



# 1woodlawn

## Managing Involuntary Displacement

Update By: Thurman "Tony" Smith  
February 24, 2018

# THE UNCOMFORTABLE MARRIAGE OF REVITALIZATION & DISPLACEMENT

Neighborhood revitalization, as evidenced by the performance of schools, quality of housing stock, enhanced public amenities and public safety stability, is often accompanied by the threat of or realization of involuntary displacement. *Planning for displacement mitigation is a Woodlawn priority.*

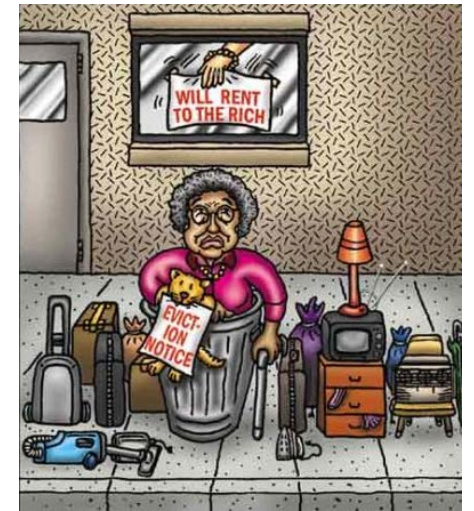


Nearly half a billion dollars in investments have been planned or are underway!

# WHAT IS INVOLUNTARY DISPLACEMENT?

Often considered synonymous with gentrification!

- When a household is compelled to exit a community because of the housing cost burden
- OR
- When a household exits a community because rental units are sold or converted to condominium or cooperative units
- OR
- When Section 8 or other affordability covenants are allowed to expire or are no longer accepted and residents must move.



Source; San Francisco Bay View: National Black Newspaper

Our aim is to reign in Displacement Forces Now!



# WHY DISPLACEMENT IS DIFFICULT TO SOLVE?

Communities fail to recognize the *early stages of gentrification* and wait until it is too late!

**Market Forces** are difficult to contain (law is biased towards market economics)

Ineffective or unproductive **partnering with municipal authorities**.

Good policies can have *bad side effects* (e.g. TOD driven displacement)

Lack of capacity or engagement of **community based organizations**.

**Access to Capital** (disproportionate bias against LMMI households)

Opportunistic **Selling and Cash Buying**.



**Unlike Logan Square or Pilsen or the South Loop, we are taking Preemptive Action**

**1woodlawn**

# What Communities Can Do to Control Displacement:

## Community Organizing *(Our Strength)*

- Informed advocacy
- A unified voice (minimized fracturing).
- Preemptive Planning and Policy Development
- Continuous Communication & Education

## Coalition Building *(Our Strength)*

- Equitable & continuous collaboration with governmental authorities
  - e.g. Affordable Rent Ordinance (in Logan Square)
  - e.g. Formal extension of affordable rent covenants
- Alignment with key stakeholders (Advocacy, Non-Profit & Private Stakeholders)

**Expand Access to Capital to support affordable developments**



## First: Figure Out Who is Most at Risk?

What we see so far: Low, Moderate and Lower-Middle Income Households not eligible for subsidized housing (including fixed income seniors). Families earning less than \$60K per year.

## Primary Strategies Being Considered:

- Obtain Appropriate Municipal and IHDA Assurance/Commitments to Preserve our Low-Income Housing Inventory.
- Community Control of Municipally owned property, all managed under a community developed, comprehensive and equitable strategy (via partnership with the Cook County Land Bank).
  - Will include more equitable, local and diverse hiring requirements. Preserve Work Force Rental Inventory.
- Inclusionary Zoning to assure affordable housing for families not otherwise eligible for housing subsidies
  - Includes controls on condo conversions.
- Tax Abatement
- Optimal Deployment of TIF Monies to make needed home improvements for LMMI owners – aiming to eliminate repair cost and lower utility spend.
- Down-payment Assistance for LMMI buyers
- Create Cooperatives and Community Equity Agreements to acquire and own work-force housing for LMMI households

**The City has already agreed to help us develop this strategy more fully!**



## WHO IS ON POINT?: WOODLAWN PARTNERSHIP FOR ECONOMIC DEVELOPMENT (WPED)

Housing Subcommittee on Displacement:



**Purpose: Conduct a Comprehensive Community Led Displacement Vulnerability Assessment**

Questions / Risks we have attempted to address in this analysis:

- **SEVERE COST BURDEN RISK:** Which population segments are vulnerable to displacement (forced to leave because of cost) or blockage (priced out of entering)?
- **REBALANCING RISK:** What happens if a rebalancing occurs - where the mix of renters and owners migrates to one reflective of the city (say 50% owners and 50% renters)?
- **LAPSE OF RENT CONTROLS:** What vulnerabilities arise should current income restrictions on the neighborhood's low-income housing inventory be allowed to lapse?

### **SEVERE COST BURDEN RISK:**

Increasing Taxes, Mortgage Costs  
Utilities, Repairs or Insurance.

Increased Rents

### **REBALANCING RISK:**

Condo Conversions  
Property Sales  
Inadequate Construction of  
Rentals

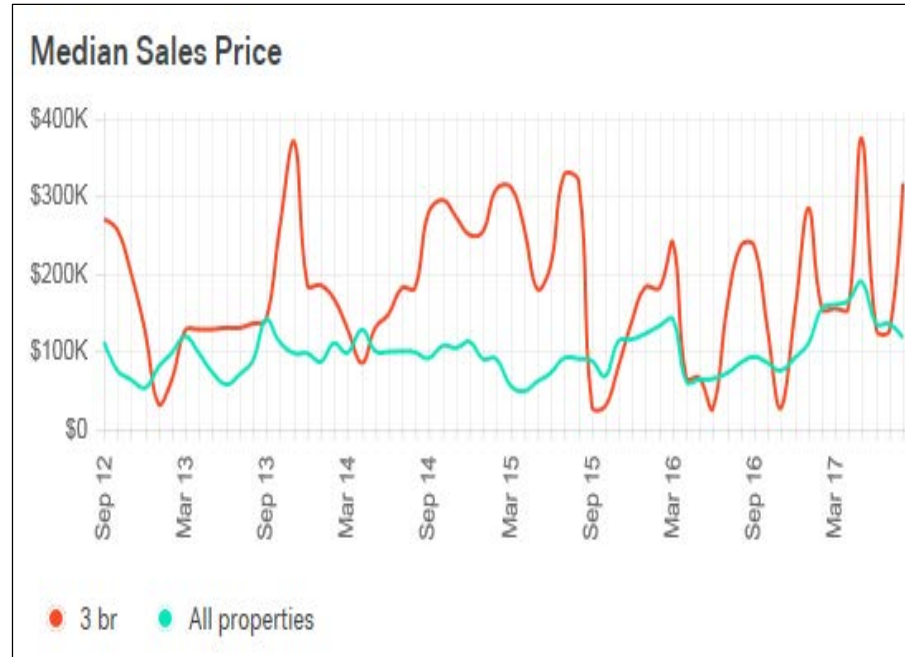
### **LAPSE OF RENT CONTROLS:**

Federal or Local Subsidies not Renewed  
Property Sales (buy-out of obligation)  
Insufficient Subsidies to Repair to Standard

# WHAT WE SEE SO FAR: EARLY SIGNS OF POTENTIAL DISPLACEMENT:



SHARPLY INCREASING RENTS



VALUES INCREASING FASTER THAN CITY

## OTHER VULNERABILITY INDICATORS:

- 77% of residents are Low-Income
- 4 in five renters are in market-rate units
- Only 19% of residents are home owners versus 40% to 50% in the city.
- +70% of existing residents are housing cost burdened (spend > 30% of pay on housing) and 42% are severely cost burdened (spend > 50% of pay on housing)

Sensitive Demographics



# WHAT WE KNOW SO FAR: 3 PRINCIPLE RISKS

## REBALANCING RISK (HIGH):

2,955 low-income Rental Units could likely convert to Condo Or For Sale housing until market reaches equilibrium (50/50)

Current median Home Value of \$300K for a 3-bedroom unit is not affordable to most low and moderate income households.

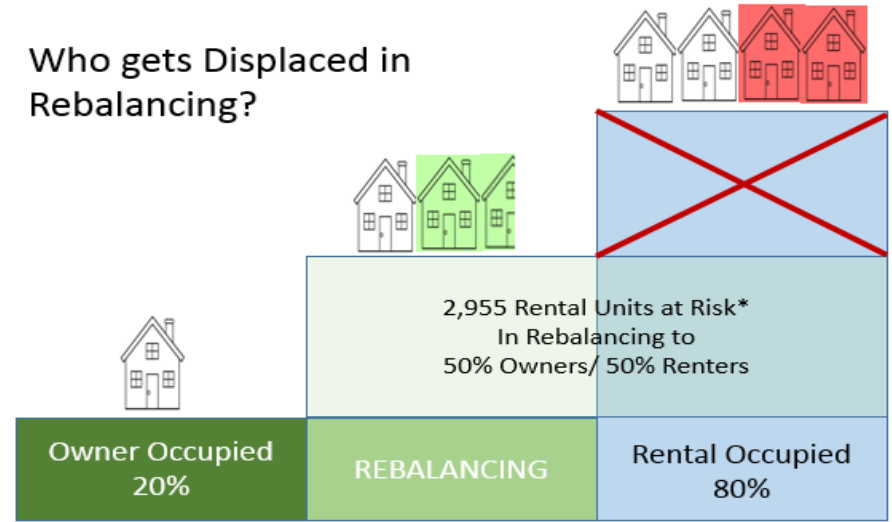
## LAPSE OF HUD/SECTION 8 RENT CONTROLS (LOW RISK)

Not Likely at this time (Makes up 19% of Woodlawn Housing)

## HOUSING COST BURDEN RISK (HIGH)

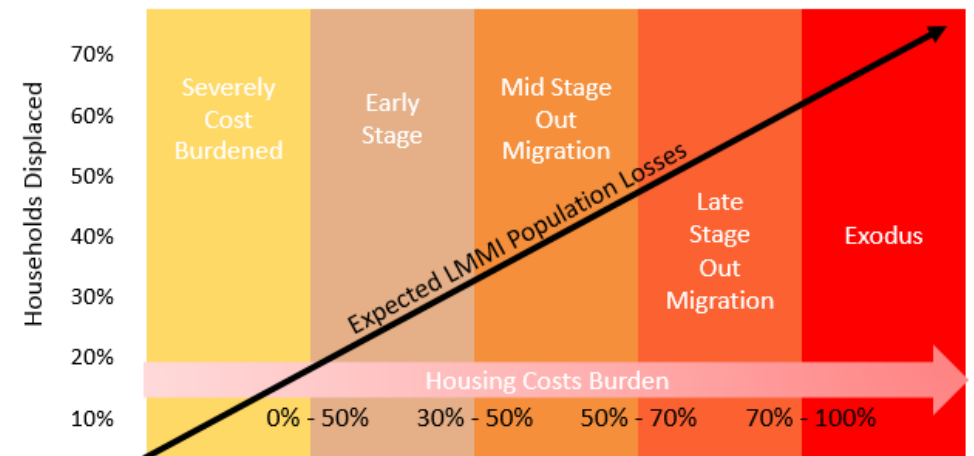
42% of all Renters are Severely cost burdened. This is not unusual for a low-income community. But as the neighborhood changes, low-income renters are priced out.

Nationally, the severe cost burden concentration is 15%. We are nearly 3x's that concentration.



Source: Smith (2017)  
\*Includes 1,565 occupied units and 1,390 vacant units

## Woodlawn Expulsion Index



## NEXT STEPS:

---

- COMPLETE VULNERABILITY ANALYSIS
- REVIEW, REFINE AND CONFIRM RECCOMENDATION WITH THE QUADRANTS
  - Continuous and timely reporting
- NEGOTIATE STRATEGY COMMITMENT WITH THE CITY
- NEGOTIATE STRATEGY COMMITMENT WITH COOK COUNTY LAND BANK
- ESTABLISH PROJECT COMPLIANCE REVIEW COMMITTEE FOR SITE CONTROL STRATEGY
- WORK WITH CITY AND LOCAL LENDERS TO SECURE CAPITAL RESOURCES FOR PROJECTS

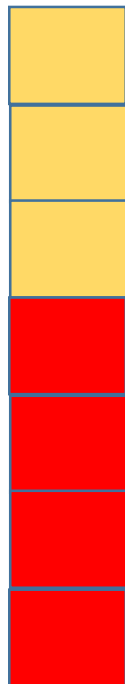


**1woodlawn**

# TIME LINE FOR DISPLACEMENT MITIGATION PLAN:



- Community Organizing around Displacement: Started in 2015
- Deepen Community Engagement: Quadrants Leadership Established in 2016
- Committee on Displacement Established: 2017
- Engagement of Cook County Land Bank: 2017
- Engagement of City Department of Planning: 2017

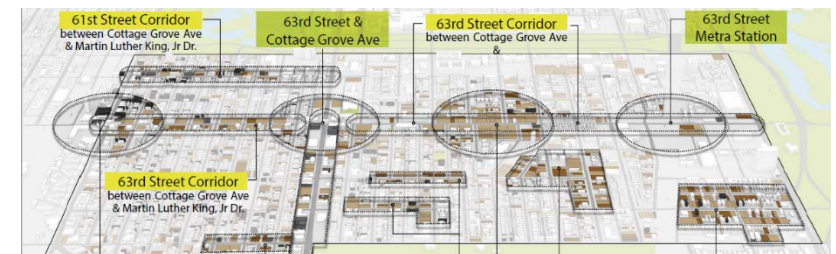


- Complete Displacement Analysis: March, 2018
- Formalize Partnering with the City: April, 2018
- Formalize Partnering with the Cook County Land Bank: April, 2018
- Create & Educate WPED Project Review Committee: April, 2018
- City Approval of Woodlawn Development Plan: May, 2018
- Commence Property Acquisition Strategy: May, 2018
- Engage IHDA and CHA on housing Preservation Strategy: May, 2018



## A LOT OF GREAT THINGS ARE HAPPENING – NOW IS THE TIME TO INVEST IN **YOU!**

- We are Organized and Have a Plan
- Home Equity is Growing Faster than the stock market!
- The Quality of Life is improving
- Public Safety is improving
- We are a “Curbed Chicago” Best Neighborhood
- The Presidential Library is Coming!
- Jewel is Under Construction
- A new state of the art Train Stop is coming
- The Garden of the Phoenix (Olmsted Lagoons) are open again
- An organized community is an advantaged community (YOU!)
- This is **YOUR** home and **YOUR** Plan – no one had to do it for you!



# THANK YOU and QUESTIONS



**WPED: HOUSING SUBCOMMITTEE:**

Thurman “Tony” Smith, Vince Lane, Alyssa Berman-Cutler, Mattie Butler and Deborah Moore

