

Dept of Housing
Opening Statement
October 7, 2021

Good morning, Chairman Dowell, Vice Chair Silverstein, and members of City Council. Thank you for the opportunity to present the Department of Housing's proposed budget for 2022.

Here with me on the dais is Managing Deputy Bryan Esenberg, who oversees all of our housing programs. In the box are:

Sendy Soto - Managing Deputy Commissioner - Community Engagement, Racial Equity & Strategic Initiatives (CERESI)

Matt Schmitz- Deputy Commissioner of Finance

Daniel Hertz- Director of Policy & Research

Tamra Collins - Deputy Commissioner - Housing Development

Jim Horan - Deputy Commissioner - Construction & Compliance

Irma Morales - Deputy Commissioner - Homeownership Programs

Will Edwards - Assistant Commissioner - Neighborhood Development and Housing Preservation

Ricardo Lopez - Project Manager - Affordable Requirements Ordinance (ARO)

Jennie Fronczak - Assistant Commissioner - Chicago Community Land Trust

Our vision at the Dept of Housing is for the equitable distribution of resources across all 77 communities so that every Chicagoan can choose and remain in quality housing that is affordable, safe, and healthy. You may have heard me say that if you need a subsidy to live affordably, I want you to have just as many options of where you can live as those who do not need a subsidy. I think we all know that we have a ways to go to reach that goal, but, this year, many of the goals we came in the door with under Mayor Lightfoot's administration have come to fruition. I'd like to share a few examples before looking ahead to 2022.

- We completed the country's first Racial Equity Impact Assessment on the Low-Income Housing Tax Credit program (LITHC). Three of our top findings were that we need to prioritize 1) increasing opportunities for developers and contractors of color to participate, 2) ensuring applicants are not unfairly screened out by conviction records or credit scores and 3) addressing residents' mental health needs.
- We then included those as prioritization factors in this year's Request for Proposals or QAP, for which we received 50 proposals for tax credits which we are currently evaluating for announcement later this year.
- After 18 months of work, we passed a new Affordable Requirements Ordinance (ARO) that expands off-site options, encourages affordable and family-sized units and increases the affordable requirement from 10% to 20%.
- We legalized Additional Dwelling Units (ADUs) in 5 pilot areas, amended the Keep Chicago Renting Ordinance to protect renters and stabilize rental housing by keeping tenants in foreclosed buildings safely housed, and passed legislation to preserve existing affordable housing in Pilsen and the area surrounding the 606.
- Finally, in the Spring, we launched the Emergency Rental Assistance Program (ERAP) with \$80 million in federal funding to assist renters and landlords financially impacted by COVID-19. This is our third round, and by far the biggest, of rental assistance.

For 2022 we are focused on building off of that work while advancing two sets of unprecedented resources: getting our fourth round of Emergency Rental Assistance into the hands of tenants and property owners who need it, and activating more than \$240 million in affordable housing resources from the Chicago Recovery Plan. You have an overview of each in front of you, and I'd like to say a word about them before we dive in.

For Emergency Rental Assistance, as you can see we have allocated more than 65% of our first round of funding. We received applications from all 50 wards and all 77 community areas, as shown on the map. We will be sure to coordinate with all of you to get the word out to your constituents about opportunities to apply for additional assistance in the future.

As for the Chicago Recovery Plan, we are thrilled with the proposed \$240m in additional resources for affordable housing. You can see the details on the handout in front of you; this represents a tremendous opportunity to leverage flexible dollars that are committed over several years which allows us time to plan, execute and adjust, and it is our greatest opportunity yet to engage Black Indigenous People of Color in the development process to help address the racial wealth gap. We are working closely with our colleagues in the Dept of Planning and others to coordinate so that we are not only providing a range of housing solutions – from multifamily rental to single-family homeownership to owner-occupied repairs – but are also clustering those resources with other investments.

We are in the early stages of determining how to deploy these resources and look forward to working with you in that process.

In closing, when done well, we find that our work is radical. It demands that we challenge systems. It requires our action and collaboration. It means fighting historically racist lending and investment policies, local resistance to progress and deeply rooted patterns of segregation in our city. It creates staff who are public stewards committed to building community wealth and housing as a human right.

I'd like to thank each of you for your support in that work, and your spirit of collaboration during the past two plus years of this administration. I am happy to answer any questions you have.

Thank you.