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Building the Future:

Restoring communities and renewing Chicago's commitment to public housing

AUGUST 2025

Imagine a future Chicago where every person, regardless of their race, income, or where they were born, has a safe and affordable place to call home. Where seniors can age in place with dignity. Where workers of all kinds live not on the margins, but at the center of thriving communities. Where no one waits years on a housing list or wonders if their rent hike means eviction.

But to reach that future, we must make decisions today that set us on the right course. In 2025, more than 300,000 families and individuals who rent—half of all tenants in Chicago—pay over 30% of their income for housing.[1] Nearly two-thirds of them have incomes that are too low to afford even many types of affordable rental housing, which is often priced for working class households and can be out of reach for those with part-time or very low-wage jobs, or who are unable to work because of age, disability, or caretaking responsibilities.[2]

At the same time, more than 100 acres of land remain empty at former public housing sites, predominantly on the South and West Sides, where the Chicago Housing Authority (CHA) tore down thousands of public housing apartments in the 2000s and has not yet built the mixed-income developments that were supposed to replace them.[3] This vacant land represents not only an as-yet-unrealized opportunity for homes for Chicagoans of all income levels, but also unrepaired and ongoing harm in more than a dozen communities: an absence of patrons for local businesses, students for local schools, and eyes on the street to promote public safety.

This report identifies an opportunity to address the housing affordability crisis with a renewed commitment to public housing that speeds the production of affordable and mixed-income housing by the CHA.

Moving Beyond the Plan for Transformation

In 2000, the CHA launched the Plan for Transformation, committing to demolish thousands of its more than 38,000 public housing apartments, many of which were vacant or in serious states of disrepair.[4] In their place, it would rebuild or rehab 25,000 homes as part of mixed-income communities on the same land. Initially promised to be completed in a decade, the CHA finally declared it had reached that mark in 2022—and though its math has been disputed, the US Department of Housing and Urban Development accepted that the goal had been met.[5]

Yet today, dozens of blocks at the demolished public housing sites remain empty, waiting for mixed-income redevelopment. Moreover, the need for the deeply affordable housing that the CHA provides has only grown, while the number of public housing apartments supported by the CHA remains far lower than at the beginning of the century.

[1] Ravi Mishra, *Chicago's Affordable Housing Crisis Can Be Fixed Without Tax Hikes*, Ill. Pol'y (Jul. 18, 2024), https://www.illinoispolicy.org/chicagos-affordable-housing-crisis-can-be-fixed-without-tax-hikes/.

[2] *Id.*; *Table of Income Limits*, City of Chi. (April 1, 2025), https://www.chicago.gov/content/dam/city/depts/doh/AMICharts/2025%20Income%20Limits.pdf.

[3] Julie Elena Brown & Ashley Meeder, *Building on Opportunity*, Impact For Equity 4 (Jan. 2024), https://impactforequity.org/report/building-on-opportunity/.

[4] Robin Snyderman & Steven D. Dailey II, *Public Housing in the Public Interest: Chicago Housing Authority Transformation Plan Update*, Metro. Plan. Council 1 (Oct. 2000), https://archive.metroplanning.org/uploads/cms/documents/cha_fact_sheet_1_oct_2000.pdf.

[5] *FY 2021 Moving To Work Annual Report*, Chi. Hous. Auth. 67 (Mar. 31, 2022), https://www.thecha.org/sites/default/files/2024-09/2021MTWAnnualReport_03.22_MTW.pdf.

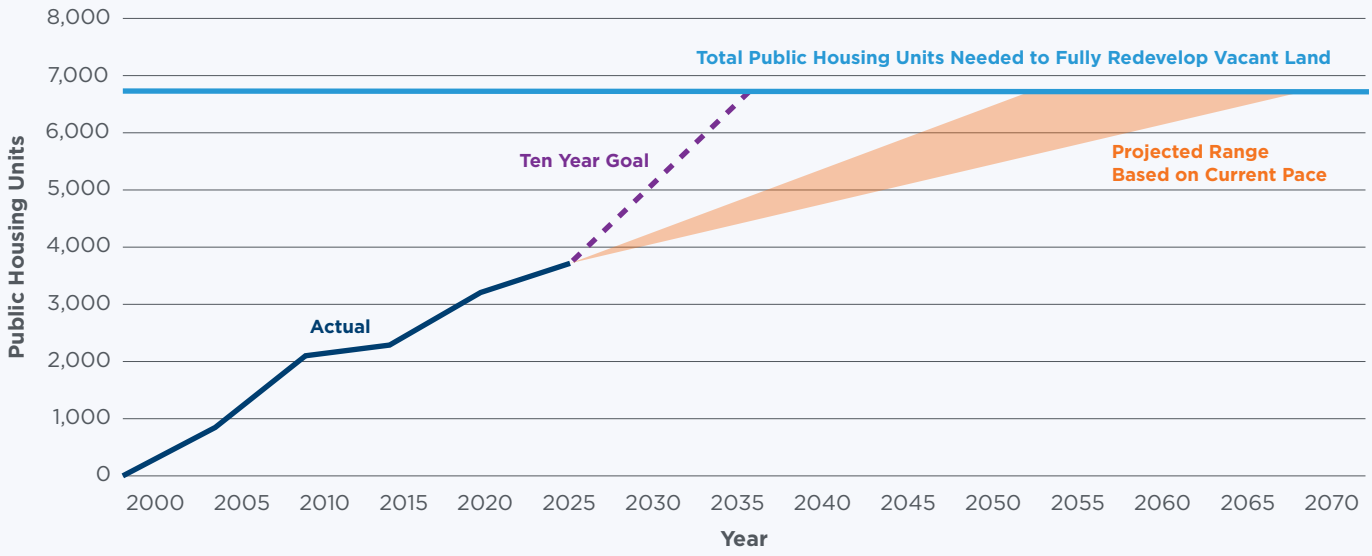
A quarter century since the launch of the Plan for Transformation, it is time for Chicago to set new goals around public housing development and redevelopment. We propose two:

1. **Commit to a plan to redevelop remaining vacant CHA land and buildings within 10 years—as opposed to the 30 or 40 years it will take at current rates of building.** CHA's existing commitments and plans at these sites suggest that it will take approximately 3,000 new public housing apartments[6]—and several thousand additional market-rate and affordable homes—to complete these mixed-income redevelopments.
2. **Use all 19,000 of the additional federal rental subsidies the CHA is legally eligible for.** The Plan for Transformation demolitions left the CHA with many fewer public housing apartments than it once had. While federal law prohibits HUD from funding more homes than CHA had at its peak, the CHA is eligible to receive federal rental subsidy to support more than 19,000 new public housing apartments to reach its size from the late 1990s.[7] Importantly, these subsidies don't directly support construction, but they pay for the costs of operating a building and renting it affordably once it is built.

Unfortunately, neither of these goals are imminently achievable at the current pace of production. The CHA was able to add just under 300 public homes per year from 2021-2024, about 70 of which were on former Plan for Transformation sites.[8]

At that pace, it could be as many as 40 years before all of the vacant CHA land and buildings are redeveloped—until the 2060s. Even taking a more aggressive approach and projecting based on an increase in construction starts in recent years would mean it will take 30 years before the redevelopment is complete. Potential changes in federal policies and budgets may make public housing construction even more challenging.

Time to Fully Redevelop Vacant CHA Land



[6] Impact for Equity analysis of current CHA commitments through consent decrees, settlement agreements, and public master plans for mixed-income sites.

[7] *Faircloth List*, U.S. Dep't Hous. & Urb. Dev. (Dec. 31, 2023), https://www.hud.gov/sites/dfiles/PIH/documents/Faircloth_List_12312023_FINAL.xlsx.

[8] *FY 2021 Moving To Work Annual Report, supra* note 3; *FY 2022 Moving To Work Annual Report*, Chi. Hous. Auth. (Mar. 31, 2023), https://www.thecha.org/sites/default/files/2024-09/2022MTWAnnualReportHUDSubmission_03.23_MTW.pdf; *CHA FY2023 MTW Annual Report*, Chi. Hous. Auth. (Mar. 29, 2024), https://www.thecha.org/sites/default/files/2024-09/2023MTWAnnualReportHUDSubmission_03.24_MTW.pdf; *Chicago Housing Authority FY2024 MTW Annual Plan*, Chi. Hous. Auth. (May 1, 2024), https://www.thecha.org/sites/default/files/2024-09/2024MTWAnnualPlan_05.24_MTW.pdf; *Chicago Housing Authority FY2025 MTW Annual Plan*, Chi. Hous. Auth. (Dec. 11, 2024), https://www.thecha.org/sites/default/files/2025-01/FY2025MTWAnnualPlan_01.25_MTW.pdf.

What is holding back the construction of new CHA housing?

There are many factors that slow CHA construction, from political to administrative to financial. But one critical challenge is that the CHA does not receive significant federal subsidies to build new housing. As a result, it is dependent on funding from other sources—and in particular, Low Income Housing Tax Credit (LIHTC) awards from the city and state.

LIHTC has been the largest financing tool for affordable rental housing in the US since the 1990s,[9] producing over 90% of all new affordable rental housing today. Awarded by states and a handful of cities, including Chicago, LIHTC has been used by public housing authorities all over the country to help them fund new and rehabbed public housing in the face of declining direct federal subsidies.[10]

In the first decade of the Plan for Transformation, the administration of Mayor Richard M. Daley coordinated the city, state, and CHA to heavily direct LIHTC and other resources to rebuild vacant land where public housing had been demolished. Under the administration of Mayor Rahm Emanuel, however, this coordination and focus diminished, and city and state awards have increasingly gone to other affordable housing developers.[11] While the CHA received at least half of the city's competitive LIHTC awards in the 2000s, in recent years that proportion has fallen to 21%, and in 2023, the state did not make any LIHTC awards to CHA projects.[12] In the most recent funding rounds, both the city and state rejected two-thirds of CHA proposals.

Because there are few other options for funding, development proposals that are rejected for LIHTC awards typically must wait until another application cycle opens to attempt to move forward again—once a year for the state, and every two years for the city. As a result, while there are many other challenges to overcome, the need for LIHTC awards is a critical point at which CHA development is often held back.

What will it take to speed up construction?

After research and conversations with over two dozen experts and practitioners in Chicago and around the country, we believe the following measures offer the potential to make the most of existing resources to speed CHA production, house Chicagoans, and finally rebuild vacant land. Three of the ideas are identified as "Top recommendations." These are highlighted based on their immediate impact and feasibility to be implemented by the CHA, City, or State.

Recommendations to complete the reconstruction of vacant land and buildings within 10 years

1. **Top Recommendation:** Prioritize CHA proposals in funding awards from the State and City, and increase coordination between the CHA, DOH, and IHDA to identify which proposals are most likely to be successful to avoid spending resources on applications that are not successful.
2. Where appropriate, and without reducing the number of public housing units, explore modifying the proportion of public, affordable, and market-rate homes in mixed-income developments to reduce the amount of subsidy needed. It will be important to consult legal requirements, community desires, and policies to avoid re-creating older patterns of segregation in implementing this recommendation.

Recommendations to use all 19,000 additional federal rental subsidies the CHA is eligible for

3. **Top Recommendation:** Add CHA housing to as many new affordable developments that receive LIHTC awards from DOH and IHDA as possible, and in particular "Restore-Rebuild" units that draw down additional federal subsidy.

[9] *Housing Crisis in Focus: LIHTC Best Practices to Discourage Qualified Contracts and Keep Housing Affordable for Longer*, U.S. Dept. Treasury (Dec. 12, 2024), https://home.treasury.gov/news/featured-stories/housing-crisis-in-focus-lihtc-best-practices-to-discourage-qualified-contracts-and-keep-housing-affordable-for-longer.

[10] Kelly Mcelwain, *Beyond Public Housing: How Public Housing Authorities are Transforming the Way They Preserve and Expand Their Housing Stock*, Public & Affordable Housing Corp. 7, 3 (May 2022), https://www.pahrc.org/wp-content/uploads/2022/05/Beyond-Public-Housing.pdf.

[11] Amy T. Khare, Poverty, Power, and Profit: How Chicago's Public Housing Transformation Reproduced Inequalities 113-14 (2024) (Unpublished Book Manuscript) (on file with the author).

[12] *2019-23 Five-Year Housing Plan: One Chicago, Quarterly Reports*, city of chi.,https://www.chicago.gov/city/en/depts/doh/supp_info/2019-23-five-year-housing-plan--one-chicago0.html; *Housing: Supporting Information*, City Of Chi.,https://www.chicago.gov/city/en/depts/doh/supp_info.html (LIHTC award announcements from the 2019, 2021, and 2023 qualified action plans); *Low Income Housing Tax Credit: Current/Previously Approved Projects*, Ill. Hous. Dev. Auth. https://www.ihda.org/developers/tax-credits/low-income-tax-credit/#toggle-id-5 (2019-2024 preliminary project assessment submissions, approved preliminary project submissions, LIHTC applications received, and LIHTC approved allocations for 4% and 9% credits).

4. Add CHA housing to as many affordable developments that receive “preservation” awards from DOH and IHDA as possible, and in particular “Restore-Rebuild” units that draw down additional federal subsidy.
5. Add CHA housing to developments financed by the Residential Investment Corporation, a nonprofit developer created by DOH to develop and own mixed income housing under the Green Social Housing program, and in particular “Restore-Rebuild” units that draw down additional federal subsidy.
6. More aggressively seek to use CHA or City resources to purchase existing buildings that can be entirely or partially converted to public housing.

Recommendations to accomplish both goals

7. **Top Recommendation:** Align with many other states that fully exempt mixed-income public housing from property taxes.
8. Issue a request for proposals for developers willing to partner with CHA to include public housing units in exchange for rental subsidy, or potentially access to tax-exempt bond financing.
9. Establish collaboration between Chicago-based philanthropic and housing investor representatives to directly support capacity building to implement these recommendations.

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