

PERSPECTIVES: THE POWERS THAT BE

Bringing more affordable housing to Chicago requires policy, not politics

By  Curtis Black | July 19, 2018



File photo by Jonathan Gibby

Three days after the Chicago Tribune reported that the centerpiece of Mayor Rahm Emanuel's affordable housing program had fallen far short of his promises, Emanuel announced he was re-establishing the city's Department of Housing (<http://www.chicagotribune.com/news/local/politics/ct-met-rahm-emanuel-affordable-housing-20180625-story.html>).

It had all the hallmarks of a campaign-season distraction.

Indeed, Leah Levinger, executive director of the Chicago Housing Initiative, called the move a "smokescreen," an attempt to frame the city's growing housing crisis as a problem of bureaucratic inattention "instead of talking about the real issues of race and class segregation, and how public and private interests are harmonized."

Emanuel's last big housing move—a revamped Affordable Requirements Ordinance (<https://www.chicagoreporter.com/affordability-ordinance-could-ease-chicagos-housing-segregation/>), which increased opt-out fees for housing developers who get city assistance to avoid affordable housing quotas, was passed in March 2015, weeks before the runoff in the mayoral election.

At the time the mayor's office predicted the measure would create 1,200 new units of affordable housing over the next five years and generate \$90 million for the two housing funds. According to the Tribune, the ordinance generated just 194 units in its first two years (<http://www.chicagotribune.com/news/ct-met-affordable-housing-20180518-story.html>), and just \$9.2 million in fees.

This hardly made a dent. DePaul's Institute for Housing Studies estimates there are 230,000 units in Chicago that are affordable for 350,000 low-income households – a “rental affordability gap” of 120,000. And its most recent report found that while that gap has decreased in suburban Cook County, it has increased in Chicago (<https://www.housingstudies.org/research-publications/state-of-housing/2018-state-rental-housing-cook-county/>).

There's an interesting pattern here – call it the “mayoral credibility gap” – of election-year promises that don't pan out. Emanuel recently announced new initiatives for early education and for City Colleges. But he also announced new initiatives in both areas four years ago. As of this year, since Emanuel took office, pre-school enrollment is down 18 percent (<https://www.ctunet.com/media/press-releases/emanuel-promises-fails-to-deliver-on-early-childhood>), according to the Chicago Teachers Union, and City Colleges enrollment is down 35 percent (<https://projects.bettergov.org/the-graduates/>), according to the Better Government Association.

The CHI wants the city to get serious about the growing affordable housing crisis. Backed by 25 community groups, three major unions, and five aldermen, the group has proposed a package of ordinances to close loopholes in the city's housing programs.

One ordinance would preserve existing public housing by requiring one-for-one replacement for units lost to redevelopment. Another would toughen the ARO by barring op-out fees, requiring higher numbers of affordable units, and requiring that they be permanently affordable. It would also address longstanding problems with Chicago's housing programs, which skew toward small units aimed at higher income levels—the proposed ordinance requires that developers produce affordable family-sized units, with half aimed at households earning below 50 percent of area median income.

Both ordinances also address another longstanding problem—the “aldermanic prerogative” which has been used to keep affordable housing out of better-off white neighborhoods (<https://www.chicagoreporter.com/how-aldermen-maintain-segregation-in-chicago/>) – requiring that 20 percent of future public housing units be sited in low-poverty areas, and instituting checks and balances on aldermanic power over affordable housing developments.

Emanuel has not been a leader on desegregating affordable housing. Last year he refused to speak up (<https://www.chicagoreporter.com/emanuel-refuses-to-move-beyond-chicagos-racist-policies/>) when Northwest Side residents advocating for affordable housing ran into a barrage of racially-tinged invective. This year a public release of the mayor's emails revealed him encouraging the project's opponents, saying he would, “let my planning staffers know of your views” and suggesting, “really leaning in on the community-driven process we discussed.” (<https://chicago.suntimes.com/news/emanuels-private-emails-filled-with-complaints-about-crime/>)

It may be that desegregating Chicago's housing will require a change in leadership. CHI is intent on pushing its ordinances now, however. In the City Council, “the one window we have to make meaningful change is right before an election,” said Levinger.

Of course the size of the housing shortage far exceeds the city's efforts. Daniel Kay Herz at the Center for Tax and Budget Accountability reports that all of the city's housing programs produced just 1,847 units last year (<https://budgetblog.ctbaonline.org/a-brief-overview-of-chicagos-affordable-housing-programs-95413a2fb184>). Experts agree the focus needs to be on preserving existing affordable housing.

One key tool, particularly in gentrifying neighborhoods, is rent control. A rent stabilization measure that allowed reasonable profits and expenses for landlords would do more to preserve affordable housing and prevent displacement than all of the mayor's long list of programs combined.

“Experiences from New York City and various cities in California are reasonably clear that modern rent stabilization measures [which include increases to cover inflation and expenses] – as opposed to first-generation, hard-cap ‘rent control’ – work well,” said Frank Avellone, policy coordinator for the Lawyers' Committee for Better Housing. “There is no loss of units, landlords continue to make fair returns, and rent-stabilized buildings are some of the best maintained.”

Levinger points out that, since existing housing programs (including CHA vouchers) provide subsidies that are based on market rent levels, rent stabilization would reduce their cost and allow them to reach more families.

In March, voters in eight wards voted by a 75 percent margin (<https://www.chicagoreader.com/Bleader/archives/2018/03/28/whats-next-in-the-push-to-repeal-illinois-ban-on-rent-control>), in favor of repealing a 1997 state law banning cities from instituting rent control. Support is not just at the grassroots, either; Democratic gubernatorial candidate J.B. Pritzker supports lifting the ban.

Emanuel has relied heavily on big developers (<http://www.chicagotribune.com/ct-rahm-emanuel-political-donors-met-20150130-story.htm>) to fund the very expensive campaigns that seem to be required for him to win elections. He even took several developers – and his commissioner of development – on his recent junket to China (<http://www.chicagotribune.com/news/local/politics/ct-met-rahm-emanuel-china-japan-trip-20180712-story.html>).

But at some point he may have to choose between his friends and his credibility in bringing the affordable housing he claims to favor, but so far has failed to deliver.
