

Inclusionary Housing for the City of Chicago

Myths and Facts

Myth: It will stop or slow development.

FACTS:

- Over 200 communities across the country have successful inclusionary housing programs that have not stopped or slowed development. The CPAN program here in Chicago has not stopped or slowed development.
- Cost offsets, hot local housing markets, and possible moderations in rising land prices over time can all help pay for the cost of producing affordable homes and apartments.

Myth: It will harm the tax base.

FACTS:

- It will expand the tax base by creating more working-class homeowners who pay property taxes to the city.
- It will also preserve the city's existing tax revenues by helping to address the city's housing problem without spending scarce public resources.
- No community around the country with an inclusionary housing program has seen a decrease in property values or an erosion of the tax base.

Myth: It is an unfunded mandate on developers.

FACTS:

- Developers are provided significant “cost offsets” (e.g. density bonuses, reduced parking requirements, fee waivers, etc). In return, developers must produce some affordable housing.
 - This ordinance is consistent with the city's current programs which require developers to include affordable housing when they receive TIF assistance or a write-down on city-owned land.
 - The City has always required development standards in order to benefit the “public good,” such as building code and safety requirements, green roofs, landscaping, and open space standards.
- Why not affordable housing?**

Myth: It won't work in a big city like Chicago.

FACTS:

- Inclusionary housing is already working here in Chicago through the Mayor's TIF and land write-down ordinance and the CPAN program. **San Diego**, the 7th largest city in the nation, has a successful program. Other large cities like **Boston, Denver, San Francisco, and Sacramento**, also all have successful programs.

Myth: The City is already doing enough to address the affordable housing crisis.

FACTS:

- Even though the City of Chicago has many outstanding affordable housing programs, these programs, though effective, are not sufficient and the problem continues to worsen. According to the City's five-year affordable housing plan – 225,000 households pay more than 30% of their monthly income on rent, and 73,000 pay more than that on mortgage expenses.
- Between 1998 and 2003, the City could have created **more than 7,000 additional affordable homes and apartments** with this ordinance.