



Homefront: The Year That Housing Broke

BY BEN SCHULMAN | NOVEMBER 8, 2024



Photo: Joss Broward

2024 is the year that housing broke.

No matter the city, its size, its demographics, its spatial configuration or architectural bent, housing everywhere seems to be at a crisis point. All the prevailing conceptions of housing—

as home, investment vehicle, tool of building generational wealth –are being challenged. As with many long-held notions in this liminal time of creative destruction and meaning-making, much of this challenge is coming to terms with the fact that as old models are dying, there has yet to emerge a countervailing set of ideas and tools to realize new models. In an age of supposed technological innovations, ladies and gentlemen, we are floating in place.

Chicago is no exception to these trends. In an issue dedicated to housing published earlier this year, Crain’s Chicago Business reported that the city alone is short some 120,000 affordable housing units. (The State of Illinois, some 300,000 units.) According to the Institute for Housing Studies at DePaul University, home prices in Chicago have risen thirty-eight percent since the start of the COVID-19 pandemic. Wage growth has not kept pace. Even with mortgage rates cooling of late, housing supply remains severely constrained. Throw a dart at the map of the United States and these dynamics resonate. Housing production and affordability, a national concern that typically plays out as a local issue, has played center-stage at times in this year’s presidential election.

Many prognosticators now speak of a “new normal” when it comes to the housing market, suggesting that this moment of high prices, low inventory and little room for entry–be it rental or for-sale–is here to stay. If they are wrong, and housing softens to allow for easier access, there arises an opportunity to ask questions about how to sustain a reasonable market. If they are right, and this moment becomes an era, there arises an

opportunity to ask questions about how to create a market that becomes more open, porous and accessible. In either case, we need to reframe the conversation around housing to question how new models and sustainable systems of development can become the standard to produce what is, ultimately, a universal good.

A Chicago bungalow: Michael Faheny House on N. Kilbourn in the Hermosa Bungalow Historic District, Chicago/Photo: Jim Roberts

Chicago, as a city of pragmatism and innovation, has asked these sorts of questions before. This is the city where novel forms of housing have been tested and brought to market for generations;

the city of balloon-framing and workers' cottages and the bungalow. As has been the city's wont in the past, it's time that Chicago and its design community leverage its position as a historic disrupter to ask—and begin to answer—the pressing questions surrounding the housing crisis, and in turn, cement its still-relevant status as a cradle of architectural, design and financial innovation.

Eleanor Gorski is the CEO and president of the Chicago Architecture Center (CAC). Gorski, the former executive director of the Cook County Land Bank Authority and one-time acting commissioner of the City's Department of Planning and Development, sees the housing crisis through four dimensions: land, financing, design and construction.

“Traditionally, at a bigger firm, there was someone that understood finance, but most architects wouldn't get into that,” Gorski says. “What I'm seeing now is that architects feel a responsibility to understand zoning, finance, development. There is a new generation of architects who are practicing architecture as a *social process*. It is not architecture with a capital A, but architects using their knowledge of neighborhoods and process, finance and construction.”

Dusk in Chicago/Photo: Brantley Neal

Innovations—and a process to formalize their use and application—are needed within each dimension. For Gerardo Garcia, founder of The Urbanism Bureau and former deputy commissioner of the City’s Department of Planning and Development, the first innovation that must occur is through financing.

“A dose of reality is needed of what it costs to build a home and what one can sell it for. Policies are not working to address [that gap],” he says.

To properly address the housing crisis, it will “require some rethinking of policy on the government side on how it can support and implement housing at all scales, from multifamily to market-rate to affordable. Government policies, philanthropies and private financing all need to align to support housing development,” Garcia says. With clear policies to support development and a financial foundation enabled by private-public partnerships, that will create the conditions to allow architects and designers to respond with different approaches to production.

Already across the city, disparate interventions are in motion and taking root. Firms like Kinexx Modular Construction and Inherent Homes are delivering modularly constructed homes that will ostensibly lower the cost of construction, and therefore, the price point at which they can be sold. There has been a proliferation of architecture and development firms offering services to create ADUs (accessory dwelling units), offering potential income streams for homeowners while also increasing housing supply. Mayor Johnson’s “Cut the Tape” initiative intends to “Build Faster. Build Everywhere. Build Together.” More recently, the City, in concert with the CAC, unveiled the “Missing Middle Housing Initiative,” a program that couples architectural templates for housing production with available subsidy and land lots to spur development. The initiative will pilot with forty-four vacant lots in North Lawndale. Innovation is percolating, but often

happens incrementally.

Photo: Gautam Krishnan

Yet, perhaps the increment is the right measure to begin weaving all these efforts into an actionable strategy. If change happens at the block and neighborhood level, the most impactful increment in which a concerted development strategy could have a mass effect in Chicago is the ward.

Aldermanic prerogative has existed in some form since, well, the city council itself. Though nuanced, it broadly gives alderpeople zoning power over potential development projects in their respective wards. Could aldermanic prerogative be used to create a zone of housing innovation? Could a housing typology, or typologies, emerge at the ward level? Could that typology also reflect a systems design approach that takes into consideration the financial and social inputs needed to effectuate development and change?

Imagine a ward pockmarked with vacancy. To borrow Gorski's framework, imagine this ward innovating through land, implementing a land-value tax—a form of taxation that looks at the value of land itself and not improvements upon it—to discourage speculation and incentivize development and density, and thus, producing tax-generating properties. Imagine this ward innovating through finance, offering a mix of financing tools, such as pre-development grants and low-cost capital in partnership with Community Development Financial Institutions (CDFIs), program-related investments (PRIs) from philanthropies, directed by government policy, as Garcia implies, to offer low-

cost financing to developers. Imagine a ward innovating through design, working from a ward-centric architectural pattern or form book of prescribed designs, establishing a vernacular for housing that is easy and replicable to build, in concert with the surrounding neighborhood context. Imagine a ward innovating through construction and development, training residents to help build projects as a workforce development program. Imagine the ward as a place of experimentation that unleashes the latent potential of its people and its place and exports its process to other parts of the city, and other places in need.

Chicago has redesigned itself—and the nation—numerous times. Like all those balloon-frame homes that were first designed and developed here, then set out by rail from Chicago to the nation, today's crisis offers a chance for the city to set forth new ideas, both here at home and across the country, for what housing can become.

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