When the MacArthur Foundation first convened discussions about preserving affordable rental housing in Cook County in 2005, the housing market was at its height. Rising rents, condo conversions, and opt-outs of publicly assisted housing presented the principal threats to preserving this housing. Then, when the market crashed in 2008, conditions abruptly changed. Steep price declines, high vacancy rates, foreclosures, and abandonment characterized the post-crash marketplace. Concerns about affordable rental units being lost to condo conversions, rising rents, or opt-outs no longer seemed relevant.

Now, in the midst of a budding economic recovery, the landscape is changing once again. The crash did not hit all neighborhoods equally, and the recovery is proceeding very unevenly across the Chicago region. Downtown and in strong neighborhoods, the recovery is in full swing—vacancy rates are extraordinarily low, rents are rising, property values are increasing. Many low and moderate income neighborhoods, however, continue to be plagued by foreclosures, abandonment, high unemployment, and extremely depressed property values. Both scenarios present challenges to the preservation of affordable rental housing.

In Cook County, an estimated 483,000 households need affordable rental housing, but there is a supply of only 303,000 affordably priced rental units. Preservation of affordable rental housing is good for our economy. It shelters our workforce, provides jobs, and contributes to community stability and family security. Preserving what we have is good for the environment.

And preserving existing housing makes good sense. New rental housing can cost $300,000 per unit to build, far in excess of what can be supported by Cook County’s median rent of $1,000 per month. Today’s conference will give us the opportunity to explore Cook County’s changing housing market, to reflect on our progress to date, and to develop rental preservation strategies appropriate for our new economic conditions. Thank you for joining us. And thank you for your commitment to the Preservation Compact.

Jack Markowski
Chair, The Preservation Compact
President, Community Investment Corporation
July 18, 2013

The Preservation Compact
Community Investment Corporation
222 South Riverside Plaza, Suite 2200
Chicago, Illinois 60606

Dear Friends:

I am writing to express my support of and commitment to The Preservation Compact.

The existence of affordable rental housing is pivotal to ensuring the vitality of Cook County. Currently, 40% of Cook County residents are renters. To date, however, the supply of affordable rental housing has not kept pace with demand; additionally, over 400,000 renters in Cook County pay more than 30% of their income in rent. The Preservation Compact successfully gathers together public, private and nonprofit leaders to address these challenges and others, specifically by helping to preserve affordable multifamily rental housing in Cook County, including subsidized housing.

I would like to thank everyone at The Preservation Compact for the deep sense of mission which you bring to your work. I send best wishes for a successful Conference, as well as best wishes for the continued success of The Preservation Compact.

Sincerely,

Toni Preckwinkle
President

RAHM EMANUEL
MAYOR

July 18, 2013

Dear Friends:

As Mayor and on behalf of the City of Chicago, I offer my warmest greetings to everyone gathered for The Preservation Compact Conference.

Established in 2007, The Preservation Compact was formed in response to growing losses in affordable rental housing in our region. Within the Compact, leaders in varying industries possessing expansive expertise come together to identify our most pressing affordable rental housing issues. They then go about devising solutions and implementing the on-the-ground strategies that can assist developers, owners, tenants, government officials and nonprofit organizations in ensuring safe, affordable housing far into the future.

Chicago has always been a city defined by its neighborhoods, and for us to realize our aspirations for the city’s future, our neighborhoods must be engines of economic, cultural, educational, and recreational opportunity. Chicago is one of the most affordable big cities, and it offers a wide array of places to live – from downtown high rises, to traditional bungalows and welcoming apartment buildings spread throughout the city. We are fortunate to have inherited a strong housing stock that has provided homes for generations of Chicagoans.

This conference reinforces the mission of The Preservation Compact to protect and stabilize housing for today and for the future. With the rising cost of construction, it has never been more important to preserve the existing stock of affordable housing. Whether it was originally built with government financing or developed by the private market, or serves a single family or multifamily purpose, none of this housing could be built today and be affordable for current residents. I commend The Preservation Compact for their commitment to enhancing our neighborhoods and finding ways in today’s economic challenges to keep our housing viable and affordable.

I hope you have an enjoyable and productive conference. Best wishes for much continued success.

Sincerely,

Rahm Emanuel
Mayor
SESSION 1: Illinois C Room
Preservation strategies in strong markets
As housing markets crashed, the threat of owners opting out of government assisted housing receded. Options for alternatives (such as condo conversion) were limited, and in Project Based Section 8 developments, owners preferred to stick with a secure source of income. In strong markets over the last two years, however, rents and occupancy levels have risen, single family sales activity has increased, and sales prices have started to recover. With market based alternatives once again available to owners, what strategies—existing and new—should be pursued to retain this stock as part of the affordable rental inventory?

Kate Watz, Sargent Shriver National Center on Poverty Law (Facilitator)
Dan Burke, U.S. Department of Housing and Urban Development
Cindy Holler, Mercy Housing Lakefront
Anthony Simpkins, City of Chicago, Department of Housing and Economic Development

SESSION 2: White Oak Room
Expanding energy retrofits
Under the Energy Savers program, almost 900 buildings with 35,000 units have had energy assessments, and 350 buildings with 12,000 units have been retrofitted—resulting in 30% savings in energy consumption and utility bills. Energy Savers is the most successful program in the country that addresses energy conservation in privately owned multifamily housing. But in Cook County, there are 465,000 rental units in multifamily buildings. Why aren’t all owners taking advantage of the free assessment offered by Energy Savers and installing energy conserving retrofits? What are the barriers to dramatically expanding participation in Energy Savers and what can be done to overcome them?

Anne Evens, CNT Energy (Facilitator)
Jim Wheaton, Community Investment Corporation (Facilitator)
John Braus, Checkmate Realty
Sandeep Sood, Nautilus Investments

SESSION 3: Fort Dearborn Room
Recovering lost rentals in 1–4 unit properties
In Cook County, nearly half of the rental stock is contained in 1–4 unit buildings. Over the last few years, these buildings have experienced a disproportionate share of foreclosure and abandonment. Today, thousands of vacant 1–4 unit buildings are located in communities with very weak demand for homeownership. What strategies will put this housing stock back to use as owner-occupied or investor-owned rental housing?

Nicholas Brunick, Applegate and Thorne-Thomsen (Facilitator)
Janice Morrissey, South Suburban Mayors and Managers Association
Ed Jacob, Neighborhood Housing Services of Chicago
Thurman “Tony” Smith, PNC Bank

SESSION 4: Cardinal Room
Community development to preserve rental housing
Many low and moderate income communities, which contain more than 75% of Cook County’s rental units, have suffered in recent years. Beyond falling property values, foreclosure, and abandonment in residential properties, these communities have experienced deterioration in the retail districts, high unemployment, and decreasing population. What strategies can be implemented to revitalize these communities—to make them places where people want to live and invest—and preserve this significant portion of the County’s affordable rental stock?

Susana Vasquez, LISC/Chicago (Facilitator)
Bill Eager, Preservation of Affordable Housing
Wesley Walker, Network of Woodlawn
John Greene, Neighborhood Housing Services of Chicago
Chet Jackson, West Humboldt Park Family & Community Development Council
Multifamily Finance Panel

**Financing Multifamily Rental Housing**
In the first years of the twenty-first century, easy access to credit fueled increasing real estate values that were ultimately unsustainable. When the bubble burst, values plummeted, billions of dollars were lost, and many banks were forced to close. Subsequent government interventions and regulatory/legislative reforms have been primarily targeted at stabilizing the American financial system and strengthening the core finances of banks.

While real estate lending dropped precipitously following the crash, a gradual market recovery in recent years has supported increased lending activity, particularly for single family homes and large multifamily buildings. But smaller multifamily buildings, which traditionally had credit provided by locally based portfolio lenders, still suffer from a lack of available credit, especially in low and moderate income communities.

Why does credit for multifamily rental housing continue to be severely constrained in low and moderate income communities? Is it because of new regulations or legislation, a lack of borrower demand, or banks’ own risk analysis? What can be done to restore ready access to credit for this segment that is so important to the preservation of affordable rental housing and the health of low and moderate income communities?

Erika Poethig, Urban Institute (Moderator)
Pamela Daniels-Halisi, The PrivateBank
Geoff Smith, Institute for Housing Studies at DePaul University
Mark Willis, Furman Center for Real Estate and Urban Policy, New York University
Barry Zigas, Bipartisan Policy Center Housing Commission

**Keynote Address**

**Richard Florida**
The Director of the Martin Prosperity Institute at the University of Toronto’s Rotman School of Management, Global Research Professor at New York University, and the founder of the Creative Class Group, which works closely with governments and companies worldwide, Richard Florida is perhaps the world’s leading urbanist, “as close to a household name as it is possible for an urban theorist to be in America,” according to The Economist. Esquire has included him on its annual list of “The Best and the Brightest,” and Fast Company dubbed him an “intellectual rock star.”

Florida is the author of several global best sellers, including the award-winning The Rise of the Creative Class (“one of the best business books of all time”—800-CEO-READ), and is a senior editor for The Atlantic, where he co-founded and serves as Editor-at-Large for Atlantic Cities, the world’s leading media site devoted to cities and urban affairs. Florida appears regularly on CNN and other news broadcasts and is a regular contributor to the op-ed pages of major newspapers and magazines. TIME magazine recognized his Twitter feed as one of the 140 most influential in the world.

Florida previously taught at Carnegie Mellon and George Mason University, and has been a visiting professor at Harvard and MIT. He earned his Bachelor’s degree from Rutgers College and his Ph.D. from Columbia University.
The Preservation Compact

Housing and Economic Development’s Housing Bureau.

Deputy Commissioner for the Chicago Department of municipal finance, most recently as Acting Managing development, affordable housing development and brings more than fifteen years’ experience in economic development activity for POAH’s Chicago office. Bill Eager

includes affordable housing and economic development. Pam Daniels-Halisi is a Managing Director at The

community settings with supportive services. Chet Jackson

development consultant. Bill Eager

President of the Woodstock Institute.

practitioners. Prior to joining IHS, Geoff was Senior Vice development. Previously, Wesley served as Executive Director of the Network’s comprehensive approach to community development. Previously, Wesley served as Executive Director of Northway Community Trust in Minneapolis and as Program Officer for LISC Chicago.

and as Program Officer for LISC Chicago.

of Chicago Department of Housing.

City’s Law Department. Anthony served as Senior Counsel at the

Erika Poethig is an Institute Fellow and the Director of

City’s Law Department. Anthony served as Senior Counsel at the

John Groene

Neighborhood Housing Services of Chicago, Inc. (NHS) as a loan officer in 1997. He led the Neighborhood Strategy and Planning Division and helped develop NHS’ response to predatory and sub-prime lending. In 2010, John returned to his neighborhood roots as the NHS Neighborhood Director for West Humboldt Park, the lead agency for the City of Chicago Micro Market Recovery Program (MMRP) in West Humboldt Park.

American Planning Association. He currently serves on the Board of Directors

As Deputy Commissioner for Preservation at the City of Chicago Department of Housing and Economic Development, Anthony Simpkins manages programs and initiatives designed to preserve existing affordable housing in Chicago. Prior to joining the Department, Anthony served as Senior Counsel at the City’s Law Department.

GEOFF SMITH

Geoff Smith is the Executive Director of the Institute for Housing Studies at DePaul University (IHS). To this role, he brings years of experience producing research on the dynamics of neighborhood housing markets and connecting that research to a broad range of housing practitioners. Prior to joining IHS, Geoff was Senior Vice President of the Woodstock Institute.

Thurman “Tony” Smith

Tony Smith is a Senior Vice President and Market Manager for PNC Bank’s Wisconsin-St. Louis region. He has been part of the region’s community development leadership for more than fifteen years and currently serves on the boards of NHB, CIC, and Quad Community Development.

Sandeep Sood

Sandeep Sood is a Principal at Nautilus Investments, LLC, an investment company focused on redevelopment, ownership and management of multifamily commercial real estate in the Chicago area and beyond. As a developer and real estate attorney, he has helped businesses and developers acquire, dispose of, and finance commercial real estate assets, as well as negotiate favorable commercial leases for retail, office, and industrial clients.

SUSANA VASQUEZ

Susana Vasquez is the Executive Director of Local Initiatives Support Corporation Chicago (LISC Chicago). Prior to becoming Executive Director, Susana was the director of LISC’s New Communities Program (NCP), the nation’s largest demonstration of comprehensive community development. LISC Chicago’s mission is to connect neighborhoods to the resources they need to become stronger and healthier.

JULIA STASCH

Julia Stasch is Vice President of U.S. Programs of the John D. and Catherine T. MacArthur Foundation. She is responsible for U.S. grantmaking, with a focus on the disconnect between the major institutions and systems that affect people’s lives and profound global economic, social, demographic and technological trends. Prior to joining the Foundation, Julia served as Chief of Staff to Mayor Richard M. Daley and as Commissioner of the Chicago Department of Housing.

Erika Poethig

Erika Poethig is an Institute Fellow and the Director of Urban Policy Initiatives at the Metropolitan Housing and Communities Policy Center at the Urban Institute. She recently served as Acting Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development and was a leading architect of the White House Council for Strong Cities and Strong Communities. Previously, Erika worked on housing and urban development issues with the MacArthur Foundation and the Chicago Department of Housing.

ANTHONY SIMPKINS

As Deputy Commissioner for Housing and Economic Development, Anthony Simpkins manages programs and initiatives designed to preserve existing affordable housing in Chicago. Prior to joining the Department, Anthony served as Senior Counsel at the City’s Law Department.

JACK MARKOWSKI

As President of Community Investment Corporation (CIC), Jack Markowski oversees the most important source of loans for the rehabilitation of multifamily residential buildings in the Chicago region. Jack has been active in housing and community development in Chicago for more than 30 years. He served as Commissioner of the Chicago Department of Housing from 1999–2007.

JANICE MORRISY

Janice Morrissy serves as the Deputy Executive Director of Housing for the Chicago Southland Housing and Community Development Collaborative. The Collaborative works to address the common housing matters that affect its communities. The Collaborative’s strategy is centered on the integration of jobs, housing, workforce, and infrastructure.

ERIKA POETHIG

Erika Poethig is an Institute Fellow and the Director of Urban Policy Initiatives at the Metropolitan Housing and Communities Policy Center at the Urban Institute. She recently served as Acting Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development and was a leading architect of the White House Council for Strong Cities and Strong Communities. Previously, Erika worked on housing and urban development issues with the MacArthur Foundation and the Chicago Department of Housing.

This conference brings together experts from various fields, including housing, economic development, and policy, to address key issues and challenges facing communities today. The speakers represent a range of organizations and institutions, from non-profits to government agencies, and their insights and experiences provide valuable perspectives on the current state of housing and economic development in the Chicago region and beyond.
Stacie Young
Stacie Young is the Director of The Preservation Compact. She coordinates policy and programmatic initiatives to further rental preservation—from energy retrofits and data analysis, to property taxes and government processes. Previously, Stacie worked for the City of Chicago Office of the Mayor as Assistant to the Mayor for Affordability, and at the Chicago Department of Housing as the Director of Policy and Research.

Barry Zigas
Barry Zigas became the Director of Housing Policy for the Consumer Federation of America (CFA) in 2008. Previously, he served as Fannie Mae’s Senior Vice President for Community Lending, and President of the National Low Income Housing Coalition in Washington, DC. He is currently Chairman of the Mercy Housing Board of Directors, a member of the boards of Low Income Investment Fund and National Housing Conference, and a member of the Bipartisan Policy Center’s Housing Commission.

Kate Walz
Kate Walz is Director of Housing Justice at the Sargent Shriver National Center on Poverty Law. In that capacity, she advocates on behalf of low income individuals living in or in need of public, subsidized, or affordable housing. Kate spearheads the housing policy work for the Shriver Center and has successfully advocated for legislation protecting low income renters facing condominium conversion, experiencing violence, and seeking to improve their housing conditions.

Jim Wheaton
Jim Wheaton has been the Manager of the Energy Savers Fund for CIC since 2012. Prior to joining CIC, Jim managed the single family mortgage operation for NHS Chicago. Jim is the co-editor of two books focusing on Chicago Greystone buildings, and is a past recipient of the Illinois Mortgage Bankers Association “Affordable Housing Leadership Award.”

Mark Willis
Mark Willis is a Resident Research Fellow at the Furman Center for Real Estate and Urban Policy at New York University. Before joining the Center, Mark was a Visiting Scholar at the Ford Foundation, working on research related to community development and the financial services sector. Prior to his time at Ford, Mark spent 19 years at JPMorgan Chase, overseeing its community development programs and products to help strengthen low and moderate income communities.
We thank all the members of the Policy Working Groups for developing and implementing policies and strategies to preserve affordable rental housing.

**Energy Retrofit Working Group**
- Deborah Bennett, Polk Bros. Foundation (Co-Chair)
- Andy Geer, Enterprise Community Partners (Co-Chair)
- Mike Bielawa, Community Investment Corporation
- Anne Evans, CNT Energy
- Bryan McDaniel, Citizens Utility Board
- Anne McQuinn, CNT Energy
- Jennifer Pack, Illinois Housing Development Authority
- Nicki Pecori, Illinois Housing Development Authority
- Rob Rose, Chicago Community Loan Fund
- Jacques Sandberg, Related Midwest
- Thurman “Tony” Smith, PNC Bank
- Mijo Vodopic, The John D. and Catherine T. MacArthur Foundation
- Christopher Wheat, Office of the Mayor, City of Chicago
- Jim Wheaton, Community Investment Corporation

**Rehab and Reuse of 2-4 Unit Properties Working Group**
- Nicholas Brunick, Applegate and Thorne-Thomsen (Co-Chair)
- Ellen Sahil, Chicago Housing Authority (Co-Chair)
- Allison Clark, The John D. and Catherine T. MacArthur Foundation
- Cami Freeman, Illinois Housing Development Authority
- Becca Goldstein, Neighborhood Housing Services
- Ed Jacob, Neighborhood Housing Services
- Saul Kilbanow, Kilbarn Strategic Consulting Services
- Katie Ludwig, City of Chicago
- Bruce Martin, JP Morgan Chase
- Paul Roldan, Hispanic Housing Development Corporation
- Anthony Simpkins, Chicago Department of Housing and Economic Development
- William Towns, University of Chicago

**Property Tax Improvement Working Group**
- Rafael Leon, Chicago Metropolitan Housing Development Corporation (Co-Chair)
- Steve Thomas, 5 T Management (Co-Chair)
- David Brint, Brinshore Development
- Dan Burke, U.S. Department of Housing and Urban Development
- Eiran Feldman, First InSite Realty
- Kevin Jackson, Chicago Rehab Network
- Dan Kotcher, DKI, Inc.
- Paul Shadle, DLA Piper

**Streamlining Processes & Building Codes Working Group**
- Lawrence Grisham, Chicago Department of Housing and Economic Development (Co-Chair)
- Estella Kiser, Kiser Group and President, Neighborhood Building Owners Alliance (Co-Chair)
- Mary Sue Barrett, Metropolitan Planning Council
- Brian Bernardoni, Chicago Association of Realtors
- Eiran Feldman, First InSite Realty
- Cindy Holler, Mercy Housing Lakefront
- Marty Max, MLC Properties
- Bryan Pritchard, Tricap Chicago

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- Anthony Simpkins, Chicago Department of Housing and Economic Development
- William Towns, University of Chicago

**Interagency At-Risk Property Working Group**
- Katie Buckner, U.S. Department of Housing and Urban Development
- Mark Fick, Chicago Community Loan Fund
- Angela Maurello, Community Investment Corporation
- Gené Moreno, Chicago Rehab Network
- Mark Roschen, Chicago Department of Housing and Economic Development
- Tony Sarkees, U.S. Department of Housing and Urban Development
- Anthony Simpkins, Chicago Department of Housing and Economic Development
- Gwen Thomas, U.S. Department of Housing and Urban Development
- Kate Waltz, Sargent Shriver National Center on Poverty Law
- Jim Weglarz, Illinois Housing Development Authority

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The Preservation Compact brings together the region's public, private, and nonprofit leaders to preserve affordable multifamily rental housing in Cook County.

The Preservation Compact is coordinated by Community Investment Corporation (CIC), with support from the John D. and Catherine T. MacArthur Foundation.