

## Department of Housing 2021 Budget Statement

Good afternoon Chairman Dowell and members of the City Council. Thank you for the opportunity to present the Department of Housing's budget for 2021. When I came before you last year, it was to present a budget for the newly formed Department of Housing. Mayor Lightfoot recommitted the Department of Housing to a focus on addressing Chicago's affordable housing crisis and to do so through the lens of racial equity.

Last year, I outlined how the new Department of Housing would direct its \$202 million budget to create and preserve more than 5,700 units of housing. We've made good progress toward that goal. However, this year has been one where even the best laid plans were derailed by COVID-19. For the majority of this year, the idea of "home" has had an even greater meaning than we could possibly imagine. The urgency on us as a government to increase access for safe, decent and affordable housing to those who do not have a place to find safety in a pandemic, has been magnified 10,000 fold.

What you'll see in the budget is the Department of Housing doing our part to find efficiencies and savings. You will also see our plans for 2021: the Fair Notice Tenant Protection ordinance, the Inclusionary Housing Task Force Report, Emergency Relief for Affordable Multifamily Properties Program (ERAMP); COVID-19 Eviction Protection Ordinance, and two rounds of COVID-19 Housing Assistance Grants. DOH has focused on our 2019 vision while pivoting to address the unexpected needs that 2020 has presented. What you don't see in the numbers is why, or the principles guiding our work, which COVID has only made more urgent. That's what I'd like to take a moment to review with you now.

Affordable housing is a justice issue and it is the job of the government to step in where the market fails. To achieve a more equitable distribution of affordable housing, all communities need to contribute to Chicago's affordable housing needs. All of our residents should have as many options as possible to live where they can thrive. For those who want to thrive where they are rooted, they should be able to stay and move up the economic ladder.

Here are the eight principles guiding our department:

**1. We use our inclusionary housing tools to reduce segregation, not maintain it.** Chicago is a city with profound racial and economic segregation, and we didn't get this way by accident. Where people of color live – especially the Black community – has been harmed by redlining, racial covenants, contract buying, and predatory lending. We cannot pretend that inclusion, in contrast, will happen organically; instead we are planning for it, proactively creating it, and working to ensure that all communities contribute to and benefit from the city's affordable housing.

**2. The department's budget and policies are shaped by a racial equity lens.** That means we work closely with the City's first Chief Equity Officer, Candace Moore, to examine the impacts of our work by race and shift our policies accordingly. Some examples of the shifts include:

- Participation in the Community Wealth Building Working Group.
- Guidance on the racial equity impact assessment of the Qualified Allocation Plan (QAP) for the upcoming 2021 budget year.
- A new summer leadership training for the Senior Staff focused on racial equity.
- Working with the Office of Equity and Racial Justice to build a strong and diverse workforce through better data collection and complete transparency
- An updated Language Access Plan to ensure we are reaching residents throughout the city in their own language

**3. Decisions about funding affordable housing developments are made in a process that is transparent to developers and accountable to communities.** When we released our call for affordable housing proposals last August, for the first time we shared how much funding we have, the

types of projects we intend to fund and where we intend to fund them. You can only be this transparent when your decisions are based on established criteria.

**4. In the face of a 120,000 affordable unit gap and shrinking federal resources, we identify new ways to create and maintain below-market housing without subsidy.** Imagine you're the long-time owner-occupant of a 2-flat, and rising property taxes are threatening your ability to stay in your home. The rent from a basement unit could make the difference between being able to pay your taxes or not, which is why we're working to establish a legal path forward for Additional Dwelling Units.

**5. We commit to more effectively link affordable housing and public transportation.** Our partners at Elevated Chicago are working with us to bring an equity lens to the City's transit-oriented development efforts. That means supporting affordable development near transit in rapidly gentrifying communities such as Bickerdike's Emmett Street Apartments in Logan Square, as well as repopulating the Green Line South through projects such as 43 Green in Grand Boulevard and Park Station Lofts in Woodlawn.

**6. We solve for displacement, which sometimes comes in the form of gentrification and sometimes in the form of disinvestment but is never race neutral.**

Gentrification and disinvestment impact Black and Brown communities differently and require different strategies. Both, however, are leading to significant Black and Brown population loss; solving for both is an urgent public policy imperative.

**7. We establish robust homeownership programs in South and West side communities as a step to repairing the intergenerational harm of private and government wealth extraction from Black Chicagoans.** We acknowledge that households that have been intergenerationally denied the opportunity to build wealth are owed restitution in the form of homes they can afford and at a scale to reach critical mass. This will require focused investment, collaboration with other efforts such as Invest South West, and a major commitment from the private sector.

**8. We prioritize collecting and making the department's data and progress against goals public and easily accessible.** You shouldn't need a private investigator to find the city's affordable housing data. That's why last November we took another step for a more transparent, accountable government by creating a new, user-friendly data tool focused on the results of our inclusionary housing policies since 2003. This is just a start; we plan to convert all our quarterly report data to more user-friendly, interactive platforms in the months ahead, so that Chicagoans can see DOH activities by program, year, community area, ward, and more.

These guiding principles will lead us in 2021 as we plan for key initiatives including:

- Qualified Allocation Plan Projects for up to eleven proposed affordable housing projects selected by DOH to receive Low-Income Housing Tax Credits will start or complete construction throughout 2021. Collectively valued at more than \$400 million, the projects will create more than 1,000 affordable units in Pilsen, Humboldt Park, Woodlawn and other communities across the North, South and West sides of the city.
- Releasing a new round of tax credits that will reflect the results of a Racial Equity Impact Assessment, the first ever conducted in the country on how to more equitably distribute tax credits.
- Passing an Affordable Requirements Ordinance that ensures affordable housing is equitably integrated into developing and growing communities across the city.
- Building on the 2020 launch of our Language Access & Ethnic Communication Strategy so that it is incorporated in each bureau and in all forms of communication made to our non-English speakers and residents with hearing and vision impairments.
- Enacting programs in the Woodlawn and Pilsen/Little Village preservation ordinances that were created through intensive engagement with a broad spectrum of residents, elected officials and stakeholders, the ordinances will provide critical affordability and anti-displacement provisions while promoting inclusive income diversity and growth.

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I'd like to thank each of you for your guidance, support and spirit of collaboration during the first eighteen months of this administration, and especially as we all navigate this challenging and unprecedented times, when the residents of Chicago need us most. I am happy to answer any questions you have.

Thank you.