



Linking Housing to Prosperity: Success and Opportunities

South Suburban Housing Collaborative

An Interjurisdictional Approach to Addressing Housing Challenges in Southern Cook County

October 23, 2009

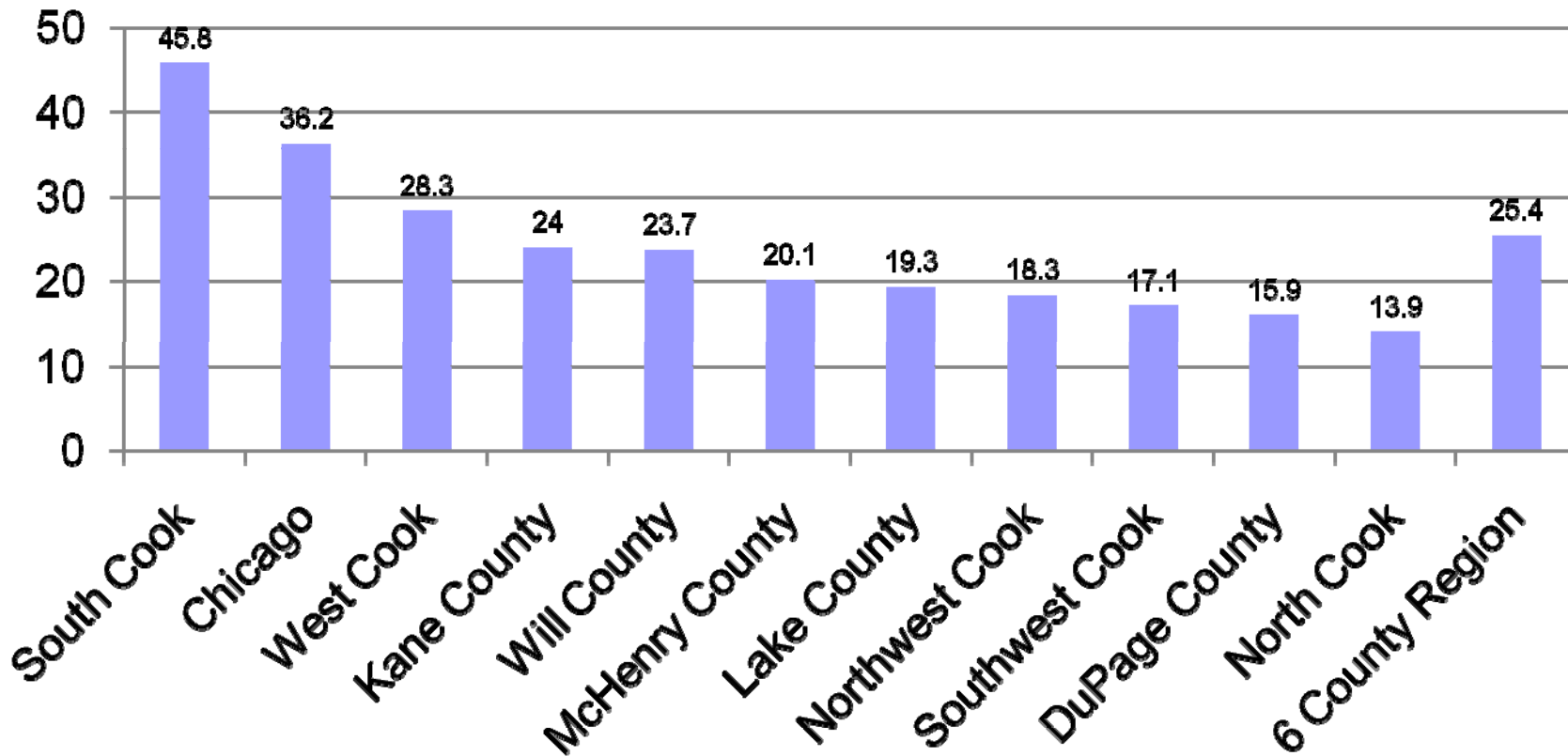
South Cook's foreclosure problem

- In terms of foreclosures, South Suburban Cook County is the hardest hit area in the entire State of Illinois
- Foreclosure filings:
 - 6,013 in 2008
 - 2,415 in first half of 2009
 - 10% decrease from first half of 2008, largely due to federal and state actions
- Despite the decrease, concerns remain
 - Lack of counseling resources to work with troubled borrowers
 - Large number of already vacant and abandoned properties
 - Almost 3000 foreclosure auctions in 2008, almost all reverting to bank ownership



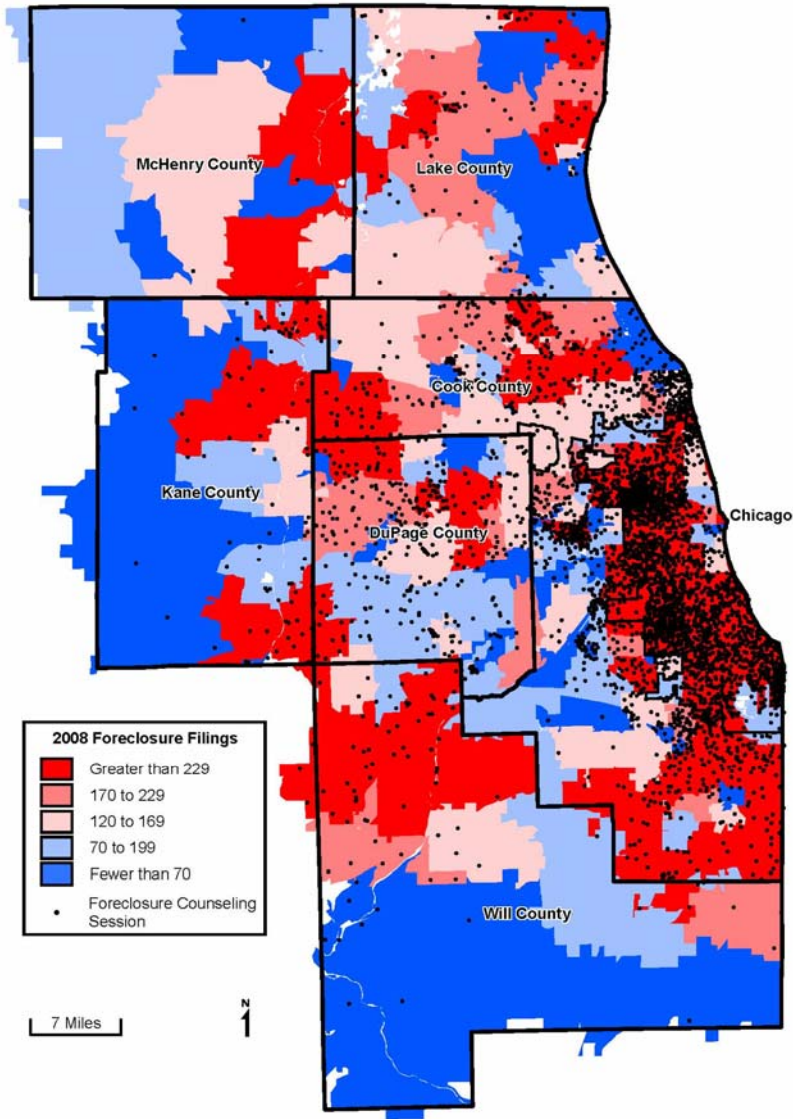
South Cook's foreclosure problem

Foreclosure Filings per 1,000 Mortgageable Properties, 2008



Data from Woodstock Institute

South Cook's foreclosure problem



Foreclosure Counseling Sessions
VS.
Foreclosure Filings

Counseling resources are not nearly
adequate in South Cook

Data from Woodstock Institute



Addressing the Crisis

The Calumet River Corridor began incorporating housing development and Employer-Assisted Housing into their transportation and economic development planning



Regional Home Ownership Preservation Initiative: A network of organizations working to address the foreclosure crisis in the Chicago area recommended interjurisdictional solutions



Confirmation that collaboration would be the best chance for success in the southern suburbs



Neighborhood Stabilization Program (NSP)

- At about the same time, NSP was established under the Housing and Economic Recovery Act of 2008
- \$3.92 billion nationally, \$170+ million by formula to Illinois recipients
 - Cook County allocated \$28 million; State allocated \$53 million
- Funds can be used to:
 - Purchase and rehabilitate abandoned or foreclosed homes
 - Establish land banks for foreclosed homes
 - Demolish blighted structures
 - Redevelop demolished or vacant properties
- A \$2 billion second round of funding, “NSP2”, was authorized by the ARRA bill and established a nationally competitive application process

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- The interjurisdictional approach “took off” when NSP was announced
- SSMMA called a meeting of its member towns on January 8th, 2009 to discuss NSP and broader opportunities for collaboration
- The communities decided to explore this concept, with many signing up to participate in a Steering Committee



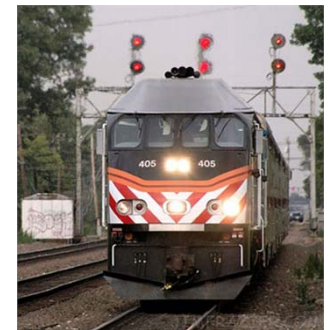
Benefits of a Collaborative Approach



- **Economies of Scale:** Creates greater efficiencies throughout the participating communities. Each community gets “more for its money.”
- **Leveraging Investment and Private Sector Partners:** Single point of entry makes it easier for developers, banks, employers, and others to work with the member communities. More attractive for these resources to work with a regionally-structured effort.
- **Increased Staff Capacity:** Full-time staff skilled at advancing complex workforce housing initiatives
- **Distribution:** Helps to ensure an equitable distribution of workforce housing throughout the participating communities
- **In Line with Federal Goals:** New leadership at HUD and in the White House support interjurisdictional solutions to problems that do not adhere to municipal borders

Local NSP Strategy

- To ensure that these limited resources are spent strategically, advancing the housing, economic and transit-oriented development goals of the communities
- Prioritize the funding by:
 - Focusing on areas along transit lines and the Calumet River
 - Supporting a recent RTA grant and the Calumet River Group's economic development goals
 - Bolstering areas around existing mixed-income investments such as Riverdale's Whistler Crossing and South Holland's Town Center
 - Leveraging private sector investment through Employer-Assisted Housing





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Since the initial meeting in January, much has happened:

- The Chicago Community Trust (CCT) awarded a grant to hire the Director of Housing Initiatives for the Collaborative, starting June 1
- 17 towns submitted a joint application for State NSP funds on May 4, in support of requests from 12 communities
- 21 towns submitted a joint County NSP application on August 14
- Positive media attention and national recognition of this effort
- Additional philanthropic support from the Grand Victoria Foundation, Field Foundation, and Fannie Mae (for Diversity, Inc.)



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The Collaborative built a strong team of NSP partners, including:

- Chicago Metropolitan Housing Development Corporation
- DLA Piper
- Counseling partners led by Diversity, Inc. – South Suburban Housing Center, The Regional Fair Housing Center, Spanish Coalition for Housing, Neighborhood Housing Services of Chicago
- National Community Stabilization Trust
- Habitat for Humanity Chicago South Suburbs
- OAI, Inc.



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Strong support from regional partners:

- Metropolitan Mayors Caucus
- Metropolitan Planning Council
- Chicago Metropolitan Agency for Planning
- Chicago Metropolis 2020
- Federal Reserve Bank
- Center for Neighborhood Technology
- Chicago Southland Economic Development Corporation
- Regional Transportation Authority



Not just about NSP though...

While NSP has been the initial focus, the collaboration was never just about NSP. The Collaborative aims to:

- Help the communities play a leading role in implementing sustainable development activities that advance local visions
- Promote a more efficient way of doing business across the sub-region
- Provide additional resources to capacity-constrained municipalities and build local knowledge on housing issues
- Lead joint outreach efforts to employers, seeking their involvement in initiatives like employer-assisted housing
- Build counseling and foreclosure prevention resources
- Create a long-term needs assessment for the sub-region and align programs and policies to the extent possible
- Integrate funding streams beyond housing (e.g., energy-efficiency and job training)



Next Steps

- The Collaborative is currently reviewing and updating all of its NSP proposals in anticipation of funding decisions
- Non-NSP work plan for the coming year is being developed
- Federal initiatives like the Sustainable Communities Partnership led by HUD-DOT-EPA, HUD's new Office of Sustainable Housing and Communities, and the proposed Livable Communities Act all hold the promise of potential funding for the Collaborative's efforts
- Several borrower outreach events being planned
- Current EAH employers will help with further employer outreach. The Collaborative is determining if 10-20% goals are appropriate, akin to Mayor Daley's goals with the Plan for Transformation.



For more information, please contact:

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Thank you!