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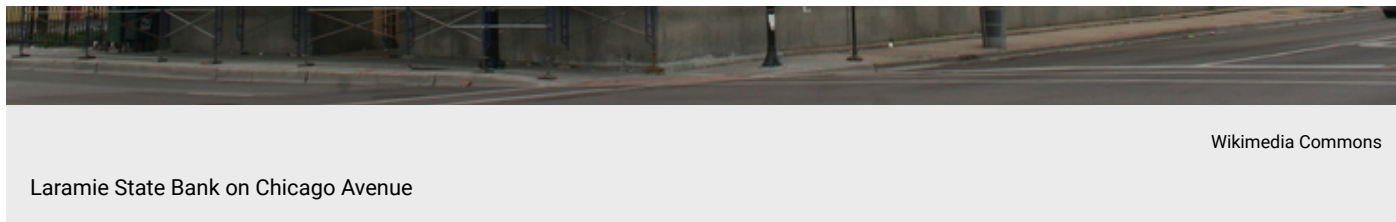
City's ambitious affordable housing plans remain largely on hold

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A year ago, Mayor Lori Lightfoot's administration announced \$1 billion would go toward affordable housing, the largest investment ever in Chicago history. The funds would help finance 24 Low-Income Housing Tax Credit developments and create or preserve 2,400 affordable rental units across the city.

More than two-thirds of the developments would be concentrated on the West and South sides, the rest in less affordable neighborhoods on the North Side.

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Is there a link between abandoned houses and gun violence? Yes, says the AMA.

"What the city's doing through these investments is trying to create dedicated affordable units through this subsidy program and through these strategic investments," said Geoff Smith, executive director and principal investigator of the Institute for Housing Studies at DePaul University.

The pandemic and inflation make the need for more affordable housing units more critical, advocates say. Demand for affordable housing exceeded supply in Chicago by 159,000 units even before the pandemic, according to the institute.

So far little progress has been made since Lightfoot's announcement, and affordable housing proponents and activists question whether a real commitment exists. To date, zero dollars have been spent on developing mixed-use projects that include affordable housing. None of the 24 Low-Income Housing Tax Credit developments has broken ground. Only \$450,000 has gone to owner-occupied repair grants, according to the Chicago Recovery Plan update report.

Marisa Novara, commissioner of Chicago's Department of Housing, says 17 of the 24 developments are scheduled to close on financing by the end of 2023. In total, the department expects 31 affordable housing projects to have closed on financing by the end of next year. Some of the developments are from a previous funding round.

Two of the upcoming Low-Income Housing Tax Credit developments, the Laramie State Bank redevelopment in Austin and Thrive Englewood, are part of the Invest South/West initiative designed to revitalize disinvested communities. Austin is 58.7% renter-occupied with nearly 30% of the population living below the poverty level, compared with 18% for the entire city of Chicago. Englewood is 23.8% renter-occupied, and 40.8% of the population lives below the poverty level.

Crain's reported in September that after three years, no Invest South/West developments had begun construction.

The Austin project is scheduled to close on financing this month and can potentially begin construction this year, Novara says. The Laramie State Bank site was proposed as a \$37.5 million development with 76 affordable housing units. Thrive Englewood, estimated to cost \$28.4 million, will include two phases with a total of 103 apartment units with 10 qualifying as affordable. The Thrive plan was approved in the summer, but representatives of DL3 Realty, the developer, have not indicated when ground will be broken.

Inflation has driven up the costs of materials, and that means project budgets will have to be rethought, Novara says.

Last spring, the Chicago City Council approved the acquisition of several lots at the intersection of Peoria and 18th streets in Pilsen for \$12 million with the intent to create affordable housing.

In mid-December, three scenarios for developing the site were presented to the

community. A 30-day public comment period will follow a formal proposal that will be drafted in January for the site. No developer is currently slated for the project.

Teresa Fraga, a longtime Pilsen resident and community activist, has been involved in the process with the vacant land since 2005 as part of the Pilsen Land Use Committee.

Fraga, who has attended community meetings about the development, says the biggest issue is making sure the city keeps its promise of making the development 100% affordable. She says that during some of the meetings, there has been backpedaling on the promise, with representatives of the Department of Planning & Development saying the development would be "mostly affordable."

"The DOH is not saying what the percentages of (affordability) are," says Fraga, who says that if 100% affordability isn't viable, she wants to be given a reason why. She says that if it can't be 100%, then part of her job is knowing how many years any affordability requirements will stay in place.

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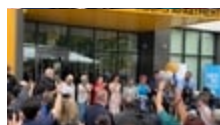
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