

**Department of Housing**

**Opening Statement**

**October 18, 2023**

Good afternoon, Chairman Ervin, Vice Chair Lee, and members of City Council. I thank you for the opportunity to present the Department of Housing's proposed budget for 2024.

Here with me on the dais is Managing Deputy Commissioner Natasha Hamilton, who oversees our community engagement, racial equity and special initiatives work, and Matt Schmitz, Deputy Commissioner DPD/DOH Finance. In the box are:

Tamra Collins – Deputy Commissioner, Multi-Family Finance Bureau

Irma Morales – Deputy Commissioner, Homeownership Bureau

Daniel Hertz – Director of Policy and Research

Esther Sorrell – Assistant Commissioner, Asset Management and Multifamily Finance

Will Edwards – Assistant Commissioner, Neighborhood Development and Housing Preservation

Matt Stern – Senior Manager, Recovery Team Program

Jennie Fronczak - Assistant Commissioner, Chicago Housing Trust

Chris Smith – Assistant Commissioner, Construction Services

Danielle Stringfellow – Assistant Commissioner, Long Term Monitoring of Affordability

Ricardo Lopez – Project Manager, ARO

Amy Henry – Director of Human Resources

Making Chicago's neighborhoods "better, stronger, safer" is a goal that the Department of Housing shares with Mayor Johnson and his administration. We whole-heartedly believe that housing should not only be safe and accessible, but also stable and dignified.

The housing needs of Chicagoans span a wide spectrum, which is why we focus on making sure people across the city – those who have long been here, those who are returning, and those who are newly arriving – can secure housing opportunities that we make available through our funding, policy work, engagement efforts, and partnerships.

DOH's mission to develop and promote quality, affordable, safe homes that put Chicagoans in proximity to resources they need to thrive at every age is radical, and there is considerable work to be done to meet that goal, but we have reached several milestones this past year, and I'd like to share a few of them here before looking ahead to 2024.

Our work for the past year has encompassed policy and program expansions, furthering the city's transit-oriented development, and the release of our 2023 Qualified Allocation Plan, which determines more than 60% of Chicago's affordable housing resources.

The 2023 QAP was released with the 2023 Architectural Technical Standards manual, a support tool for the design and construction of quality housing. Both documents build on DOH's values and principles, and clearly indicate them to developers interested in receiving City support.

Our latest QAP sets a range of priorities, such as dedicating resources for Permanent Supportive Housing (PSH), including a minimum 5% set-aside for PSH in all developments; encouraging public transit use for

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transit-served developments; greater broadband infrastructure; and an emphasis on energy efficiency and decarbonization. The 2023 QAP also bolsters site-specific opportunities in Woodlawn, East Garfield Park, and Pilsen, and offers greater support to BIPOC developers, namely by accepting consultant fees in funding stacks, and allowing the use of contingency to cover a portion of errors and omissions.

We closed our latest funding round on July 7, 2023, and we look forward to announcing the finalists later this year.

Other key moves we've made in the past year include:

- Extending ERAP to 2024 with the support of IHDA, scaling the City's Right to Counsel program, and expanding the gender-based violence relocation program to other marginalized populations, helping 1122 households avoid displacement and resolve legal issues;
- Launching the Shared Equity Investment Program, supporting both limited equity housing cooperatives (LEHCs) and community land trusts (CLTs) through two tracks – one for purchase price assistance and one for acquisition support. The RFP will be released in November;
- Expanding the Building Neighborhoods and Affordable Home program to be city-wide;
- Selecting five existing congregate shelter providers to identify new spaces for the construction of high-quality non-congregate shelters;
- Signing contracts with six new BIPOC general contractors and delegate agencies for HRP;
- Closed on three multi-family housing developments in eTOD zones as of September 2023, adding an additional 205 units of which 159 are affordable;
- Launching an RFP for Residential Housing Decarbonization and Retrofits, which closed in September;
- And finally, we have been working with Mayor Johnson's administration on the real estate transfer tax and continue to look for new sustainable funding tools similar to the CRP to bring affordable housing opportunities in an equitable manner to all Chicago neighborhoods.

As I said at the start, the work of DOH to create an equitable distribution of affordable housing across all 77 community areas is radical. It takes out-of-the-box thinking, collaboration, and sometimes a little experimentation. With affordable housing opportunity revenue being volatile due to structural and cyclical funding changes, and the City's one-time pandemic recovery funds that enabled us to serve 30,000 households – approximately 50,000 individuals – through the Emergency Rental Assistance Program (ERAP), close our home repair backlog, and announce our first billion-dollar multi-family funding round – now is the time to support Bring Chicago Home efforts. Now is the time to look to new sustainable tools to create more affordable housing units across our three pillars: homelessness, affordable rental and home ownership opportunities.

Starting in 2024, the City will allocate \$10 million in corporate funds to DOH's Home Repair Program (HRP), adding to its usual funding source of \$5.2M. A stunning show of commitment to HRP from the administration, this flexible funding source will allow DOH to serve more residents quicker and with a broader range of repair needs.

The City's bolstering of HRP has come hand-in-hand with its investment of \$20 million to continue the work of building better, stronger and safer neighborhoods on Chicago's South and West sides by redeveloping vacant and abandoned properties. To date, we have facilitated the rehabilitation of more than 45 vacant buildings.

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For 2024, we are focused on advancing an additional 32 developments from our multi-family affordable rental pipeline into construction, bringing the total number of units created or preserved in 2024 to 3,808, of which 2,956 will be affordable. This work is ongoing while we also start working with the finalists of the 2023 funding round, and we will soon be announcing the qualified developers that applied for our City Lots 4 Working Families Request For Applications (RFA).

There are a few more initiatives penned for 2024 that I'd like to take a moment to outline here:

- The launch the 2024-2028 Five-Year Housing Plan, guiding the policy and program milestones for DOH to report against over the next five years;
- Acquiring and rehabilitating non-congregate shelters chosen with DFSS's five existing congregate shelter providers to develop safe, high-quality housing and shelter for Chicagoans experiencing or at risk of experiencing homelessness;
- Facilitating existing building repair programs focused on decarbonization and electrification in coordination with the City's Sustainability Office;
- Leveraging community partners and delegate agencies (in which we are expanding our investment) to promote purchase assistance opportunities in key areas;
- Creating a business accelerator program that'll include a construction specific webinar series and the recruitment of professionals to provide one-on-one business counseling and back-office support;
- Expanding DOH staff by six positions;
- Launching a quarterly developer forum aimed at increasing financial competency and creating more accessible pathways to opportunities;
- Onboarding new staff members to internal support efforts around ADUs and eTODs;
- Working with a Senior Database Analyst to continue to improve internal database systems and data governance in furtherance of data equity goals;
- Continuing wealth building and single-family rehabilitation work in low-to-moderate-income communities. This work involves using the recently received \$20 million to support the rehabilitation of vacant and abandoned single-family homes and one-to-four-unit buildings;

Lastly, I'd like to take a moment to thank the entire staff at DOH – you are public stewards committed to building community wealth and stand by housing as a human right. I'd also like to thank my partners at other City departments, as well as other public officials that are sitting here today – much of our work requires collaboration, and your participation and passion helps us move closer to our goal and mission.

I am happy to answer any questions you may have.

Thank you.