



HOUSING  
PARTNERSHIP  
NETWORK

# Policy Notes

**CIC's Preservation Compact:  
The Policy Collaborative Preserving  
Cook County's Affordable Housing Stock**

# The Need for Affordable Housing Preservation in Cook County, Illinois

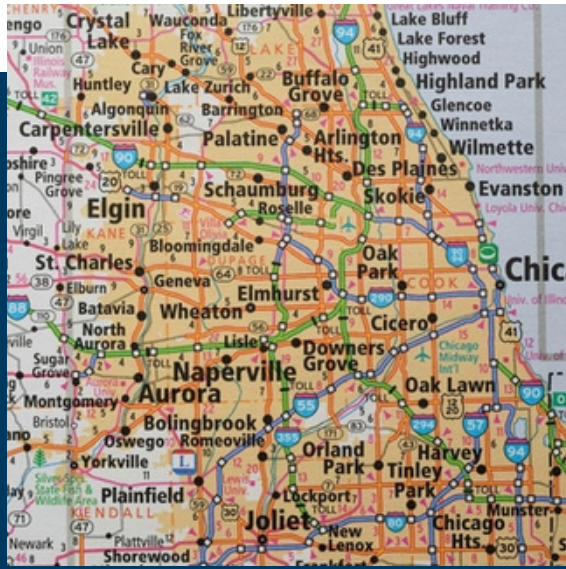


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Nationwide, we are facing an increasingly diminishing supply of affordable units as demand for affordable housing skyrockets. Over the past ten years, a multitude of factors from rising maintenance and utility costs to property aging and deterioration have led to the loss of much needed affordable housing stock. High construction costs due to a dwindling labor market and long development processes make new construction a costly and time-consuming, yet still necessary, mode of relief to the affordable housing supply problem. In recent years, however, preservation of naturally occurring affordable housing (NOAH) has been proven to be an effective, sustainable, and cost-efficient solution to increasing the nation's supply of affordable housing.

In Chicago, the city faces various market challenges that have impacted its housing and housing affordability. A Harris Poll survey found that 78% of residents believe that Chicago does not have enough affordable housing, while 1/3 of residents feel that their housing situation is unstable.<sup>1</sup> These challenges include:<sup>2</sup>

1. Loss of lower-cost rental units also known as “naturally occurring affordable housing” (NOAH)
2. Increasing mortgage rates and property taxes for new and existing homeowners
3. Housing needs of older adults



## Cook County's cities/suburbs include:

- Chicago
- Elgin
- Cicero
- Schaumburg
- Evanston
- Arlington Heights
- Palatine
- Skokie
- Des Plaines
- Orland Park

Cook County's Preservation Compact is committed to preserving the region's affordable rental housing while being a model for similar efforts around the nation. According to data released from the Cook County Assessor's Office, over "700 multifamily properties saved nearly \$13 million in property taxes by rehabilitating and preserving affordable rental housing for working-class Cook County residents" through the city's new Affordable Housing Special Assessment Program.<sup>3</sup> The program helps reduce the property tax burden and preserve affordability in housing across various Cook County markets. The Compact brought together a range of groups, including tenant advocates, affordable housing providers, and building owners to inform the development and passage of the statewide property tax legislation that created this program.

## HPN Members in Cook County

Members based in Cook County as of December 2024:



HISPANIC HOUSING  
DEVELOPMENT CORPORATION



# On the Ground Perspective:

## The Preservation Compact

### *Overview of the Preservation Compact*

For the past 18 years, the Preservation Compact (Compact) has worked to develop policies, coordinate partnerships, and bring about state and local level resources towards subsidized and unsubsidized naturally occurring affordable housing (NOAH) preservation in Illinois' Cook County region. They are a policy collaborative with a mission of preserving affordable rental housing in Chicago and the larger Cook County region. The Compact was launched by the MacArthur Foundation through a collaborative process of government, business and nonprofit leaders in 2007 as the city faced losses to its affordable rental housing stock between 1990 and 2005. This loss was due to multiple factors such as condo conversions, rent increases, and increasing energy and maintenance costs.<sup>9</sup>

One of the cornerstones of the Compact's functions focuses on Cook County's subsidized stock through its Interagency Council. The Council coordinates government partners to focus on issues at Section 8 properties such as ownership challenges, at-risk properties, how to reduce operating costs and monitors physical condition concerns. The council members involved will vary depending on the properties under discussion – additional partners are invited where necessary for their expertise or involvement with certain properties.



### **County Level Housing and Demographic Data**

**Population (2020):** 5,275,541<sup>4</sup>

**Median Household Income (2018-2022):**  
\$78,304

**Share of Households that Rent (2018-2022):**  
42.5%<sup>5</sup>

**Cost-burdened Renters:** 45.2%

**Median Year Built (County, 2018-2022):**  
1960<sup>6</sup>

**Median Age of Housing Stock (Chicago):**

- 2 to 4 unit buildings (2021): 108 years<sup>7</sup>
- Owner Occupied Homes (2022): 40 years<sup>8</sup>



The Interagency Council also focuses primarily on subsidized properties where more than one public agency is involved – this often includes low-income housing tax credit (LIHTC) properties. The Compact facilitates direct intervention at properties while simultaneously developing long-term preservation strategies with its partners. Their work centers mostly on preservation efforts with the goal of keeping buildings affordable and in good physical condition.

Compact staff support the work of the Interagency Council through building and owner research, meeting administration and other support. The Compact provides a neutral venue to share information on properties, including owner and resident information, and come up with preservation solutions. Partners' work can often be siloed – having regular meetings and other communications has gone a long way in creating a sense of trust and collaboration among members.

The Compact has three full-time staff. The overall work of the Compact is guided by their Leadership Committee which functions similarly to an organizational board. This Committee guides the work of the Compact staff and includes housing industry leaders such as building owners, tenant organizations, public agencies and nonprofits. The Interagency Council has representatives from federal, state, county, city agencies and tenant advocacy groups who are tasked with identifying at risk properties, coordinating preservation strategies, and creating policy responses to preserve government-assisted properties.

### ***Creating a Coalition***

Concerned about the trending loss of rental stock and the impact on the region's affordable housing stock, the MacArthur Foundation provided capital to start the Compact and funded it through multiyear grants via its Window of Opportunity Initiative, a 10-year, \$150 million commitment to the preservation of affordable rental housing across the nation.<sup>10</sup> Original invitees to Preservation Compact meetings included the Center for Neighborhood Technology, Chicago Community Loan Fund and Chicago Rehab Network. Today, the Compact receives funding from a variety of public, private and philanthropic sources and has expanded significantly. DePaul University acts as the Compact's data and research partner.

The Compact was housed at various institutions including the Urban Land Institute (ULI), before finding its permanent home at Community Investment Corporation (CIC). CIC is a community development financial institution (CDFI) whose collaborative nature and strong reputation in the housing ecosystem made it the right home for the Compact. Stacie Young, President and CEO of CIC, was the Compact's director for its first 13 years. CIC's reputation for community investment and neighborhood revitalization makes them a natural partner for the Compact's network of public agencies and advocates.

## Significance of the Preservation Compact

Preservation of affordable rental stock is the most cost-efficient and environmentally friendly way to support affordable housing and neighborhood vitality. The entirety of the Compact's work and advocacy is driven by this mission.

"For over 15 years, the Compact has been a trailblazer by bringing diverse stakeholders together to create effective policies that preserve the affordability of unsubsidized and subsidized housing," says Maggie Cassidy, Director at the Preservation Compact.

## Lessons on Building a Successful Coalition from the Preservation Compact

Below are some key takeaways and lessons from the Compact on ongoing multi-stakeholder collaboration towards achieving policy goals.

- **Focus on consensus building.** As a group made up of disparate partners, the Compact does not touch certain issues because there is a shared understanding that its members hold differing stances on them. Instead, the Compact tries to unite around issues where they have or can find common ground.
- **Nonprofits and funders can play a significant role in helping to unite stakeholders around a shared mission.** The MacArthur Foundation was instrumental in creating the Preservation Compact and they along with CIC have laid the foundation for what it is today.
- **Center trust as the foundation of your work with partners.** The Compact has created a trusting and respectful environment as the throughline of their work which allows them to work together on new and creative solutions.

# Appendix

## *Using Research for Preservation*

In 2022, the Chan Zuckerberg Initiative awarded the Preservation Compact \$250,000 to conduct a two-year research project in collaboration with the Institute for Housing Studies at DePaul University. The recently wrapped project, *Breaking Up the NOAH Monolith*, serves to fill information gaps on the varied market conditions in which NOAH properties exist and collect proven strategies that preserve this housing stock.<sup>11</sup>

As part of the project, they created an [interactive web tool](#) that connects existing, effective policy strategies for NOAH preservation to the locations these strategies were implemented in and their market types. The database seeks to provide policymakers and developers with a roadmap of proven examples and models of effective [preservation strategies](#) for the unsubsidized stock in their communities. With the tool's ability to filter for market conditions, cluster types, and specific cities, a user can access strategies tailored to their communities' characteristics and particular needs.

## *Preservation Tools Created through the Compact*

The Compact has created tools to use to preserve multifamily housing in Cook County. Below are some examples of the solutions they have developed using both market-based and cost-based approaches to preservation.

### **Market-Based Approaches**

- **High-Cost Market Incentive:** In 2018, the Compact created a \$34 million Mezzanine Loan Fund, also referred to as the Opportunity Investment Fund that is administered and financed by CIC. The fund provides low-income renters with access to affordable rental housing by allowing building owners to buy or refinance buildings to include at least 20% affordable units for low-income households in strong markets. The program has created 383 mixed-income units and 84 affordable units in strong markets.<sup>12</sup>
- **Preservation of 1-4 unit buildings:** Comprising almost half of Chicago's rental stock, many 1-4 unit buildings became at risk following the 2010 foreclosure crisis due to little demand and decreased credit access. After identifying gaps in the market, the Compact worked with partners to create two new CIC initiatives that have worked to improve approximately 1,350 rental units in 1-4 unit buildings:<sup>13</sup>
  - A \$48 million loan program, uniquely structured to encourage investors to redevelop groups of distressed 1-4 unit buildings
  - A \$1.5 million acquisition pool that enables investors to more efficiently assemble the distressed properties.

# Appendix

## Cost-Based Approaches

- Building code improvements:<sup>14</sup> Recommendations from the Compact and its partners created the Alternative Plumbing Pilot program. The Compact's strategies for plumbing cost savings were included in the plumbing code. The pilot program has saved Chicago developers and property owners over \$38 million in the last four years.
  - Similarly, Compact partner recommendations led the City of Chicago Department of Buildings to revise the electrical code, reducing rehab costs for rental property owners.
- Expanding energy retrofits:<sup>15</sup> Through its Energy Savers program, administered by CIC and Elevate Energy and one of the first initiatives launched by the Preservation Compact, the Compact has financed energy retrofits on 11,000 units. This has saved an average of 25-30% on energy bills.
  - The Compact has also advocated for increased resources to lower costs through the Energy Efficiency for All Illinois coalition, resulting in the doubling of utility commitments to energy efficiency in low- and moderate-income neighborhoods.



## Endnotes

- [1] <https://www.chicagobusiness.com/craigslist-forum-affordable-housing/chicagoans-say-more-affordable-housing-needed>
- [2] <https://www.housingstudies.org/blog/key-housing-challenges-city-chicago/> (Source for all challenges)
- [3] <https://www.cookcountyassessor.com/news/new-ccao-data-map-explores-impact-affordable-housing-program>
- [4] <https://www.census.gov/quickfacts/fact/table/cookcountyillinois,MN/POP010220> (Source for “Population” and “Median Household Income”)
- [5] <https://www.policymap.com/newmaps/e/www> (Source for “Share of Households that Rent” and “Cost-burdened Renters”)
- [6] [https://www.cmap.illinois.gov/wp-content/uploads/dlm\\_uploads/Chicago.pdf](https://www.cmap.illinois.gov/wp-content/uploads/dlm_uploads/Chicago.pdf)
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- [14] <https://www.preservationcompact.org/strategies/building-code/>
- [15] <https://www.preservationcompact.org/strategies/energy-retrofits/>

# Acknowledgements

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