

Editorial

Will new Department of Housing actually address affordable housing crisis?

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Eliminating governmental departments is a favorite tactic of conservatives. While they say such actions are for efficiency, cost-savings, and other positive sounding words, usually the result is that key services needed by the public, especially middle- and lower-income groups, are eliminated.



It was therefore dismaying when former Mayor Richard M. Daley in 2009 eradicated the City's Department of Housing, moving some of its functions to the Department of Family and Support Services and Department of Planning and Development, and eliminating some services altogether. We expect such actions from Republicans, not Democrats.

Mayor Rahm Emanuel, seeing the error of Daley's ways, albeit some nine years after the fact, announced on June 26 the restoration of the Department of Housing.

We hope that the mayor is sincere about increasing the City's commitment to affordable housing through this department, because the lack of affordable and public housing in Chicago has reached the crisis stage.

Statistics show that the Chicago Housing Authority (CHA) has significantly reduced the number of housing units built under Mayor Emanuel. Under Daley, the number of units constructed annually averaged averaging 840. Under Emanuel, the CHA built 424 units in Emanuel's first year, then 112, then 88, then 40—all numbers way too low. Can you wrap your head around only 40 units of affordable housing in 2014 in a city as large as Chicago? This is unthinkable.

In 1999, under Daley and with Emanuel vice chair of the CHA board, the City came up with its Plan for Transformation, calling for the demolition of almost 18,000 units of public housing and the construction or renovation of 25,000 units over the next seven years. The demolitions occurred, but very little of the construction did. Yet the CHA has had a surplus of money for years, at one time having more than \$400 million in its coffers, so it could have built the units—if Daley and Emanuel had been serious about increasing public housing. The “Plan for Transformation” was more like a “here’s a Section 8 voucher, go live somewhere besides the City of Chicago.”

Gentrification, including rising rents for rental properties or their replacement with condominiums and houses, is happening across the city. The problem is particularly acute in this area in Pilsen, forcing longtime residents out as they can no longer afford to live in their own neighborhoods. As we have reported previously, Pilsen has lost approximately 10,000 mostly low- to moderate income Hispanic families over the past decade, with some 5,000 residents forced out by evictions. Pilsen Alliance has reported the average income in Pilsen in 2010 was \$20,000. By 2015, it had skyrocketed to \$80,000 to \$90,000, and that is not because wages are rising. It is because longtime low- and moderate-income residents are being forced out and the more well-to-do are moving in.

DePaul University’s Institute for Housing Studies estimates that there are 182,000 people in Cook County needing low-cost housing—and most of the need is in Chicago. The institute notes that since 2012, the county has lost more than 15,000 two- and four-flats—the most common source of affordable rental housing. Also since 2012, the number of affordable rental units in Chicago has declined by more than ten percent.

With rents rising and housing diminishing, the public is fighting back. In Chicago, we see frequent demonstrations for a minimum wage of \$15 per hour, and part of the reason is the rising cost of housing. Chicago’s minimum wage, \$12 in 2018, slated to go to \$13 in 2019, and indexed to the Consumer Price Index thereafter, is still not enough to pay for rising rents and other rising costs of living.

At least we’re not St. Louis, where the Republican-dominated state legislature and Republican governor cruelly *reduced* the minimum wage from \$10 to \$7. California, on the other hand, will hit \$15 per hour in 2022, and many other U.S. cities will reach that figure earlier. Why not Chicago?

In another example of the public fighting back, an old idea dormant for decades—rent control—has suddenly become popular. A repeal of a ban on rent control in Chicago was on the March 20 ballot in several wards, and the public voted for rent control in percentages ranging from 60% to 75%.

The mayor has made some high-profile moves on affordable housing. In early June, he announced an initiative to create “tiny” homes throughout the city, targeted for the homeless and seniors. Later in the month, when he announced the new Department of Housing, he specifically pointed out that its mission was “to make housing more affordable and accessible for all Chicagoans.” He also has a Five-Year Housing Plan to increase affordable housing. The question is, does Emanuel deserve another term as Mayor to see this housing plan through? The voters will decide in February 2019. If former Governor Pat Quinn and Take Charge Chicago have their say, the mayor will be term-limited before he gets a chance to seek a third term.

We hope that the rising of the Department of Housing from its ashes is all not too little, too late, as the City and the mayor up until now have just not been doing enough. We also hope that the new Department of Housing is not an election-year ploy to make it look like the City and the mayor are doing something, only to sink into bureaucratic inertia after the election.

Community activists, *Gazette Chicago*, and most importantly, the public, will all be watching to make sure this new department actually addresses the affordable housing crisis.

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