

**Dept of Housing
Opening Statement
October 14, 2022**

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 2023.

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

Natasha Hamilton - Managing Deputy Commissioner - Community Engagement, Racial Equity & Strategic Initiatives (CERESI)

Matt Schmitz- Deputy Commissioner of Finance

Tamra Collins - Deputy Commissioner - Housing Development

Jim Horan - Deputy Commissioner - Construction & Compliance

Irma Morales - Deputy Commissioner - Homeownership Programs

Daniel Hertz- Director of Policy & Research

Will Edwards - Assistant Commissioner - Neighborhood Development & Housing Preservation

Matt Stern – Senior Recovery Team Program Manager

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

Jennie Fronczak - Assistant Commissioner - Chicago Housing Trust

Since the restart of the Department of Housing in 2019, our goal has been to ensure the equitable distribution of housing resources across all 77 communities and all 50 Wards so that every Chicagoan can choose and remain in quality housing that is affordable, safe and healthy. You've heard me say that if you need a subsidy to live affordably, I want you to have just as many choices of where you can live as someone who does not need a subsidy. We know we have a way to go as a city to reach that goal, but we are making major strides and I'd like to highlight a few of the ways we've advanced our goals this year before looking ahead to 2023.

When we came before you for last year's budget hearing, we had helped about 5,500 Chicago households through the Emergency Rental Assistance Program with past due rent and/or utilities. Today I am proud to say that we have assisted 30,000 Chicago households – that's approximately 50,000 individuals - remain in their homes through emergency rental and utility assistance across four rounds, and while we've successfully spent down the majority of our Emergency Rental Assistance funds, we continue to help Chicagoans avoid eviction through our Court-based program.

The rest of our work over the past year, has centered on driving the next stages of the 24 new projects selected for support last December, including passing the City's first equitable transit-oriented development ordinance, removing barriers that prevent development of vacant and abandoned properties, preserving condominium ownership and SRO buildings,

and continuing to fight displacement of long-time residents from their communities of choice.

Our goal of equitable resource distribution was magnified when Mayor Lightfoot announced the 24 developments selected would be built in 20 different community areas, 18 of which are near transit, and 12 of those 18 on the South and West sides where housing near transit has lagged significantly behind Northside and Near West communities. In total we have 52 affordable and mixed-income developments in our pipeline for 2022, '23 and '24, and are on track to close on 20 of those this year alone.

We also advanced multiple policy goals this year, including:

- Passing the Connected Communities Ordinance, the City's most comprehensive and equity-focused update to the City's transit-oriented development policy yet
- Eliminating City debt on vacant and abandoned properties which act as a barrier for redevelopment by passing the Encumbrance Ordinance
- Passing the SRO Preservation Loan Program that will help preserve single-room occupancy housing options throughout the City
- Passing the South Shore Condo/Co-Op Preservation Fund Pilot that will help to stabilize these building both physically and financially, so that individual owners, many of whom are seniors on fixed incomes, can age in place
- Using Chicago Recovery Plan funds, issuing a Request for Proposals with our partners at the Dept of Family and Support Services to fund the acquisition of hotels and motels for Non-Congregate Shelter for people experiencing homelessness
- Implementing the 2021 Affordable Requirements Ordinance, which went into effect late last year. Through Q3 of this year, new revenue is up 525% from \$4m in '21 to \$25m in '22. What's more, we have seen the first projects with units affordable as deeply as 30% AMI, a direct result of the reforms of the 2021 ARO
- Finally, launching the City's first Right to Counsel program that provides free legal representation to low-income households facing eviction

For 2023, we are focused on advancing **22** more developments from our pipeline into construction, while also releasing our next funding round: the 2023 call for proposals for Low-Income Housing Tax Credits, which you know are the largest funding source for the creation and preservation of affordable housing in the country. This call will continue to reflect the recommendations from our 2021 Racial Equity Impact Assessment, which was the first such assessment completed in the country and reflects our deep commitment to racial equity in our approach and in our outcomes.

2023 will also be the year that the groundwork we've laid for the Chicago Recovery Plan funds will yield our biggest results yet. These resources have been instrumental in expanding our affordable rental pipeline, and in 2023 will see results through owner-occupied repairs to condo and co-op owners in S. Shore, expanded repairs for seniors, funding the acquisition and rehab of Single Room Occupancy buildings, purchase price assistance for limited equity cooperatives and homebuyers across our target areas,

decarbonization rehabs and more – all of which will be done with an emphasis on Black and brown developers and vendors.

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. Our team at the Dept of Housing 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 three plus years of this administration. I am happy to answer any questions you have.

Thank you.