



HOUSING CREDIT CONNECT

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CHICAGO • JUNE 21 – 24

Chicago's Racial
Equity Impact
Assessment

SPECIAL FOCUS

SPEAKERS

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2021 REIA and QAP Overview and Changes

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REIA *Process Overview*

★ What is Racial Equity?



Acknowledge history

- How has systemic and structural racism shaped historical and current events?



Shift power

- How do we shift power to groups that have been historically marginalized or harmed?



Embrace accountability

- How do we respond to storytelling, demographic data, and other opportunities to embrace accountability to outcomes?



REIA is about Inclusivity

- A set of questions to investigate the benefits and burdens of a policy or practice.
- An examination of how different racial and ethnic groups will likely be affected by a proposed action or decision

Community Stakeholders

Are informed, engaged, and better equipped to exercise accountability.

Policymakers

Are trained and supported to make equitable and inclusive policies.

STEP 1: DETERMINE OUTCOMES AND STAKEHOLDERS.

- Q1. What is the policy and what problem is it trying to solve?
- Q2. What other issues can this proposal impact?
- Q3. Who are the key groups impacted by this issue?
- Q4. How will these groups be involved in decision-making?

STEP 2: LOOK AT NUMBERS AND NARRATIVES.

- Q5. What data will we collect and look at? Why?
- Q6. Where do we see disparities in the numbers?
- Q7. What can we learn from histories and narratives to better understand these numbers?
- Q8. What questions still remain? What information do we wish we had?

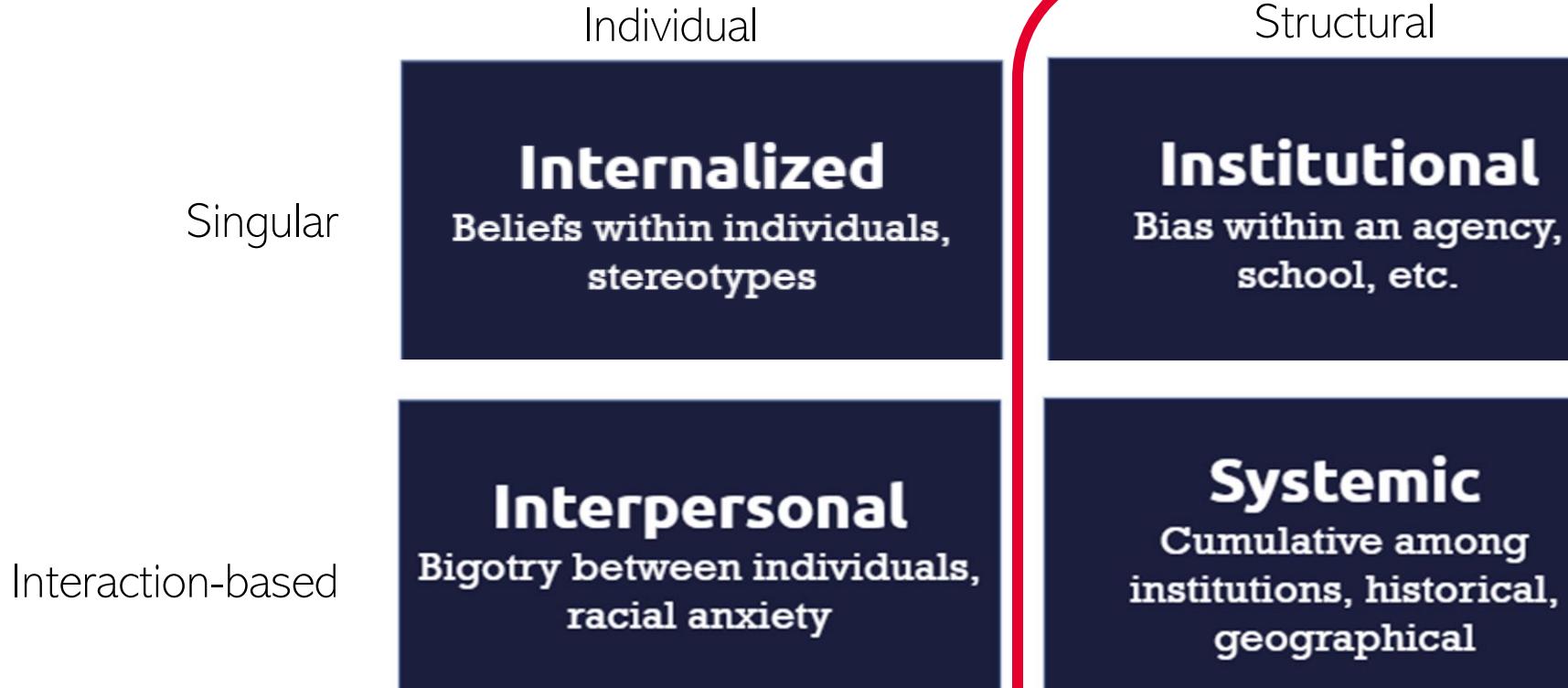
STEP 3: MEASURE BENEFITS AND BURDENs.

- Q9. What are the benefits and who is most likely to receive them?
- Q10. What are the burdens and who is most likely to bear them?
- Q11. What are different options to make this policy racially equitable?

STEP 4: EVALUATE AND BE ACCOUNTABLE.

- Q12. How will we evaluate the impacts of your solution?
- Q13. How will our stakeholders engage in ensuring equitable outcomes?
- Q14. How will we report back on these outcomes?
- Q15. How will our evaluation impact improvements to the policy?

★ Four Levels of Racism





Steps of a Racial Equity Impact Assessment (REIA)



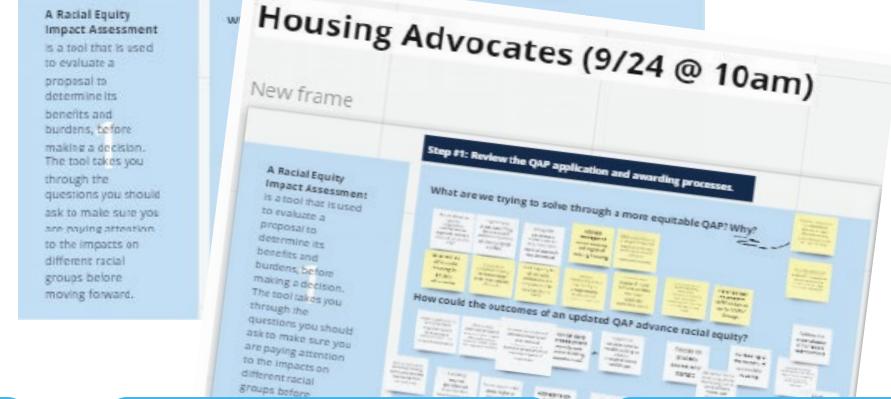
<ul style="list-style-type: none">▪ What is the proposal or existing program?▪ What is the objective?	<ul style="list-style-type: none">▪ What does the data show?▪ What does the data not show/how do we better collect data in the future?	<ul style="list-style-type: none">▪ Who will benefit and who will be burdened?▪ How to approach stakeholders?	<ul style="list-style-type: none">▪ How to lead authentic community engagement?▪ How to invite different voices and sectors to the table?	<ul style="list-style-type: none">▪ What are the findings?▪ How will the findings be used for structural change?	<ul style="list-style-type: none">▪ How to track progress?▪ How will the REIA continue to institute meaningful changes?
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Funders/syndicators (9/29 @ 2pm)

Step #1: Review the QAP application and awarding processes.

Housing Advocates (9/24 @ 10am)

New frame





Chicago QAP REIA



What is the Policy?

- **Low Income Housing Tax Credit (LIHTC) is the largest funding source for the development of affordable housing**
 - LIHTC has funded over 2.6 million affordable housing units nationwide
 - Primary source of funding for new construction and preservation of affordable housing
 - 9% credits can fund up to 70% of the eligible development costs
 - 4% credits can fund up to 30% of the eligible development costs

Opportunities to Advance Racial Equity



Chicago's QAP can influence:

- **Who is served**
 - Affirmative marketing
 - Scrutiny over how developers manage wait lists and application process
 - Requiring developers report the race/ethnicity, income, etc. of their tenants
 - Size of units
- **How people are served**
 - Incentivizing supportive services, especially those that promote economic mobility
- **Where units are developed or preserved**
 - Weighing the various goals of revitalization, stabilization and accessing opportunity
- **Who is involved with designing and building**
 - Addressing barriers to BIPOC participation

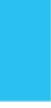
★ Highlights of Past Chicago LIHTC Projects

- Primary source of funding for new construction and preservation of affordable housing.
- Between 2000 and 2020, the City's LIHTC program allocated tax credits to develop or preserve approximately 10,000 low-income units across the city.
- In the 2019 cycle, DOH received 42 applications, of which 11 were selected to move forward.
- The 2019 Application sought projects that reserve affordable housing in gentrifying or “transitioning” neighborhoods to ensure stability of diverse neighborhoods as they change.

Percent of LIHTC Low-Income Units by Majority Racial/Ethnic Composition

Race/ Ethnicity	% of DOH-LIHTC Units in Majority Race/Ethnicity Tract	% of Chicago Census Tracts that are Majority Race/Ethnicity
Non-Hispanic White	17%	30%
Black	50%	35%
Latinx	6%	21%

Source: American Community Survey 5-year estimates, 2014-2018; LIHTC database



★ QAP REIA Findings

- ❑ The majority of Chicago's LIHTC units are new construction and in high-poverty areas.
- ❑ A quarter of low-income units financed with LIHTC allocations between 2000 and 2017 were in Opportunity areas, while 40% of Chicago's census tracts classify as Opportunity Areas.
- ❑ For households with more than three members, insufficient units were developed to meet the larger household sizes of the Latinx population.
- ❑ Black residents make up approximately 67% of all LIHTC tenants but constitute 41% of Chicago households in poverty. LIHTC tenancy for Latinx households shows the opposite trend: while making up 21% of households in poverty, their estimated share of LIHTC households is 14%.



Eight Emerging Themes & Recommendations

1. Ensure Black, Indigenous, people of color (BIPOC) developer/service providers benefit from LIHTC
2. Create production targets for specific subpopulations based on needs
3. Improve access to units for marginalized groups
4. Coordinate housing with other neighborhood amenities
5. Improve engagement, management standards and enforcement in properties
6. Improve resident outcomes and support homeownership and wealth building opportunities
7. Creating more accessible, family-friendly homes and making applications more user-friendly
8. Ensure LIHTC developments address mental health needs of residents



Key Takeaways

- Prioritize process and facilitate trust building
 - *How are we acknowledging power dynamics of the various stakeholder groups and create intentional spaces for meaningful engagement?*
- Create intersectional solutions to reflect the intersectional identities of residents
 - *How are we putting people first enough to consider the ways that low-income housing shows up differently for everyone?*
- Center those most marginalized residents to build strategies that include everyone
 - *How are we using accessible language and design that invites more readers in instead of excluding them with technical jargon?*



Qualified Allocation Plan **QAP**

Changes and Impact of the REIA



- A **commitment** to utilizing the QAP and LIHTC program to **promote racially equitable outcomes**.
- More **commitment** to **Black, Indigenous, and People of color** (BIPOC) communities and developers.
- A **commitment** to **serving those residents most in need** and providing more housing opportunities with access to resources and amenities.
- Work with Development Team whose proposals demonstrated their commitments to advancing **Racial Equity**
- **Preference** for development teams with BIPOC-led developers, professional service teams and/or service providers and contractors.
- **Preference** for Joint ventures or Partnerships that ensure small, BIPOC-led firms and nonprofits have material participation in a manner that promotes their growth.

QAP Responses and Results



- DOH Received 51 Applications
 - 50 proposals were either BIPOC-Led or BIPOC JV
- First Native American Multifamily Development
- Re-entry Housing
- Historical Investment
 - \$1B in Investment in Affordable Housing
 - 24 Selected Proposals (Double 2019)
 - 14 targeting a 2022 closing
 - 9 targeting a 2023 closing



Affordable Housing

\$1 Billion Investment in Affordable Housing

In 2021, the City of Chicago made unprecedented investments to affordable housing creation and preservation made possible by the Chicago Recovery Plan and Mayor Lightfoot's 2022 budget. As a result, the Department of Housing (DOH) is more than doubling developments awarded and units built over the 2019 LIHTC round: 11 developments, 1,083 units and \$398 million in 2019 vs. 24 developments, 2,428 units and more than \$1 billion in 2021.

This investment is not merely about more money and more units, however; the results also reflect a commitment to conduct the Department's work through a racial equity lens. Over the course of 2020, staff conducted the country's first Racial Equity Impact Assessment of the Low-Income Housing Tax Credit program through a process that examines data by race

and centers the experiences of impacted populations. Staff then converted learnings from that process into new expectations in the 2021 Qualified Allocation Plan, including for the first time ensuring that BIPOC developers benefit from LIHTC and a focus on access to housing for particularly marginalized groups.

Additionally, as part of its commitment to address displacement in communities experiencing displacement of longtime residents, the City of Chicago is acquiring the site at 18th & Peoria in the Pilsen community for the construction of affordable housing and community amenities. This 6.3 acre site is expected to garner a minimum \$100 million investment in at least 280 much-needed affordable units. ■

Mission

Chicago's Department of Housing expands access and choice for residents and protects their right to quality homes that are affordable, safe and healthy.

Vision

Equitable distribution of resources across all 77 communities so that every Chicagoan can choose and remain in quality housing that's affordable, safe and healthy.

For more information about the Chicago Department of Housing, visit chicago.gov/housing



2021 Priorities and Highlights: ETOD & ISW

Coordination with strategic initiatives and concerted community revitalization plans like the City's ETOD Policy Plan and Invest South/West

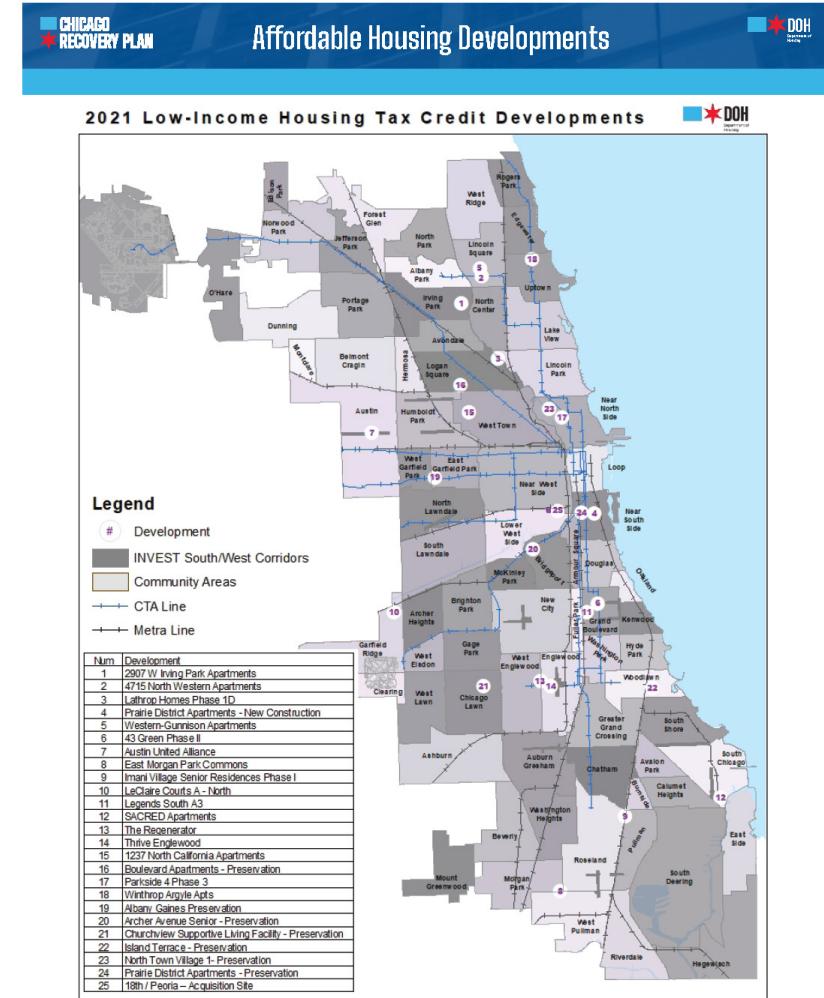


Equitable Transit Oriented Developments (eTODs)

- Located along or near established public transit lines, stations and hubs
- Located in Transit-Served Locations (TSL), as defined in Section 17-10-0102-B of the Chicago Zoning Ordinance and under other applicable provisions of the Chicago Municipal Code

Community revitalization plans

- Developments located within the boundaries of concerted community revitalization plans, such as INVEST South/West
- Community improvement initiatives marshalling the resources of community organizations, and corporate and philanthropic partners



PRIORITY TRACTS AND PREFERENCES



- Priority Tract I: Opportunity Areas

Focus on the affordable in highly appreciating areas

- Priority Tract II: Redevelopment Areas

Catalytic for community

- Priority Tract III: Transitioning Areas

Lowest incomes, most in need

New 2021 Priority Tract

- Priority Tract IV: Preservation TEB and 4% LITHC



Awardee Highlights



2021 Low-Income Housing Tax Credits (LIHTC)

Awardee Highlights



More than **\$1 billion** investment in affordable housing



2,428 total rental units created or preserved
- More than doubling the amount of housing created as compared to the previous round, thanks to the Chicago Recovery Plan



18 of 24 (79%) projects are Equitable Transit Oriented Developments (eTOD)
- **12 of 18** on South and West Sides (67%)



10 of 24 developments are BIPOC

All 24 will have BIPOC (Black, Indigenous People of Color) participation

Tract 1: Opportunity Area

- 2907 W. Irving Park Apartments, Irving Park
- 4715 N. Western Apartments, Lincoln Square
- Lathrop Homes Phase 1D, Lincoln Park
- Prairie District Apartments (New Construction), Near South Side
- Western-Gunnison Apartments, Lincoln Square

Tract 3: Transitioning Area

- 1237 N. California Apartments, West Town
- Boulevard Apartments, Humboldt Park
- Parkside 4 Phase 3, Near North Side
- Winthrop Argyle Apartments, Uptown

Tract 4: Preservation

- Albany-Gaines Redevelopment, East Garfield Park
- Archer Avenue Senior, Bridgeport
- Churchview Supportive Living Facility, Chicago Lawn
- Island Terrace, Woodlawn
- North Town Village 1, Near North Side
- Prairie District Apartments, Near South Side

+ Acquisition Area for future development: 18th & Peoria, Pilsen, with an estimated **\$100 million** in development costs. This over six acre site can be developed with a minimum of **280 affordable units**.



QAP Lessons Learned

- BIPOC Developers continue to need support with technical assistance, predevelopment funding and access to capital
- Continue the focus on partnerships and JV's for ownership, construction and professional services
- Continue to reduce barriers for both BIPOC developers to participate in affordable housing programs and for the tenants that will ultimately live in these developments.
- Encourage partnerships with the development community to create more Permanent Supportive Housing for people experiencing homelessness or those at risk of homelessness



WHAT'S NEXT?

- QAP 2023
 - What can you expect going forward?
 - More Guidance
 - 2023 REIA Goals and Outcomes
 - Building Stronger Relationships

NEW DEVELOPMENT OPPORTUNITIES

- 18th and Peoria Site (6 Acres of Land to be developed) a proposed \$100M investment with a minimum of 280 Units.



Continued Commitment to Racial Justice



Current Initiatives

Driven by our Mission, Vision and Values, the Department of Housing's commitment to Racial Justice involves the following current initiatives:

- **Change Teams** with our Policy and Construction and Compliance Bureaus
- **Housing Stability Community Resource Table** with the Office of Equity and Racial Justice for the Mayor
- Woodlawn and Pilsen **Resident Retention Efforts**
- Redesign of the **Small Accessible Repairs for Seniors Program** with the support of Mayor's Office for People with Disabilities
- **Assessment of Fair Housing** with the Chicago Commissioner on Human Relations
- **Equitable-Transit Oriented Development** Policy Changes and Pilot Projects



Thank You!

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