



HOME BUILDERS
ASSOCIATION OF GREATER CHICAGO

CHICAGO HOUSING AFFORDABILITY

**Building Affordability In ALL
Chicago Neighborhoods**

APRIL 2019

Chicago City Chapter
Home Builders Association of Greater Chicago

SOLVE THE PROBLEM:

Create Affordable Units, not Barriers

The following is an outline of several ideas for improving housing affordability in Chicago presented by the City Chapter of the Home Builders Association of Greater Chicago.

These ideas are offered as starting points for a meaningful discussion to identify and implement solutions that can help create, preserve and improve affordable housing opportunities for ALL Chicagoans.

FOR FURTHER DISCUSSION OF THESE PROPOSALS, PLEASE CONTACT PAUL COLGAN, HOME BUILDERS ASSOCIATION OF GREATER CHICAGO, AT PAUL@HBAGC.COM.

"If housing affordability is a societal problem, then create a broad-based solution. Don't place burden on a single class of real estate."

HOUSING AFFORDABILITY SOLUTIONS:

1. **Modify Affordable Requirements Ordinance (ARO)**

- Re-Visit Pilot Area Provisions
- Re-Examine Provisions Which Discourage Development
- Enable Greater Use of Off-Site Development
- Extend or Eliminate Boundary Limits
- Utilize Vacant City Lots
- Designate Housing Opportunity Zones for Off-Site Development
- Waive or Reduce Administrative and Permit Fees

2. **Pass Property Tax Relief Legislation**

- House Bill 2168
 - Provides 25% reduction of property tax assessment for 15% onsite affordable units
 - Held in House Rules Committee
- Create new ARO Section
 - Automatic Qualification
 - Align assessment reduction with ARO requirements

3. **Chicago Housing Authority Rental Assistance**

- Increase availability of 30-year project vouchers
- Expedite Approval Process

4. **Expand Rental Assistance Programs**

- Tax Increment Financing for Housing
- Create Broad Based Funding for Rental Assistance

5. Affordable Building Code

- New Chicago Construction Code (Based on ICC Model Code)
- Increase Pilots of Affordable Code Alternatives
- Encourage Construction Innovations
- Support Modular Housing Production
- Fast-Track Approvals
- Waive or Reduce Fees for Projects with Affordable Units

6. Provide State and/or Local Tax Incentives for Work Force Housing Investments by Chicago Employers

- State Income Tax Credit
- Include Fire/Police/Teachers and other designated public workers

7. Expand and fund Housing Rehabilitation Programs that will Preserve and Improve Housing Affordability.

- Enhance Capacity of Community Development Financial Institutions (CDFI) with Proven Record of Efficiency
- Chicago Low-Income Housing Trust Fund
- Illinois Affordable Housing Trust Fund

8. Utilize Innovative Ownership Structure that offers Advantages over Cooperatives

- “Co-opdominium”
 - Builds on Well Established Condominium Law to Create Improved Co-operative Model
 - Governance Advantages
 - Usable for Single Family, Townhomes and Condos
 - Easier to Finance
 - Possible Alternative Use for In Lieu Funds
 - Incentive for Private Development and Ownership
 - Offers Faster Path to Ownership for Renters
 - Builds Community Wealth

NEIGHBORHOOD DEVELOPMENT

1. Designate 1,000 City Lots for Neighborhood Development

- Build Traditional Chicago Neighborhood Style Two and Three Flat Buildings
- Develop 2,000 to 3,000 new Market Rate and Affordable Family Housing Units (two or three bedroom units)
- Target Private Housing Investment and Construction
- Create Community Wealth for Owner Occupants with Downpayment Assistance and Landlord Training
- Offer Rental Assistance Where Needed
- Up Zone to a Minimum R-4 Zoning
- Expedite Permits / Inspections
- Empower Neighborhood Businesses and Jobs

2. Zoning Reforms

- Allow Accessory Dwelling Units in Designated Areas
- Follow Minneapolis Zoning Reform to Increase Density in Designated Areas
- Prohibit Down Zoning City Wide without Owner Approval
- Expand Bus Transit Oriented Design (TOD) Corridors

3. OPPOSE Rent Control

HOUSING OPPORTUNITY ZONES

1. Take Advantage of:

- Federal Opportunity Zones: Allows Deferral of Capital Gains on Qualifying Property Improvements
- Enterprise Zone Benefits
- New Markets Tax Credits

2. Propose Illinois Housing Opportunity Zone Legislation

- 60% Property Tax Relief on Improvements
 - Both Rental and Owner/Occupied
- 100% Sales Tax Exemption on all Building Materials
- 10% Affordable Housing Component
- Provide Rental Assistance
- Jobs Creation Credits for Employment of OZ Residents
- Workforce Housing Investment Tax Credit
- Expedited Permits / Inspections