

The Preservation Compact Leadership Committee

October 8, 2020



Poorly Managed Portfolios



Background

- Three out-of-state investors: **3,600** units
- Unrealistic rehab and operating budgets

Status

- BHF portfolios
 - City: Code enforcement; receiverships
 - In bankruptcy process
 - Suburban: Early analysis; preservation?
 - Municipal outreach
- EquityBuild: court-ordered dispositions



Opportunity Investment Fund

Low-cost financing

- Targeted to high cost markets
- **\$3** million, **15** properties
- Total of **383** units, **85** affordable
- Oak Park, Hyde Park, Hermosa, Des Plaines, Evanston

Restructuring fund

- Lower rates to borrowers
- Increase OIF volume



Property Tax Incentive

Compact partners lead legislative effort

- Housing Action Illinois, Enterprise, MPC, and IHC
- State legislation introduced by Senator Feigenholtz
 - **35%** affordability: **35%** relief
 - **15%** affordability: **25%** relief

Diverse neighborhood impact

- Investment in lower-cost neighborhoods
- Affordability in rising-cost neighborhoods



Accessory Dwelling Units

NOAH Strategy

- Easier to add and preserve basement units
 - As of right in some zoning districts
 - Parking relief
- Helps stabilize moderate-income owner-occupants
- Helps discourage de-conversions of 2-flats

Elements for Success

- Clear and streamlined guidance and process
 - Financial tools where possible
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