

## **Suburban Cook County Multifamily Preservation Initiative: New Alignment of Incentives for Developers, Owners of Rental Housing**

The Suburban Cook County Multifamily Preservation Initiative (SCCMPI) is a new financing program created to encourage the rehabilitation and preservation of quality rental housing throughout suburban Cook County for municipalities and jurisdictions participating (currently or potentially) in the Cook County HOME Collaborative.

For properties that support the Housing Endorsement Criteria of the Metropolitan Mayors Caucus, SCCMPI will align and streamline new and existing resources for experienced, multifamily rental property owners and developers through one application process. Initially, dollars will be available for soft seconds, acquisition financing, operating subsidies, and energy efficient improvements. Among other key financial enhancements, eligible properties can earn additional points toward qualifying for Low Income Housing [tax credits](#) available through the Illinois Housing Development Authority.

### **Why new resources for multifamily suburban housing?**

- **Shortage of rental housing:** Homeownership is simply not an option for many people, especially given the current economy. Even in this weakened housing market, studies show that the local supply of rental housing is not sufficient to meet demand. Between now and 2020, it is anticipated that for every new affordable apartment built or renovated, two are likely to be lost. There continues to be an acute mismatch between the location of jobs and the housing affordable to accommodate the local workforce. Numerous suburban municipalities and employers are grappling with the fact that key employees such as teachers, nurses, and public safety officers cannot afford to live in or near the communities in which they work. On the flipside, many communities undergoing revitalization struggle to attract local workers as renters.
- **Properties in need of rehabilitation:** Even beyond the many properties boarded up due to foreclosure, many multifamily rental properties in suburban Cook County are reaching the point in their lifecycle where they require rehabilitation and modernization. However, the high cost of rehabilitation and the inability to raise rents to meet new debt service often make this economically infeasible.
- **Attract additional housing resources to suburban Cook County:** While state and local programs and incentives are available to assist the preservation of multifamily properties, Suburban Cook County has been unable to attract its fair share. This incentive provides flexible second mortgage financing and coordinates access to other resources to encourage more suburban preservation activity.
- **New federal initiatives** create new demand for rental housing tools in all parts of the County, as well as new incentives for local leadership.

To address the above concerns, Cook County, the Metropolitan Planning Council, the Preservation Compact, the Metropolitan Mayors Caucus and the Regional Housing Initiative have joined forces to launch this new initiative in the Cook County suburbs where the dearth of affordable rental housing is particularly acute.

### **The Initiative seeks to:**

- Improve the multifamily rental housing stock in Cook County.
- Support multifamily rehabilitation in job growth corridors to increase access to jobs and transit.
- Support the Neighborhood Stabilization Program and other revitalization and redevelopment efforts.
- Encourage collaborations of municipalities working across borders on stabilization and affordable, workforce housing issues.
- Leverage additional housing resources to Cook County.

## HOW TO APPLY

[\(Download application here\)](#)

### FINANCIAL ASSISTANCE:

This Initiative is designed to work with existing state and local financing programs and will coordinate its application and reviews accordingly. It will not create a new layer, but rather streamline its process around the resources currently available. Potential resources within this "one stop shop" include:

➤ **Cook County**

Second mortgage gap financing is available to help meet multifamily preservation needs in Cook County.

➤ **Metropolitan Planning Council and the Regional Housing Initiative (RHI)**

Managed by the Metropolitan Planning Council in coordination with the Illinois Housing Development Authority, [RHI](#) provides project-based operating subsidies for up to 25% of properties that meet the [Housing Endorsement Criteria of the Metropolitan Mayors Caucus](#).

➤ **Illinois Housing Development Authority**

Proposals selected for funding for this new initiative, including the RHI vouchers, will score additional points under the [Illinois Housing Development Authority \(IHDA\) tax credit competition](#). IHDA is also offering [Multifamily Initiative Bonds](#), which provide the availability of tax-exempt financing with a predetermined fixed rate of interest for developments financed by bonds that close by December 16, 2010.

➤ **The Preservation Compact**

A joint partnership to reverse the recent loss of affordable rental housing in Cook County, the Compact includes two resources for this program:

- [The Preservation Fund](#) will provide acquisition bridge loans to help preservation-minded buyers to quickly acquire properties at risk of being lost to the rental housing market.
- [Energy Savers](#) cuts operating costs for multi-family owners by providing technical assistance, energy assessments, weatherization and low cost loans for energy saving improvements.

➤ **Metropolitan Mayors Caucus**

The Housing Committee of the MMC has developed a range of tools and strategies to promote development and policy that meet the MMC Housing Endorsement Criteria. MMC will advise and review proposals submitted under this joint initiative.

### FOR MORE INFORMATION CONTACT:

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