Elevated%20Community%20Engagement%20Principles-Digital.pdf>



By 2021,

- Prioritize developments that offer or partner with agencies to provide workforce development/career training programs that help tenants build skills and career pathways **(QAP)**
- Prioritize developments that offer or partner with agencies to provide financial counseling, savings programs, and other resources to build tenant wealth building<sup>27</sup> **(QAP)**

By 2023,

- For single family and townhome developments, allow homeownership opportunities as credits expire (e.g., renters to be given buy-in options and first right of refusal to purchase units, see Missouri QAP<sup>28</sup>) **(QAP)**
- Explore options for multi-family, including cooperative and condominium ownership structures **(QAP)**
- Develop and implement survey to track outcomes of tenants as means to understand impact and modify LIHTC program **(non-QAP)**
- Align work of City Delegate and Sister Agencies<sup>29</sup> to offer homeownership support (e.g., housing/home buying counseling, savings programs, credit repair, and assistance for down-payments, etc.) for LIHTC tenants **(non-QAP)**

## ISSUE 7: CREATING MORE ACCESSIBLE AND FAMILY-FRIENDLY HOMES AND MAKING APPLICATIONS MORE USER-FRIENDLY



Isobel is looking for a unit that is wheel-chair accessible for her mother and offers onsite child-care but most of the older units that she can afford are not accessible and do not have childcare amenities. Isobel is worried that she will not complete the application on time because she cannot find any assistance in completing it and is confused by the process and application as it is only available in English, which is not her first language.

### Who is benefiting and who is being burdened?

- ▶ Many existing/older units are inaccessible for disabled populations; retrofits are often insufficient to meet the accessibility needs of residents.
- ▶ Insufficient accessible subsidized housing burdens the disabled population, which is disproportionately BIPOC, by further limiting their affordable housing options.<sup>30</sup>
- ▶ There are insufficient supports and amenities for families (e.g., childcare) in LIHTC units and disinvested neighborhoods negatively affect parents and children alike.
- ▶ Application challenges keep potentially eligible tenants out. Residents need to know where/how/when to apply for units, which can differ across developments and burdens low-income residents that aren't able to apply for and/or access units.

<sup>27</sup> There are many examples of projects by developers in Chicago that either provide or partner with delegate agencies that provide savings and wealth building opportunities (e.g., see Claretian partnerships with Center for Saving Lives, among others). For city-wide initiatives, see Tucson's implementation of HUD's Family Self Sufficiency Program: <https://www.tucsonaz.gov/hcd/family-self-sufficiency-program>

<sup>28</sup> <https://www.novoco.com/sites/default/files/atoms/files/missouri-lihtc-qap-2020-final.pdf>

<sup>29</sup> CHA's Choose to Own and IHDA's homeownership programs: <https://www.thecha.org/residents/services/choose-to-own-homeownership-program>

<sup>30</sup> Chicago Policy Research Team at the University of Chicago [https://fafc560b-6d54-4759-b684-3e5e64cbfb99.filesusr.com/ugd/e6d287\\_68e7a1962fe54cbab7598e2cb2346109.pdf](https://fafc560b-6d54-4759-b684-3e5e64cbfb99.filesusr.com/ugd/e6d287_68e7a1962fe54cbab7598e2cb2346109.pdf)

## ■ Recommendations

To ensure that residents with disabilities and language needs like Isobel's mother can live and stay in LIHTC units that accommodate their needs, the following strategies are recommended:

By 2021,

- Incentivize developments that exceed Federal and locally mandated requirements for accessibility **(QAP)**
- Require that developers provide information in Spanish and English **(QAP)**
- Collect, clean and analyze information about existing DOH LIHTC portfolio and who is served (age, race, income, ability, family size, housing cost burden, etc.) and targeting of developments (e.g., senior-serving, unit sizes, etc.) **(non-QAP)**

By 2023,

- Prioritize new credits to developers that have a track record of successfully serving residents with disabilities **(QAP)**
- Require that developers provide information in the City's top five languages as needed: Spanish, Polish, Arabic, Tagalog, and Chinese simplified **(QAP)**
- Identify funding source to increase modification funds available and targeted to existing LIHTC units **(non-QAP)**

Secondly, to ensure that families like Isobel's can access affordable units in supportive environments, the following strategies are also recommended:

By 2021,

- Increase the proportion of family-sized units in the LIHTC portfolio and adjust total development cost to account for number of bedrooms so as not to disadvantage larger units **(QAP)**
- Prioritize developments that offer family supports (e.g., on-site childcare, after school opportunities, access to WIFI/computers, resource connectors, food program, etc.) **(QAP)**

Lastly, to ensure that residents like Isobel are made aware of affordable housing opportunities with easy to navigate application processes, the following strategies are recommended:

By 2023,

- Centralize application and waitlist for all affordable housing developments<sup>31</sup> and improve information available on DOH website **(non-QAP)**

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<sup>31</sup> San Francisco's centralized application <https://housing.sfgov.org>



## ISSUE 8: ENSURING LIHTC DEVELOPMENTS ADDRESS MENTAL HEALTH NEEDS OF RESIDENTS



Isobel's brother, Luis, lives in a LIHTC property. Crime in the neighborhood has affected Luis' PTSD and drug addiction. Isobel encouraged Luis to move to a LIHTC property with resources for mental health. However, he enjoys being close to his friends and feels a sense of belonging in his neighborhood unlike neighborhoods with fewer Latinx residents but more mental health resources.

### Who is benefiting and who is being burdened?

- Some LIHTC residents feel unsafe in their buildings and/or neighborhoods due to the threat of physical violence and harm as well as significant mental health stressors that can negatively affect their health, well-being, and behaviors. Few LIHTC developments offer supportive services/resources for mental health/addiction, etc.

### Recommendations

To ensure that residents like Isobel and her brother Luis feel safe in their home and neighborhoods, the following strategies are recommended:

- Develop standards and guidance to require developers to submit health and safety plans in applications that include safety and security measures (lighting/ anti-theft measures/ gates/ anti-violence programming/ de-escalation training for staff) **(QAP & non-QAP)**
- Increase accountability with developer response to security complaints by submitting tenant complaint and response reports in AOC **(non-QAP)**
- Explore audit practice of complaints at time of tenant file reviews at properties **(non-QAP)**
- Create funding sources for safety measures and coordination with streets & sanitation/CDOT/aldermanic menu money and other City programs and resources around neighborhood safety **(non-QAP)**

Additionally, to ensure that residents like Luis have access to services that support them to achieve better health and stability, the following strategies are recommended.

By 2021,

- Incentivize development of more supportive housing units with onsite social workers **(QAP)**
- Where appropriate, encourage more community spaces, on-site services, health, and wellness spaces **(QAP)**

By 2023,

- Require programming and service plans in application (e.g., mental health activities, coordination with parks district, etc.) **(QAP)**
- Incentivize use of "trauma informed" design and programming **(QAP)**
- Incentivize siting near/require coordination with social service providers **(QAP)**
- Coordinate and prioritize other housing funding to go to supportive services for City-funded developments **(non-QAP)**

**Section 7: Next Steps**

This report was available for public comment for a period of 30 days from March 15th to April 15th 2021. The following section summarizes the public comments that were received. We received a total of 10 total public comments including 8 comments from organizations and 2 comments from individuals through email.

In addition to formal public comment, the Department of Housing and Enterprise Community Partners also solicited feedback through social media and other community outreach efforts, including hosting conversations about the draft report. These conversations included two external presentations for the IL Housing Council Forum and Enterprise Community Partners National Policy team as well as a briefing for the Department of Housing.

**Themes from the public comments are outlined below:**

- Support for serving people where they are instead of where the opportunity areas that they could move to.
- Prioritize low-income residents and Latinx residents and communities that are historically disinvested. Ensure redevelopment and housing opportunities do not displace.
- Better coordinate housing with other neighborhood amenities among city departments specially in neighborhoods that have the greatest need. Ensure coordination with other government programs
- Expand prioritization of BIPOC leadership beyond developer role to include multiple types of leadership roles i.e. general contractors and project manager
- Site-based waitlists are effective at reaching local community residents and back-stopping any downward adjuster or credit recapture due to leasing is needed for centralized waitlists
- New investment in social services is needed to address the project revenue restrictions
- Support for enhanced data reporting requirements including detailed race-data reporting that is publicly shared on a regular basis
- Develop accountability measures into tenant selection plan, affirmative marketing guidelines and integration across compliance manuals
- Units should meet the needs of larger families size in Latinx communities such as larger 3- and 4-bedroom affordable apartments
- Support for semi-annual property scorecard to encourage collaborative problem-solving and prevent punitive measures
- Support for alignment with housing first goals of the Continuum of Care and Just Housing Amendment in Cook County especially reduction of barriers to entry and the protection of tenant rights

**Glossary**

<b>AMI</b>	Area Median Income
<b>AOC</b>	Annual Owners Certification
<b>ARO</b>	Affordable Requirements Ordinance
<b>BIPOC</b>	Black, Indigenous, People of Color
<b>CDOT</b>	Chicago Department of Transportation
<b>Community Wealth</b>	(As defined by the Democracy Collaborative): A growing economic development movement that strengthens communities through broader democratic ownership and community control of business and jobs. Strategies focus on building local talents, capacities, and institutions to strengthen and create locally owned, family, and community-owned businesses.
<b>CUE</b>	Chicago United for Equity
<b>DAHLIA</b>	Digital Housing Portal for Low-Income Residents in San Francisco, California
<b>DOB</b>	Department of Buildings
<b>DOH</b>	Department of Housing
<b>DPD</b>	Department of Planning and Development
<b>ELI</b>	Extremely Low Income
<b>ETOD</b>	Equitable Transit Oriented Development
<b>FHA</b>	Federal Housing Administration
<b>HFA</b>	Housing Finance Agencies
<b>IHDA</b>	Illinois Housing Development Authority
<b>IRS</b>	Internal Revenue Service
<b>LIHTC</b>	Low-Income Housing Tax Credits
<b>LSC</b>	Local School Council
<b>MBE/WBE</b>	Minority Business Enterprise/Women's Business Enterprise
<b>NAHASDA</b>	Native American Housing Assistance and Self Determination Act
<b>PTSD</b>	Post-Traumatic Stress Disorder
<b>QAP</b>	Qualified Allocation Plan
<b>QCT</b>	Qualified Census Tract
<b>Racial Equity</b>	(City of Chicago's working definition): Racial equity is when race no longer determines one's socioeconomic outcomes; everyone has what they need to thrive, no matter who they are or where they live. Those most impacted by racial inequity are centered and meaningfully involved in the planning and design of policies and practices that impact their lives.
<b>REIA</b>	Racial Equity Impact Assessment
<b>UFAS</b>	Uniform Federal Accessibility Standards

## Appendices

### RECOMMENDATIONS MATRIX

Chicago Department of Housing	
Qualified Allocation Plan REIA Recommendations by Issue Area	
<b>Issue 1: Ensuring Black, Indigenous, People of Color (BIPOC) developers/service providers benefit from LIHTC</b>	
The QAP should ensure that small, newer developers of color benefit from the LIHTC program and contribute to wealth building in BIPOC communities while reducing the racial wealth gap. The QAP and allocation process should encourage and prioritize applications from Black, Indigenous People of Color (BIPOC) developers, reduce barriers to investment, support and incentivize BIPOC-owned developers and service teams.	
<b>2021 Goals:</b>	
<b>QAP</b>	Ask for demographics of leadership and staff of the applicant team in the LIHTC application
	Encourage applications from and/or partnerships with BIPOC developers and service providers with demonstrated commitment to advancing racial equity
	Review eligibility criteria of disadvantage BIPOC developers and service providers
	Incentivize BIPOC-led developers and professional service teams - establish mechanism to consider and prioritize demographics of developer and service provider teams, including a method to consider demographics of nonprofits and BIPOC led companies that that cannot certify for MBE/WBE status
<b>Non-QAP</b>	Ask for demographics of leadership and staff of the applicant team in the LIHTC application
	Review and strengthen accountability for the implementation and enforcement of MBE/WBE requirements, City Residence Hiring Ordinance and other local laws that aim to increase participation of BIPOC firms and employment of BIPOC resident
<b>2023 Goals:</b>	
<b>QAP</b>	Set standards for joint ventures/partnerships to ensure that small, BIPOC-led firms benefit and there are established pathways towards growth
<b>Non-QAP</b>	In coordination with financial institutions, reduce experience and capital barriers to investment
	Create/align funds for BIPOC-owned/new developers and professional services teams (e.g., contractors) to compete (e.g., credit enhancements, guarantees)
	Create training/support/technical assistance programs for first time applicants (e.g., NAHASDA funding tied to third party consultant support to tribal council developers through entire life-cycle and NYC course for BIPOC developers)
	Establish pathways for the growth of BIPOC-led firms
	In coordination with DPD and DPS, grow list of pre-approved "market study" firms - ensure they understand neighborhood and development context
<b>Issue 2: Creating production targets for specific subpopulations based on needs</b>	
The QAP should ensure that LIHTC developments are serving residents most in need and address the overall deficits in affordable housing and the insufficiencies in units for sub populations. The QAP should collect information about the existing DOH LIHTC portfolio and who is served, establishing data reporting expectations and templates for all deals moving forward. The QAP should make departmental funding priorities clear and transparent.	
<b>2021 Goals:</b>	
<b>Non-QAP</b>	Collect, clean and analyze information about existing DOH LIHTC portfolio and who is served (age, race, income, disability, family size, housing cost burden, etc.) and targeting of developments (e.g., senior-serving, unit sizes, etc.)
	Analyze/understand needs and scale of target populations (e.g., housing burden by sub-population, # of existing targeted units, etc.) using a racial equity lens (who is most impacted)
<b>2023 Goals:</b>	
<b>QAP</b>	Based on a housing needs analysis, create numerical/proportional targets by sub-population so that applicants understand DOH priorities
	Make departmental funding priorities as clear and transparent as possible (e.g., publishing evaluation rubric in QAP)
	Establish data reporting expectations and templates for all LIHTC deals
<b>Non-QAP</b>	Invest in data collection and data governance infrastructure



### Issue 3: Improving access to units for marginalized groups

The QAP should ensure residents are able to access affordable housing opportunities by making sure marginalized residents are not unfairly screened out of the process due to arrest/conviction records, evictions, or low/no credit scores, while making sure tenant applicants are aware of appeal process and unfair screening practices.

#### 2021 Goals:

QAP	Require submission and review of tenant selection plans in application, ensuring tenants with arrest/conviction records, low/no credit score and eviction history are not automatically rejected; reinforce evaluation criteria and require individualized assessments of applicants in accordance with applicable law
	Review affirmative marketing standards and update requirements

Non-QAP	Evaluate funding formula for rental subsidies and ensure that a fair number of units, if not all, are open to undocumented immigrants or mixed immigrant households
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#### 2023 Goals:

QAP	Develop guidance and require submission of affirmative fair housing marketing plan to ensure owner outreach to applicants least likely to apply
	Ensure tenant applicants are aware of appeal processes when they suspect they were screened out unfairly

Non-QAP	Provide and require developer applicants to take training on best practices of tenant screening and how to comply with the Cook County Just Housing amendment and other fair housing laws
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### Issue 4: Coordinating housing with other neighborhood amenities

The QAP should ensure that residents are able to live in neighborhoods of their choice with access to resources and that developers can develop in high resourced, amenity-rich areas. The QAP should coordinate with strategic initiatives like the City's eTOD Policy Plan to incentivize developments in eTOD zones. The QAP should reinforce initiatives to reduce zoning barriers and prioritize developers that incorporate the arts and local culture of targeted residents.

#### 2021 Goals:

QAP	Adjust expectations to acknowledge that awards in "opportunity," highly resourced, amenity-rich areas may have higher costs (e.g., land acquisition, etc.)
	In coordination with the eTOD policy plan, incentivize developments in accessible transit hubs

#### 2023 Goals:

QAP	In transitioning areas, prioritize developers that have a plan to incorporate arts/local culture/services of targeted residents in developments
	Incorporate siting priorities of developments near community resources

Non-QAP	Reduce zoning barriers including aldermanic ability to veto a zoning change for affordable housing without a fact-based reason
	Prioritize City-owned land in highly resources areas for affordable housing



<p><b>Issue 5: Improving community engagement, management standards, and enforcement in properties</b></p> <p>The QAP and the allocation process should increase the inclusion, power, and self-determination that LIHTC residents have over their living environments and improve their health, wealth, and opportunities in life. The QAP could be leveraged to review and update community engagement standards to ensure meaningful engagement in the process from inception to completion. The QAP and allocation process can require and provide guidelines for inclusivity and accountability throughout the entire lifecycle of a development.</p>	
<p><b>2021 Goals:</b></p>	
QAP	Review and strengthen accountability mechanisms and penalties for inadequate maintenance and property management
	Include cure periods for specific maintenance non-compliance issues like Georgia's QAP27 (e.g., <72 hrs for health and safety complaints)
	Require submission of maintenance reports and resident complaints & resolution reports in Annual Owner Certification (AOC)
Non-QAP	Require submission of property maintenance and management plans in Stage II of application process for review as well as to check against annual compliance
	Increase communication and coordination with DOB around complaints and asset management
	Develop and require distribution of brochures so that tenants know who to contact at the City with building complaints
<p><b>2023 Goals:</b></p>	
QAP	Ensure a well publicized public comment period and meaningful tenant engagement in QAP updates (e.g., create city-wide LIHTC resident steering committee)
	Review and update community engagement requirements in the QAP to ensure meaningful resident engagement in the development application
	Require and provide guidelines for inclusivity and accountability in ongoing operations/maintenance and ensure feedback loops/accountability throughout the entire lifecycle of a development (e.g., Local School Council, tenant councils/resident boards in public housing, etc.) and outlined in resident engagement plans in application
	Work with partners (e.g., CAFHA and All Chicago) to develop and require housing staff to take training in antiracism, cultural competency (including sexual orientation and gender identity), serving residents with disabilities, mental health first aid, and trauma-centered service trainings
Non-QAP	Require standard for property management companies (including licensing, etc.)
	Increase funding to allow to adequately staff and increase frequency of DOH inspections
<p><b>Issue 6: Improving resident outcomes and supporting homeownership and wealth building opportunities</b></p> <p>The QAP should improve outcomes and wealth building opportunities in life for residents. The QAP can incentivize applications that offer and fund homeownership support, workforce development programs, and savings programs. LIHTC property managers should track outcomes of tenants to understand the impact of the LIHTC program.</p>	
<p><b>2021 Goals:</b></p>	
QAP	Prioritize developments that have dedicated funding or partnerships to provide workforce development/career training programs that help tenants build skills and career pathways
	Prioritize developments that offer or partner with agencies to provide financial counseling savings programs, and other resources to build tenant wealth building
<p><b>2023 Goals:</b></p>	
QAP	For single family and townhome developments, allow homeownership opportunities as credits expire (e.g., renters to be given buy-in options and first right of refusal to purchase units, see Missouri QAP)
Non-QAP	Develop and implement survey to track outcomes of tenants as a means to understand impact and modify LIHTC program
	Align work of City Delegate and Sister Agencies to offer homeownership support (e.g., housing/homebuying counseling, savings programs, credit repair, and assistance for down-payments, etc.), for LIHTC tenants



## Issue 7: Creating more accessible and family-friendly homes and making applications more user-friendly

The QAP should ensure that residents with disabilities and language needs can live and stay in LIHTC units that accommodate their needs. The QAP should award developments that exceed requirements for accessibility, and provide applications in multiple languages and any needed language service. The QAP should prioritize credits to developers who successfully serve residents with disabilities and identify sources that can increase available modification funding.

### 2021 Goals:

QAP	Incentivize developments that exceed Federal and locally mandated requirements for accessibility
	Require that developers provide information in Spanish and English
	Increase the proportion of family-sized units in the LIHTC portfolio and adjust total development cost to account for number of bedrooms so as to not disadvantage larger units
	Prioritize developments that offer family supports (e.g., on-site childcare, afterschool opportunities, access to WiFi/computers, resource connects, food program, etc.)

Non-QAP	Collect, clean, and analyze information about existing DOH LIHTC portfolio and who is served (age, race, income, ability, family size, housing cost burden, etc.) and targeting of developments (e.g., senior-serving, unit sizes, etc.)
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### 2023 Goals:

QAP	Prioritize new credits to developers that have a track record of successfully serving residents with disabilities
	Require that developers provide information in the City's top five languages as needed: Spanish, Polish, Arabic, Tagalog, and Chinese simplified

Non-QAP	Identify sources to increase modification funds available and targeted to existing LIHTC units
	Centralize application and waitlist for all affordable housing developments and approve information available on DOH website

## Issue 8: Ensuring LIHTC Projects Address Mental Health Needs of Residents

The QAP should ensure that residents feel safe in their homes and neighborhoods. The world is constantly changing and requires continuous evaluation of mental health needs and the required spaces to accommodate this activity. The QAP should support incentives for more wrap-around services such as health and wellness areas and activities.

### 2021 Goals:

QAP	Develop standards and guidance to require developers to submit health and safety plans in applications that include safety and security measures (lighting/ anti-theft measures/ gates/ anti-violence programming/ de-escalation training for staff)
	Incentivize development of more supportive housing units with onsite social workers
	Where appropriate, encourage more community spaces, on-site services, health and wellness spaces

Non-QAP	Develop standards and guidance to require developers to submit health and safety plans in applications that include safety and security measures (lighting/ anti-theft measures/ gates/ anti-violence programming/ de-escalation training for staff)
	Increase accountability with developer response to security complaints by submitting tenant complaint and response reports in AOC. Explore audit practice of complaints at time of tenant file reviews at properties.
	Create funding sources for safety measures and coordination with streets & sanitation/CDOT/aldermanic menu money and other City programs and resources around neighborhood safety

### 2023 Goals:

QAP	Require programming and service plans in application (e.g., mental health activities, coordination with parks district, etc.)
	Incentivize use of "trauma informed" design and programming
	Incentivize siting near/require coordination with social service providers

Non-QAP	Coordinate funding for supportive services in City-funded developments
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## WORKSHOP MATERIALS

### ■ REIA Questionnaire

#### **During the workshops, participants were asked:**

- What are we trying to solve through a more equitable QAP? Why?
- How could the outcomes of an updated QAP advance racial equity?
- What can this proposal impact?
- How can communities most impacted partner with DOH to ensure the revised QAP advances racial equity?

#### **Assessing benefits and burdens:**

- Who benefits under this current QAP and awarding processes and how?
- Who is burdened by the QAP and awarding processes and how? What are the potential unintended consequences?
- What further data would be needed to confirm or challenge your conclusion?

#### **Considering alternative strategies:**

##### *What are strategies for advancing racial equity in the QAP application and awarding processes:*

- How can we decrease negative impacts and increase positive impacts?
- How can we meet the goals of the proposal and promote racial equity?

##### *Consider the implementation of alternative strategies:*

- What could be some challenges to the brainstormed alternative?
- What can we do to support the brainstormed alternatives? Are there mechanisms to ensure successful implementation?

##### *How can we ensure ongoing data collection, public reporting, stakeholder participation, and public accountability?*

- How can we measure the impact?
- How can we share this with the public?
- How can we build more trust between government and community?



# Racial Equity Impact Assessment (REIA)

## MIRO BOARDS

### Housing Advocates (9/24 @ 10am)

**New frame**

**Step #1: Review the QAP application and awarding processes.**

**A Racial Equity Impact Assessment** is a tool that is used to evaluate a proposal to determine its benefits and burdens, before making a decision. The tool asks you through the questions you should ask to make sure you are paying attention to the impacts on different racial groups before moving forward.

**What are we trying to solve through a more equitable QAP? Why?**

**How could the outcomes of an updated QAP advance racial equity?**

**New frame**

**What can this proposal impact?**

Children and youth  
Food access & affordability  
Planning/development  
Community engagement  
Government practices  
Transportation  
Contracting equity  
Health  
Utilities

Criminal Justice  
Housing  
Workforce equity  
Economic development  
Human services  
Education  
Jobs  
Environment  
Parks and recreation

Other?  
Homeless pop.  
Disabled pop.

**How can communities most impacted partner with DOH to ensure the revised QAP advances racial equity?**

**New frame**

**Step #2: Look at the benefits and the burdens.**

**Assessing benefits.**

At first look, who benefits under this the current QAP and awarding process and how?

Most benefits  
Least benefits

**What further data would you want in order to confirm or challenge your conclusion?**

**Assessing burdens.**

At first look, who is burdened by the QAP application and awarding processes and how? What are potential unintended consequences?

**What further data would you want in order to confirm or challenge your conclusion?**

**More Notes**

**New frame**

**Step #3: Brainstorm alternative strategies.**

**What are the strategies for advancing racial equity in the QAP application and awarding processes?**

- How can we decrease negative impacts and increase positive impacts?
- How can we meet the goals of the proposal and promote racial equity?

**Consider the implementation of alternative strategies.**

- What could be some challenges to the brainstormed alternatives? i.e., is there adequate personnel and other resources?
- What can we do to support the brainstormed alternatives? Are there mechanisms to ensure successful implementation?

**New frame**

**How can we ensure ongoing data collection, public reporting, stakeholder participation and public accountability?**

- How can we measure the impact?
- How can we share this with the public?
- How can we build trust between government and community?

**More Notes**

### Developers (9/30 @ 2pm)

**Step #1: Review the QAP application and awarding processes.**

**A Racial Equity Impact Assessment** is a tool that is used to evaluate a proposal to determine its benefits and burdens, before making a decision. The tool asks you through the questions you should ask to make sure you are paying attention to the impacts on different racial groups before moving forward.

**What are we trying to solve through a more equitable QAP? Why?**

**How could the outcomes of an updated QAP advance racial equity?**

**New frame**

**What can this proposal impact?**

Children and youth  
Food access & affordability  
Planning/development  
Community engagement  
Government practices  
Transportation  
Contracting equity  
Health  
Utilities

Criminal Justice  
Housing  
Workforce equity  
Economic development  
Human services  
Education  
Jobs  
Environment  
Parks and recreation

Other?  
Homeless pop.  
Disabled pop.

**How can communities most impacted partner with DOH to ensure the revised QAP advances racial equity?**

**New frame**

**Step #2: Look at the benefits and the burdens.**

**Assessing benefits.**

At first look, who benefits under this the current QAP and awarding process and how?

Most benefits  
Least benefits

**What further data would you want in order to confirm or challenge your conclusion?**

**Assessing burdens.**

At first look, who is burdened by the QAP application and awarding processes and how? What are potential unintended consequences?

**What further data would you want in order to confirm or challenge your conclusion?**

**More Notes**

**New frame**

**Step #3: Brainstorm alternative strategies.**

**What are the strategies for advancing racial equity in the QAP application and awarding processes?**

- How can we decrease negative impacts and increase positive impacts?
- How can we meet the goals of the proposal and promote racial equity?

**Consider the implementation of alternative strategies.**

- What could be some challenges to the brainstormed alternatives? i.e., is there adequate personnel and other resources?
- What can we do to support the brainstormed alternatives? Are there mechanisms to ensure successful implementation?

**New frame**

**How can we ensure ongoing data collection, public reporting, stakeholder participation and public accountability?**

- How can we measure the impact?
- How can we share this with the public?
- How can we build trust between government and community?

**More Notes**



# Racial Equity Impact Assessment (REIA)

## Funders/syndicators (9/29 @ 2pm)

**Step #1: Review the QAP application and awarding processes.**

**What are we trying to solve through a more equitable QAP? Why?**

**How could the outcomes of an updated QAP advance racial equity?**

**What can this proposal impact?**

**How can communities most impacted partner with DOH to ensure the revised QAP advances racial equity?**

**Step #2: Look at the benefits and the burdens.**

**Assessing benefits.**

**Assessing burdens.**

**Step #3: Brainstorm alternative strategies.**

**What are the strategies for advancing racial equity in the QAP application and awarding processes?**

**How can we ensure ongoing data collection, public reporting, stakeholder participation and public accountability?**

**Consider the implementation of alternative strategies.**

**More Notes**

## Residents (9/24 @ 6pm)

**Step #1: Review the QAP application and awarding processes.**

**What are we trying to solve through a more equitable QAP? Why?**

**How could the outcomes of an updated QAP advance racial equity?**

**What can this proposal impact?**

**How can communities most impacted partner with DOH to ensure the revised QAP advances racial equity?**

**Step #2: Look at the benefits and the burdens.**

**Assessing benefits.**

**Assessing burdens.**

**Step #3: Brainstorm alternative strategies.**

**What are the strategies for advancing racial equity in the QAP application and awarding processes?**

**How can we ensure ongoing data collection, public reporting, stakeholder participation and public accountability?**

**Consider the implementation of alternative strategies.**

**More Notes**



