

# Housing Quest

*A Periodic Newsletter about Michael C. Rohrbeck's quest and interest in changing how we produce affordable family housing in Chicago.*

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## THE MISSION

In 2003, I'm dedicating myself to efforts intended **to change how we produce affordable housing for families or to determine if there is support for this process of change.** We can only achieve this mission if it is shared by many who have credibility and influence. *Share the Quest.*

## THE HEADLINES

### *Housing Pathway Opens Up*

To achieve the *Housing Quest* mission, I've started the process for discussing reform and innovation by talking to people and putting forth some old and good ideas. These include supporting the Chicago Low Income Housing Trust Fund and streamlining layered financing, along with other novel approaches to inclusionary housing and working with existing owners of quality housing.

*This year I've been challenged by peers to make a clear statement of need about why change is desirable, and how it is possible, particularly with the goal of providing affordable housing to extremely low income families – the current orphans of the affordable housing system.*

You can find this now in a short essay on my web site: <http://www.housingquest.info/essays.html#change>. For some this may raise more questions, including the particulars of cost-benefits, administration or implications for new roles of CDCs, lenders, hands-on owner-managers and the government. (Thanks to **Kelly King Dibble** and friends for adding to the questions.) Stay tuned for more on these topics. In the meantime, I hope to be talking to you and others about these ideas in person.

### *Housing Legislation Updates*

#### **Input Too Little Too Late on Low Income Housing Initiative (HB 2345)**

In March I applauded the intent of this initiative at planning, streamlining and prioritizing affordable housing support in Illinois. I also panned wording which represented a bias toward development, construction and rehabilitation over other methods of creating affordable housing by non-development means.

I'm thankful that my proposed edits were reviewed by State Rep Julie Hamos' team. However, considering the precarious nature of Senate considerations, it was suggested that I hold these proposals for deliberations of the Inter-agency Task Force that would develop implementing guidelines if and when the bill passes. If the bill stalls out somehow, my wording could be a reassurance for legislators gun shy about "low income projects" in their districts. Contact me if you'd like faxed copies of marked up legislation.

#### **Sanity Prevails in Property Tax Appeals; Assessor Lobbying Efforts Fail (SB 620)**

SB620/HB2233 was a thinly veiled attempt to reduce the jurisdiction of the Illinois Property Tax Appeals Board (PTAB) – the one appeals body that seems to operate without regard to politics and favoritism.

It was heavily lobbied for by no less than Assessor James Houlihan, whose work is reviewed by PTAB. I'm happy to report that it was beaten back by a well-spring of support from average taxpayers. For those interested in real property tax reform, check my editorial on the tax system and promoting inclusionary housing via property tax abatements. Housing Quest Newsletter: Issue 2, Page 3 <http://www.housingquest.info/news.html#2>

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## Status of Other Bills

If you're interested in the status of a prospective bill in Illinois and can reference the originating chamber and number, you can find out yourself at [www.legis.state.il.us/legislation](http://www.legis.state.il.us/legislation). If it's specifically pertaining to affordable housing, you can bet that a reader-friendly update will be available on the web site of our favorite legislative advocate <http://www.JulieHamos.org>

## Divide & Conquer Still Works in Chicago

As you probably know by now, the mayor offered up a diluted version of the inclusionary housing ordinance. Despite a rare fight in City Council chambers, a good portion of the loyal minority opted for half-a-loaf. This bread will feed few people and not go to extremely low-income people or families that need it most. There will be another day.

## Housing Quest Research Question

Is there a correlation between the "band of income eligibility" for rental units and long-term viability? Most projects have income eligibility limits, e.g. 60% of median, but the beneficiaries are not typically people with incomes between 0-60% of median. The bottom of the range is higher because of requirements of management/debt costs; the eligible market is smaller because residents should not pay more than 30% of their income for rent. My theory is that the narrower this band of eligibility is, the more financially vulnerable projects may be, especially in depressed markets.

### TIDBITS & NAME DROPPINGS

Thanks to **Doug Dobmeyer** for his comments and doses of reality about the tireless activists behind the trust fund and worthy efforts to increase rent subsidies for Illinois' lowest income people. I also appreciated encouragement from **Jean Butzen** (Lakefront SRO) about the broader potential applications of *Housing Quest* strategies, as well as the receptiveness of **Rachel Johnston & Kevin Jackson** of the Chicago Rehab Network. They and CRN leadership will be a focal point for input into Chicago's new Five Year Affordable Housing Plan. Finally, kudos go out to **Mike Gwinn**, *information minister* at the office of Julie Hamos.

## Web Site Features

It's taken longer than expected to get the *Housing Quest* web site up and looking respectable. You can relax. The answers to your most nagging questions are now available.

- Have you been chasing shifting funding and federal tax priorities for too long? Have politicians, bureaucrats, foundations and intermediaries got you down? Check out my attempt at satire ***Affordable Housing Insanity*** <http://www.housingquest.info/essays.html#affordable>.
- Is your community built-up, appreciating in value and an increasingly hostile place for traditional community development strategies? Check out the report on ***Potential Affordable Housing Strategies in Rogers Park*** to compare notes <http://www.housingquest.info/research.html>.

## TIF Scheme a Pipe Dream ?

I'm obsessed with the idea that TIFs might be a dedicated source of support for the Chicago Low Income Housing Trust Fund rent subsidy program. The notion has been pooh poohed by TIF attorneys I've checked with as being outside the parameters of the legislation.

On the other hand, almost everything about TIFs is outside the original legislative intent. We know TIFs were supposed to be about creating permanent jobs and it's been proven that they don't do that. They are supposed to be a resource for the most problematic areas, but somehow the entirety of Chicago is eligible for TIF designation. And don't forget the biggest sham of all, that TIFs only fund projects that would not happen "but for" the resources that TIF can provide.

So if you'd like to entertain a dream about something achievable that makes mixed income housing possible, you can read about the concept at <http://www.housingquest.info/tiff.htm>. I'm hopeful that the Statewide Housing Action Coalition (SHAC) and other important players in the state might consider this for next year's advocacy agenda.