

# 2025 Draft 2.0 Architectural Technical Standards Manual

Chicago Department of Housing



# CITY OF CHICAGO

## Department of Housing

### Construction Services

#### 2025 Draft 2.0 Architectural Technical Standards Manual (ATSM)



City of Chicago Department of Housing 2025 Draft Architectural and Technical Standards Manual does not replace all prior documents and is not an official effective change.

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The illustrations included within this document are intended merely to assist in navigating the various requirements and architectural/technical standards; to aid staff during the plan review for projects participating in DOH programs and activities; and to add clarity and transparency to designers responding to DOH design review comments.

This document is not meant to offer a design template, but rather to document and illustrate some of the design controls and potential outcomes. The Architect of Record is responsible to ensure a project is designed in a manner to comply with the applicable laws, regulations, codes, and design standards including, but not limited to, those related to non-discrimination.



DEPARTMENT OF HOUSING  
CITY OF CHICAGO

**TO:** Chicago Affordable Housing Development Community  
**FROM:** Lissette Castañeda, Chicago Housing Commissioner  
**DATE:** September 2, 2025  
**RE:** Release of 2025 DOH Architectural & Technical Standards Manual

### Introduction

The Chicago Department of Housing (DOH) is pleased to announce the second and final release of the draft 2025 Architectural & Technical Standards Manual (ATSM), available as of Tuesday, September 2, 2025. This version of the manual builds upon the draft published in June by incorporating extensive public comment received on chapters 1 through 4 and adding two newly developed chapters focused on critical phases of the development timeline: Chapter 5 – Preconstruction Activities and Chapter 6 – Construction Activities. While the manual remains open for feedback, Chapters 1 through 4 are considered substantially complete, having already been shaped through extensive engagement and public comment. Stakeholders are, of course, welcome to continue providing input on any aspect of the manual.

### Updates in the New Draft

This version of the ATSM incorporates adjustments and clarifications to the four existing chapters per input received during the June/July public comment period. The most substantial changes to previously published content are located in Chapter 4, DOH's design requirements:

- We have clarified the minimum requirements and functionality descriptions throughout the design chapter so users can better understand how to apply these two types of requirements.
- We have revised certain requirements around flooring and laundry facilities for clarity, consistency, and flexibility.
- We have relaxed requirements for exposed/unfinished masonry, floor drains, and outlet extension boxes.
- We have revamped the common amenities section to create a new “a la carte menu” that allows the project team to choose from various options for amenities, common areas, and other shared spaces of the building based on the needs of residents and the community.

We are also publishing for the first time two new chapters, both of which are designed to centralize policies not previously documented in the ATSM for transparency and consistency. These chapters involve both better documentation of existing policies and



procedures, as well as new approaches designed to streamline the affordable housing development process, including altering our approach to GC contract execution and subcontractor buy-out timelines:

- **Pre-construction activities:** Chapter 5 addresses pre-construction policies and expectations, including those elements that are part of the CAC Milestones process. This section includes explicit requirements and timeline expectations for design review, due diligence and project approval by City Council, and financial closing and notice to proceed.
- **Construction activities:** Chapter 6 consolidates policies that apply to construction activities, including subcontractor agreements, document submission requirements for draws and change orders, and the construction closeout process.

By instituting these changes, DOH hopes to work in partnership with development teams to shorten the typical pre-construction timeline to 18 months or less.

### Public Comment & Engagement

The public comment period for this version of the ATSM will remain open through **Friday, September 19, 2025**. While no public meeting is currently planned, DOH welcomes written feedback from all members of the affordable housing development community. Comments can be submitted via email to [DOH2025ATSM@cityofchicago.org](mailto:DOH2025ATSM@cityofchicago.org).

We want to extend our sincere thank you to everyone who has participated in previous rounds of public comment and engagement. Your insights have been critical to shaping the content and direction of this manual—clarifying policy language, identifying process bottlenecks, and highlighting opportunities to better support development teams. The level of thoughtfulness and detail in the feedback we've received has allowed us to make meaningful, responsive updates that we believe will ultimately strengthen affordable housing delivery across Chicago. Your continued involvement helps ensure these standards reflect both the realities of on-the-ground development and the City's long-term housing goals.

### Next Steps

DOH sincerely thanks the affordable housing development community for its sustained partnership and valuable input throughout the evolution of the 2025 ATSM. The insights and recommendations shared by developers, architects, general contractors, and other key stakeholders have directly shaped the structure and content of this manual.

The addition of the preconstruction and construction chapters marks a significant milestone in DOH's broader effort to align development processes with the goals of Mayor Brandon Johnson's **Cut the Tape** initiative—focused on expediting the delivery of affordable housing by eliminating unnecessary obstacles and increasing clarity across project phases.

Given the scope of updates and the introduction of entirely new content, we recognize that further refinement may be necessary. We encourage thorough and constructive feedback to help ensure these standards support our shared priorities: high-quality construction, efficient project delivery, and equitable contracting opportunities. We look forward to your continued engagement.

**Sincerely,**  
**Lisette Castañeda**  
**Chicago Housing Commissioner**







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# 1.0 Introduction

## 1.1 Purpose of the Manual

Since 2019, the Chicago Department of Housing (DOH) has documented and centralized existing design and contracting requirements, as well as other policies and guidelines that govern the construction of multifamily affordable housing development projects in Chicago, into the Architectural and Technical Standards Manual (ATSM). These policies and standards exist to:

1. Ensure that City-funded investments in affordable housing produce high-quality, safe, dignified homes for residents and families and result in durable and long-lasting buildings
2. Set transparent expectations for development teams to contain project costs, streamline development timelines, and enable consistent policy application across all projects
3. Provide for fair and competitive construction contracting with opportunities for emerging vendors

The ATSM applies to any multifamily construction or rehabilitation project receiving financial assistance from DOH, and to select other projects and programs, as defined in [Section 1.3](#). Pertinent laws, rules, regulations, and codes promulgated by other agencies and jurisdictions, many of which are described in [Section 1.7](#), must also be adhered to throughout the development process. Development teams are encouraged to exceed the minimum requirements established in this document and relevant code where doing so is cost-effective and in the best interest of building residents, especially when incorporating accessibility, innovation, and creativity in design to provide long-lasting benefits. The City and the development team are in partnership on development projects and are jointly invested in successful outcomes. To that end, DOH staff is committed to open and clear communication, regular touch points at the request of the development team, and flexibility when feasible.

## 1.2 ATSM Update Standard and Version Compliance

The standards and guidelines established by this document are subject to modification. The 2025 ATSM is the fourth version of the City of Chicago's manual for architectural and technical standards. ATSM updates will be promulgated using simple decimal versioning, with minor updates demarcated by increments "before the dot" (major changes) and "after the dot" (minor changes).

This version of the ATSM is: **4.0 -- Draft 2**

Major policy changes will generally be reserved for major updates of the ATSM (to be denoted 5.x, 6.x, etc.), which are expected to be released in alignment with future Qualified Allocation Plans (QAP). Project teams must comply with the major version of the ATSM that existed at the time when their project was accepted for City financing. Project teams may request to adhere to the standards of a newer ATSM major version if one is published after a development is approved for



financing by the City but before closing. In addition, DOH reserves the right to obligate developments to comply with a newer ATSM major version after acceptance for City financing but prior to financial closing in select instances—for example developments that have remained in DOH’s underwriting pipeline for a long period of time.

Minor version updates (4.1, 4.2, etc.) may be promulgated by DOH at any time to correct errors and inconsistencies, address emergent concerns or market dynamics, and/or to make minor policy tweaks as the need for additional clarity or policy refinement arises. These updates will be immediately applicable to any projects that are subject to the relevant major version of the ATSM. Any minor version update will be distributed to all project teams currently in DOH’s development pipeline, with a cover sheet highlighting changes.

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**NEW IN 2025: UPDATE STANDARD**

This 2025 ATSM is now referred to as version 4.0. This ATSM version includes a clear update standard, provides for minor updates to the ATSM between QAP release cycles, and clearly describes which version of the ATSM is applicable to various developments.

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## 1.3 Applicability of the ATSM

The ATSM describes design and construction requirements for multifamily affordable housing developments receiving City Financial Assistance. The provisions of the ATSM apply in full to any development proposal that is conditionally awarded or awarded City Financial Assistance through a Funding Round, as well as to multifamily projects funded by the Department outside of a Funding Round, including those funded by Low Income Housing Tax Credits (LIHTC), Tax Increment Financing (TIF), Illinois Affordable Housing Tax Credits (commonly known as Donation Tax Credits), Community Development Block Grant (CDBG) or HOME Investment Partnership (HOME) loans, and any other City Financial Assistance administered by the Department such as Housing & Economic Development Bond funds. The ATSM may also apply, in whole or in part, to other developments and programs as determined by those programs’ published rules and guidance.

Deviations from the requirements and standards set forth in this manual may be considered by the Department on a case-by-case basis through the Department’s waiver request process as described in [Chapter 5: Pre-Construction Activities, Section 5.3](#).

## 1.4 How to Use the Manual

Project team members are expected to review the ATSM before submitting any application for financial support to the Department of Housing, and to ensure all members of the development team involved in the development, financing, and construction process are familiar with the requirements outlined in this document. It is the sole obligation of the developer to ensure that all

aspects of the ATSM are complied with for each project they are working on from the initial phase of the development process through project closeout.

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#### **HOW TO USE THIS MANUAL IN 2025**

Due to the high volume of input collected from a wide range of stakeholders ahead of publishing revisions to the ATSM this cycle, the ATSM publication cycle trails that for the QAP, which may create challenges in responding to the QAP.

Project teams who submitted PPAs for the 2025 QAP round were instructed to rely on ATSM 4.0 -- Draft 1 for *PPA submission only*. DOH will release a final ATSM 4.0 prior to the Full Project Application (FPA) deadline and will provide direction to project teams invited to submit FPAs as to how to approach the project clarification period and when a Final ATSM 4.0 will be published. DOH understands that changes between this draft and final ATSM may require developers to alter designs or change certain project assumptions in a manner that would not be otherwise allowable between the PPA and FPA stages.

Parallel release of the QAP and ATSM is anticipated for future years.

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### **1.5 Engaging with the Department of Housing**

DOH encourages engagement with departmental staff wherever possible. Transparency and open communication between the development team and the City of Chicago is welcomed by all divisions within DOH to ensure that all requirements throughout the process are met in a timely manner.

Several divisions within DOH are referenced throughout the manual. The divisions of DOH that pertain to the oversight of multifamily housing development at all its stages reside in two bureaus, Construction and Compliance (CAC) and Housing Development. The structure of these bureaus is described in the following organizational chart:

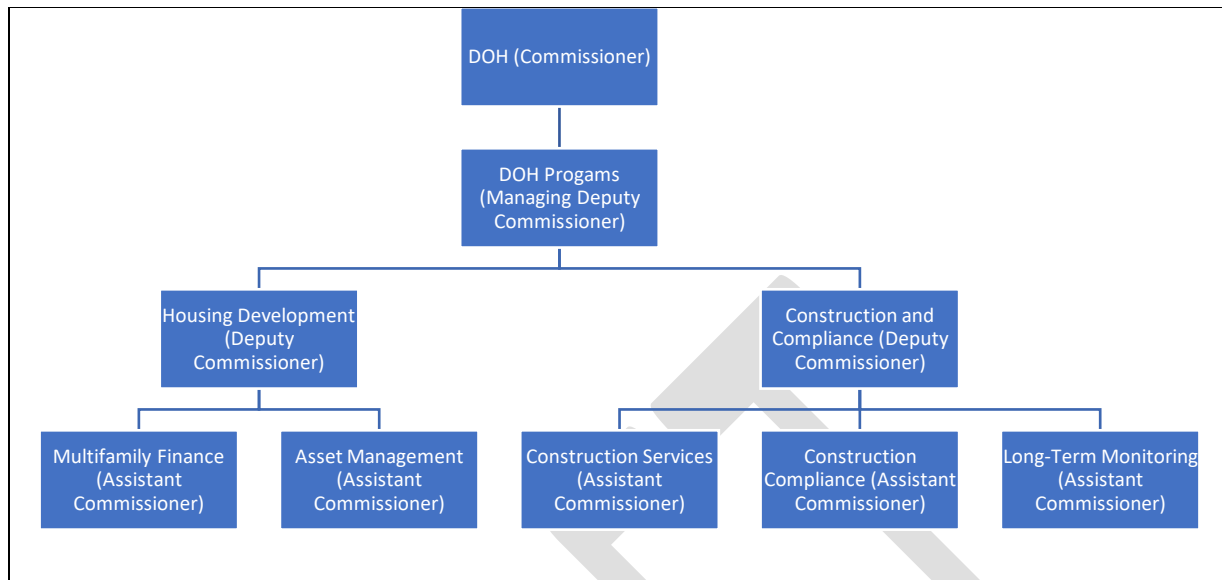


Figure 1

## 1.6 Stages of Development

The development of affordable housing projects funded by the Department of Housing (DOH) generally follows a process as outlined below. Throughout this process, development teams work with various City staff to advance projects from initial application to financial closing, construction, and closeout. This section is meant to provide a high-level overview of the development process, enabling readers to place each stage in a broader context; it does not modify or remove the Pre-Construction Milestone process as described in [Chapter 5: Pre-Construction Activities](#) administered by DOH Construction and Compliance.

### **Stage 1: Application and Pre-Design (Closing Event: Conditional Funding Award)**

This stage encompasses activities that occur prior to a project receiving a conditional funding award from DOH. These activities include DOH intake meetings, the successful completion of the Preliminary Project Application (PPA) and Full Project Application (FPA), and/or non-Funding Round-based selection such as via an individual Request for Proposals. Some early project activities may also occur during this stage, such as a Planned Development application or Zoning Intake meeting, as applicable.

### **Stage 2: Pre-Construction (Closing Event: Notice to Proceed and Financial Closing)**

The pre-construction stage encompasses all activities between a conditional funding award and the start of construction, including design approval, underwriting, City Council approval if necessary, financial closing, property acquisition if necessary, and the provision of a “Notice to Proceed with Construction.”

### **Stage 3: Construction (Closing Event: Certificate of Construction Completion)**

The construction stage encompasses all activities between construction start and the Certificate of Construction Completion issued by DOH. During this stage, DOH will work with the development team to monitor construction; monitor compliance with labor programs and regulations such as



City Residency, Prevailing Wage, and M/WBE participation; process change orders and approve construction draws; and otherwise ensure that construction activities are compliant the proposed design and all relevant regulations (including those stipulated in this manual). This stage is further described in [Chapter 6: Construction Activities](#).

#### **Stage 4: Post-Construction Monitoring (Closing Event: End of Monitoring Period)**

The post-construction monitoring stage encompasses the ongoing monitoring and compliance activities undertaken by DOH and the project owner (or their assignee, such as a property manager) after a building has been put into service. Long-term monitoring requirements may be different depending on project funding sources and grant/loan terms.

## **1.7 Regulatory Context and Code Compliance**

Affordable housing development projects in the City of Chicago must comply with applicable regulations at the federal, state, and local levels as they relate to accessibility, fair housing, zoning, and health and safety in housing. While the ATSM provides the minimum guidelines and standards for affordable housing projects, developers must be mindful of other regulations and laws, as well as the policies of other public funders and City departments, that may apply to their development projects and ensure compliance throughout the development process.

When conflicts arise between overlapping requirements, the most stringent policy will apply.

To provide a resource for development teams, this section gives an overview of commonly applicable laws and regulations. It is the development team's responsibility to identify and comply with all relevant and applicable regulations.

- **Architectural Technical Standards Manual (ATSM):** All affordable housing development projects within the City of Chicago receiving financial assistance funded by LIHTC through the QAP process as well as multifamily affordable housing projects that receive tax credits and other means of financing from Chicago must comply with the ATSM.
- **Americans with Disabilities Act (ADA):** Areas of public accommodation, common use areas, and facilities (e.g., property management/leasing offices, multi-purpose rooms, etc.) must comply with the ADA standards and guidelines for accessible design.
- **Fair Housing Act (FHA):** All new construction projects built after March 13, 1991, with four or more dwelling units must comply with the design and construction requirements of the FHA.
- **2022 Energy Transformation Code – Residential Provisions:** All building permit applications started on or after November 1, 2022, must comply with the 2022 Chicago Energy Transformation Code.
- **Illinois Accessibility Code:** All multi-story housing, as defined and governed by the Environmental Barriers Act (EBA), must comply with the State's Accessibility Code.
- **Section 504 of the Rehabilitation Act of 1973:** All developments receiving federal funds with five or more dwelling units must comply with the accessibility requirements of Section 504 of the Rehabilitation Act of 1973. Section 504 requires that a minimum of 5% of the

total number of dwelling units be accessible and designated for households with a person with a mobility impairment. An additional 2% of the total dwelling units must be designated for households with a person with hearing or vision impairment.

- **Minimum Property Standards for Housing (MPS):** Developments constructed under housing programs funded by the US Department of Housing and Urban Development (HUD) are subject to certain minimum standards for buildings under the MPS.
- **Title 89 Illinois Administrative Code, Subpart B:** Supportive Living Facilities (SLF) must comply with the requirements outlined in Title 89 of the State's Administrative Code which outlines the requirements for SLF participation, resident participation, reimbursement for Medicaid residents, and standards for facilities. More specifically, Subpart B provides details on SLFs, structural requirements and definitions, and standards for services.
- **Multifamily Accelerated Processing (MAP) Guide:** Lenders must meet the financial and professional qualifications for participation and adhere to the application requirements and processes for mortgage insurance as outlined in the MAP Guide.
- **Title X of the Housing and Community Redevelopment Act of 1992:** All developments receiving federal funds and assistance with dwelling units constructed before 1978 must comply with the lead-based paint provisions under Title X of the Housing and Community Redevelopment Act of 1992. Additionally, developments must meet all other local, state, and federal requirements related to lead-based paint as they apply to disclosure, testing, professional qualifications, and lead-safe work practices.
- **Radon Regulations:** All developments receiving federal funds must comply with the guidelines established under the Illinois Emergency Management Agency Radon Program as well as the Environmental Protection Agency's (EPA) guidelines, standards, and practices for radon prevention, mitigation, and reduction. For development projects that require radon mitigation, an active system must be installed at minimum.
- **National Environmental Policy Act (NEPA):** The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users. Not every project is subject to a full environmental review (i.e., every project's environmental impact must be examined, but the extent of this examination varies), but every project must be in compliance.
- **EPA 40 CFR § 61.145:** All developments that receive federal funds must comply with Title 40 of the Code of Federal Regulations (CFR), specifically CFR 61.145 which establishes the standards for demolition and renovation activities when asbestos is present including notification requirements, procedures for asbestos emission control, timelines for activities, and tools for developers. Additionally, developments must meet other applicable regulations as established by HUD, EPA, Illinois Environmental Protection Agency (IEPA), Illinois Department of Public Health (IDPH), and the City of Chicago.
- **Mold Regulations:** Rehabilitations of existing buildings are required to follow the ANSI/IICRC S520-2024 standard for professional mold remediation in residential properties.

In addition to the above regulations that facilitate the construction and design of housing development projects in the City of Chicago, developers must follow any applicable regulations governing wages and hiring as well as local codes related to Minority Business Enterprises (MBE) and Women Business Enterprises (WBE). Commonly applicable laws and regulations include:

- **Illinois Prevailing Wage Act (PWA):** All development projects with DOH funds must comply with the State of Illinois Prevailing Wage Act which requires that contractors and subcontractors on construction projects pay laborers, workers, and mechanics no less than the general prevailing rate of wages for similar work in the county in which the work is being performed including hourly cash wages and fringe benefits.
- **Davis Bacon Act:** All developments that receive federal assistance must comply with the Davis Bacon Act which requires contractors and subcontractors on construction projects that receive federal funds to pay laborers and mechanics the same prevailing wage (including hourly wage rate and fringe benefits) as workers on similar projects in the same location.
- **MBE/WBE Program:** Developments receiving funds from the City of Chicago must comply with Section 2-92-650 *et seq.* of the Municipal Code of Chicago which states that all certified MBEs and WBEs must have full and fair opportunities to participate in the performance of a bidding contract and that bidders must not discriminate against any person or business based on race, color, national origin, or sex. Additionally, development teams must take affirmative actions to ensure that MBEs and WBEs have fair opportunities to compete for and perform subcontracts for supplies and services.
- **Local Hiring:** In accordance with MCC 2-92-330, on general construction contracts over \$100,000, 50% of the onsite employee hours must be performed by City of Chicago Residents.



## 2.0 Project Team

### 2.1 Assembling the Team: General Expectations

The project team is a critical component of a successful multifamily development project. This chapter provides guidance on what roles and responsibilities fall within the scope of different project team members, and how the team may be assembled.

The core project team is comprised of the following members:

1. The Project Sponsor (developer)
2. The Architect of Record (AOR)
3. The General Contractor (GC)

Responsibilities of all members of the project team include, but are not limited to, the following:

- Work collaboratively with all members of the project team and DOH staff throughout all stages of the development process to design and develop housing that is dignified, cost-effective, high-quality, functional, and durable.
- Ensure adherence to the Chicago Building Code, this ATSM, and all other relevant regulations and legal obligations.
- Implement reasonable cost containment via proactive analysis of cost estimates, responsible value engineering, transparent vetting of construction costs, and enforcement of all contractual obligations.
- Ensure construction compliance requirements (M/WBE, City Residency, Prevailing Wage) are met.
- Maintain an efficient timeline to financial closing and construction completion by ensuring documentation is thorough, responsive to DOH comments, and submitted in a timely manner.

As indicated in the QAP, DOH requires that no Identity of Interest exist between the Project General Contractor and the Project Owner/Sponsor (developer). Project Sponsors/developers should refer to the [DOH QAP](#) and the [DOH Underwriting Standards Guide](#) for specific guidance related to this requirement.

### 2.2 The Project Sponsor

The project Sponsor, colloquially known as the developer, is the entity that has been awarded City Financial Assistance and controls the owner of the development. The Sponsor leads the project from application to construction closeout and must control the owner for the term of the Compliance Period. Elements of this role include the following expectations:

- Take primary and ultimate responsibility for ensuring the project is delivered on-time and on-budget, including maintaining accountability for the performance of all members of the development team.
- Be financially responsible, ensuring costs are managed efficiently and effectively.

- Communicate regularly with DOH to ensure alignment with project goals and funding requirements.
- Guide the design process, manage approvals, and ensure compliance with local codes and regulations.
- Manage lease-up and tenant occupancy and ensure that all requirements of funding sources are met.

It is the Sponsor's responsibility to ensure they and their development team members are providing all requested and required documentation to DOH for review, comment, and written approval in a timely and professional manner.

## 2.3 The Architect of Record

The architect of record (AOR) must be licensed to perform architectural services in the State of Illinois. The AOR is responsible for the development's design, producing all necessary construction documents, and ensuring compliance with all relevant building codes, this ATSM, zoning regulations, and accessibility standards. The AOR is also responsible and providing construction administration services for the project, including ensuring that the development is built as designed.

The AOR preparing the bid & construction documents must be the same entity providing construction administration services. The architect's license number, signature/seal, and the design firm registration number (if not a sole proprietorship) must be provided on all drawings issued for permit and for construction.

Beyond technical compliance, the AOR plays a key role in supporting the project Sponsor in achieving DOH's goals of enhancing livability, containing costs, and transforming communities through thoughtful architectural design.

The following activities will typically be the responsibility of the AOR:

- Assist the Sponsor in creating a project application that meets the requirements and intent outlined in the ATSM. To that end, the AOR is encouraged to request clarification or interpretation from DOH staff to help ensure compliance.
- Prepare all plans and specifications in accordance with the Architectural Practice Act, including interim/internal drafts, and plans and specifications for cost estimation, bidding, permitting, and construction.
- Coordinate with engineers and consultants, including those providing structural and landscape architecture services.
- Participate in the project kickoff meeting, design review meetings, and preconstruction meeting.
- Either directly or through the Sponsor, provide periodic updates to DOH on the drawing development status and building permit application process and ensure these processes are coordinated with the Sponsor's development schedule and DOH milestones.
- Facilitate and implement Quality Assurance and Quality Control procedures of the design documents in coordination with the Sponsor and GC.

- Procure a third-party cost estimate as outlined in [Section 2.3.2](#), if applicable based on the GC procurement method outlined in [Chapter 3.0](#).
- During construction, notwithstanding the construction administration services outlined in the Owner-Architect Agreement, the AOR must provide the following services, at minimum:
  - Certify that all work requested for payment is accurate, complete, and in general accordance with the progress of construction.
  - Attend and actively participate in the pencil/draft pay application meetings and conduct on-site observations, with a minimum of one visit per pay application.
  - Assist the Sponsor in proactively and clearly communicating with DOH regarding project changes (e.g. change orders, supplemental instructions) and the general progress of the construction schedule.

### 2.3.1 Eligibility, Qualifications, and Selection

The AOR should be the same entity throughout a development's full life cycle. In accordance with the QAP, the AOR must be identified in the project application.

- The AOR must be appropriately registered & licensed to do work in Illinois and have a history of similar work as required for the project.
- The AOR will not be permitted to act as the General Contractor or Sponsor.
- The Sponsor must contract with the AOR using an AIA B101 template contract.

### 2.3.2 Third-Party Cost Estimate (Cost Estimation)

For projects that select a GC at application, the Architect of Record must retain a cost estimating firm not otherwise involved with the project to provide an independent cost estimate in Milestone 2 as described in [Section 5.2.3](#), prior to compilation of the packet for City Council introduction.

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#### **NEW IN 2025: REDUCTION OF THIRD-PARTY COST ESTIMATE REQUIREMENTS**

The 2023 ATSM required all projects to obtain two independent third party cost estimates during the pre-construction stage of project development. This policy has been changed. Projects that select a General Contractor through a bidding process after application (Pathway 1) are no longer required to procure a third-party cost estimate. Projects with a pre-selected GC (Pathway 2) must obtain one third-party cost estimate, not two.

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The cost estimating firm selected by the applicant must meet the standards for construction cost estimating listed below:

#### **Scope of Services**

Cost estimating firms must provide estimating costs for all aspects of a development, including demolition, remodeling, new construction, and associated site work.

Estimates must include:

1. Direct costs of proposed materials and equipment



2. Federal and state labor rates
3. Construction equipment and tools
4. Indirect expenses, such as general conditions, overhead, profit, inflation and market conditions

For direct costs, the cost estimator is required to quantify the materials, labor, and equipment required by the scope of a project and then price these items. The cost estimate should also consider any environmental related costs such as lead-based paint, asbestos-containing materials removal, radon mitigation, etc., if apparent.

The Sponsor must supply the selected cost estimating firm with the necessary documents to perform the tasks, such as a full set of plans and specifications, as well as all documents (aerial photos, surveys, soils reports, etc.) relevant to assisting in the identification of existing conditions, the nature of the project, and other site building restraints that may have cost impacts.

### **Fee Basis**

Fees for all costs and expenses related to the performance of the scope of services must be determined between the cost estimating firm and the AOR. The AOR is responsible for payment of fees and entering into a written agreement with the selected cost estimating firm. The cost estimator fees are to be listed under the architect of record fee for other professional services.

### **Other Cost Estimate Requirements**

- **Sources:** Cost estimates must be prepared using a recognized construction cost source such as RS Means Building Construction Cost Data (BCCD), most recent edition.
- **Format:** Cost data must be organized according to the Construction Specifications Institute's 16-division Master Format or the 44-division 2004 CSI Master Format numbering system.
- **Certification:** Estimates must be prepared by professional cost estimators with either a Certified Estimating Professional certificate issued by the Association for the Advancement of Cost Engineering (AACE), a Certified Professional Estimator certificate issued by the American Society of Professional Estimators (ASPE) or be a State of Illinois Licensed Architect or Engineer. The standards of practice in the Canons of Ethics published by the AACE and the ASPE apply to all estimating services.
- **Compensation:** "Kickbacks" or incentives for providing specific or inflated values are not permitted under any circumstances.
- **Conflicts of interest:** The cost estimating firm may be a GC, but may not be involved, legally connected to, or have an identity of interest with any other firm on the project team.

## **2.4 The General Contractor**

The General Contractor (GC) is responsible for overall construction management and tasks involved from the project's start-up through final completion. The GC, together with subcontractors the GC arranges for and contracts with, and under direction from the Sponsor and architect of record, implements all aspects of construction.

It is the responsibility of the GC to familiarize themselves with the project site including but not limited to the site conditions, soil reports, utility locations and services, logistics and material deliveries and staging.

The GC is solely responsible for securing the project throughout the construction period. Throughout the project, the GC, together with the Sponsor, must secure and maintain sufficient insurance coverage to fund any losses due to damage, theft or other occurrences covered in their policy, which must be approved by the City prior to closing.

GC project functions include (but are not limited to):

- Coordinate all trades and subcontractors
- Provide on-site management to implement contract administration as an agent of the Sponsor (the GC is expected to be on the site during construction and maintain a daily log documenting the progress of the work to be available for review upon DOH request)
- Establish and implement procedures for reviewing and processing RFIs, RFCs, shop drawings, samples, proposals for substitutions, change orders, payment applications, and logs
- Review RFIs, RFCs, shop drawings, and other submittals and make recommendations before passing them on to the appropriate party (architect, engineer, inspector, or sponsor)
- Conduct project site meetings, and prepare meeting minutes and distribute to all concerned parties
- Review the contents of all change orders, whether generated by the Sponsor, architect, GC, or subcontractor, and make the necessary recommendations to the Sponsor
- Receive all Operation and Maintenance manuals and warranties, and deliver to the Sponsor and architect
- Any other means and methods required to complete the construction of the project

#### 2.4.1 Eligibility and Qualifications

Prospective contractors must be licensed by the City of Chicago for their applicable trade. GCs must submit a statement of qualifications for review by DOH.

DOH does not allow for a “Straw” GC or a firm which reaps the benefits and fees associated with the GC title but subcontracts these functions to another GC or separately contracted individual to perform these duties in place of a primary employee of the GC. Any side agreements or kickbacks contrary to this policy will result in forfeiture of any future work with the City of Chicago.

#### 2.4.2 Joint Ventures

DOH encourages GC joint ventures (JV), especially ones that include a junior partner GC firm classified as emerging, as defined in the QAP. If working with an emerging firm, they must have a minimum of 25% ownership interest in the JV (any proposed partnerships less than 25% are subject to DOH approval). The emerging firm should be certified as a MBE, WBE, VBE, or DBE, if applicable, by the City of Chicago or Cook County.

The following requirements apply to any JV general contracting arrangement:

- JVs may be proposed at the GC bidding stage (Selection Pathway 1, [Section 3.1.1](#)) or in the Project Application (Selection Pathway 2, [Section 3.1.2](#)) before they are legally established. However, once selected, the JV must be legally established before the next relevant milestone.
- JVs must create a single purpose entity; this entity must be named on the building permit and GC contract.
- JVs must be governed by a formal JV contract and must submit a Joint Venture Affidavit and executed JV contract to DOH for review.
- The junior JV partner must actively participate in the functions described above in a manner that contributes to the overall construction project. Representatives from all parties must document their project activities.

### 2.4.3 Additional GC policies

DOH enforces policies related to GC selection, compensation, contracting requirements, and subcontracting obligations, which are described at length in the following chapter.

## 3.0 Additional General Contractor Policies

### 3.1 General Contractor Selection Pathways

Sponsors may select General Contractors for work on DOH-funded projects through two selection pathways. Requirements for each pathway are outlined in the following sections.

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#### **NEW IN 2025: ALLOWANCE FOR GC PRE-SELECTION**

The 2023 ATSM required that Sponsors conduct a competitive bidding process to identify a GC after selection by DOH for financing and prior to City Council introduction. DOH now allows two options for General Contractor selection: Sponsors may choose to conduct a bidding process after being selected for financial assistance by DOH (the only previously allowable approach), or alternatively they may apply to DOH for assistance with a GC already identified.

This new approach allows GCs to formally support project design and pre-development activities, including contributing to value engineering and cost containment discussions. Related policies regarding price controls, such as third-party cost estimation, have been modified to apply to each of these selection pathways as relevant.

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Regardless of selection pathway, a Sponsor may not change a project's GC (or the makeup of a joint venture GC), without submitting, and receiving approval for, a written Project Modification request as defined in the QAP. If a project participant directs, engages in, or allows any Project Modification that has not been reviewed or approved by DOH, DOH may take appropriate action in its discretion and to the maximum extent permitted by the project's financing documents, law, and equity, including the loss of project financing.

#### 3.1.1 Pathway 1: GC Bidding

Sponsors may elect to apply for financial support from DOH without an identified GC. In this case, the Sponsor must select a GC through a formal bidding process carried out prior to City Council introduction of the project's financing ordinance. GC selection in this manner must comply with the following requirements:

- GCs involved in the project formally or informally (compensated or not) prior to the bidding stage must be identified by the Sponsor and are not eligible to bid as a GC on the project unless a waiver is approved by DOH prior to the bidding process.
- At least three qualified GC bids must be procured. The results of the bidding process will be documented via a bid tabulation and summary sheet submitted as part of DOH's Milestone 2 review process.
- The Sponsor must host at least one pre-bid conference or forum.
- The Sponsor must send a bid announcement to the entities on the Department of Procurement Services (DPS) assist agency list found here: [https://www.chicago.gov/city/en/depts/dps/supp\\_info/city-of-chicago-assist-agencies.html](https://www.chicago.gov/city/en/depts/dps/supp_info/city-of-chicago-assist-agencies.html)



- The Sponsor must notify The DOH Construction Compliance team must be notified of the bid process by sending a bid announcement form to:  
[DOHconstructioncompliance@cityofchicago.org](mailto:DOHconstructioncompliance@cityofchicago.org)
- The Sponsor must complete the Developer Outreach Summary form to demonstrate that the MBE and WBE community was involved in outreach to potential bidders.

The project Sponsor is not obligated to select the lowest bidder but must share all bids collected and rationale for selecting the GC from the pool of applicants. In the case that the lowest, qualified bidder is not selected, DOH reserves the right to withhold Milestone 2 Approval pending review and approval of selection rationale.

### 3.1.2 Pathway 2: GC Pre-selection

Sponsors may alternatively choose to select the GC prior to conditional approval for funding, as part of the development team identified at application. This approach allows the Sponsor to engage the GC in a defined preconstruction consulting role, advising on project constructability and helping to contain project costs, shorten pre-development timelines, and increase collaboration amongst team members as described in [Section 3.3](#).

Project Sponsors intending to select a GC prior to or at application must comply with the following requirements:

- Sponsors must identify their selected GC in the description of their project team when applying for financial support. Any Sponsor who does not identify a GC in this way is expected to follow Pathway 1 (Bidding) if selected for financing.
  - Sponsors applying for City Financial Assistance may identify a GC in their Preliminary Project Application but must do so no later than their Full Project Application.
- Sponsors are expected to explain why each Participant was chosen for the project team, what skills/trades/experience they will contribute, and relevant past project experience. Any developer applying with a GC preselected will be expected to document their GC selection process in this narrative.
  - A thorough response will include a description of the GC selection process that was employed, including whether the developer employed a RFI, RFQ, RFP, or other open procurement tool, and motivations for the choice made, including documenting the GC's qualifications and any price commitments made.

## 3.2 Preconstruction Consulting Services

Regardless of selection pathway, once added to the project team GCs are expected to support the Sponsor and AOR during preconstruction by providing construction consulting services in a manner that improves project design, increases the speed of project delivery, and contains costs through early identification of possible construction efficiencies.

The provision of such services, if provided on a fee basis, is expected to be governed by a pre-construction services agreement (unless the development is participating in the CMAR Pilot Program outlined in [Section 3.3.1](#)). This agreement may be in any format mutually acceptable to

the project Sponsor and GC and is not subject to the approval of DOH. However, the agreement is required to be submitted to DOH prior to design approval for the Department's records.

The purpose of this requirement is to establish an understanding amongst all parties as to the services being provided by the GC during the application and preconstruction phases of the project.

Any fees paid for pre-construction services, such as to a GC, construction consultant, or similar entity, must be paid from developer fee and may not be added to any other line item in the project budget. The sole exception to this policy is developments participating in the CMAR Pilot Program, as defined in [Section 3.3.1](#).

### 3.3 Acceptable GC Contract Types & Terms

GC obligations and compensation are to be governed by an Owner-Contractor Agreement (or GC contract, to be used interchangeably) in the form of a *cost of the work plus fee with a guaranteed maximum price* contract. It is the Sponsor's responsibility to ensure the terms of the GC contract are consistent with the ATSM's GC contracting requirements and construction procedures.

GC contracts should be executed only after DOH approval and direction to do so, which will typically occur at the end of Milestone 2.

The following requirements apply to all GC contracts:

- The GC contract must be an agreement through the American Institute of Architects (AIA) most appropriate to the project:
  - The A102-2017 "Cost of the work plus fee with Guaranteed Maximum Price" is generally required.
  - The A133-2019 "Construction Manager as constructor where the basis of payment is the Cost of the work plus fee with a Guaranteed Maximum Price" is alternatively required if participating in the CMAR Pilot as specified in [Section 3.3.1](#).
  - The A201-2017 General Conditions of the Contract for Construction must accompany the Owner-Contractor Agreement. This may be done by reference or exhibit attachment. Any modifications or extension of the general conditions must be via supplementary conditions or an attached AIA "Additions and Deletions" report.
- Prior to execution, the GC contract and all exhibits must be submitted to DOH for review and approval, with edits tracked. All modifications to the standard form agreements must be acceptable to DOH in form and substance.
- The GC contract sum must provide for all labor, material, supervision, and services necessary for the contractor to complete the project, pursuant to the approved-for-construction documents.
- The GC contract's exhibits must include (a) the DOH's most current contract rider, to be supplied by the City prior to contract execution, and (b) the version of the ATSM that the development is obligated to comply with. **These documents must be in first and second position, or some other position deemed appropriate by DOH, in the contract's order of precedence.**

- No language added to any project documents, including that of the GC contract or any subcontracts, may override this manual’s requirements.

### 3.3.1 Construction Manager At-Risk: Collaborative Pilot Program

As a complement to the allowance for GC Pre-selection introduced in this ATSM 4.0, DOH is launching a Construction Manager At-Risk Pilot Program (CMAR Pilot Program).

GC-preselection will enable GCs to serve in a preconstruction consultation role to project Sponsors, with the ultimate goal of reducing project costs and shortening preconstruction timelines by facilitating collaboration between designers and builders during the pre-construction stage. DOH is interested in working with a limited number of project teams who choose to pre-select their GC prior to application to expand this pre-construction role from construction consulting to full-fledged construction management.

Development teams participating in the CMAR Pilot Program will execute an AIA A133 (“Construction Manager as constructor where the basis of payment is the cost of the work plus fee with a Guaranteed Maximum Price”) contract between the project Sponsor (owner) and GC, in lieu of the otherwise-required AIA A102 contract. In an exception to [Section 3.2](#) Preconstruction Consulting Services, the costs of these pre-construction management services under the terms of the A133 may be included in the project budget (outside of developer fee) for pilot participants.

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#### **NEW IN 2025: CMAR CONTRACT PILOT**

This ATSM creates a pathway for a GC to join the project earlier than previously allowed in order to provide construction management and advisory services to the project team. To complement this new option, DOH will also conduct a construction manager at-risk (CMAR) pilot with volunteer project Sponsors.

Participants in this pilot will execute an AIA A133 contract between the project Sponsor and GC (as construction manager), rather than an AIA A102. Pilot participants will work collaboratively with DOH to help shape future DOH policy.

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During this collaborative pilot, CAC will work with participating Sponsors and GCs to identify reasonable contract terms. Feedback from this pilot will inform DOH’s position on acceptable contract types in the future.

#### **General Contractor as Construction Manager**

The A133 is designed to be executed early in project development to codify the GC’s dual role: first as construction manager during preconstruction, and then as GC during construction. The A133 is initially executed to govern the GC’s preconstruction role only, then may be modified to include a GMP amendment once the project scope is determined and pricing negotiated.

DOH is interested in whether the CMAR approach to contracting enables the provision of the following types of services, and whether such services reduce project costs and increase speed of delivery:

- Preparing and managing a construction management plan and the project's master schedule.
- Preparing and updating a project and construction budget based upon the Construction Specifications Institute's (CSI) divisions of work and identifying contingencies.
- Reporting to the Sponsor and AOR the estimated cost of various design and construction alternatives and make recommendations to the budget, including performing market surveys related to current labor and materials costs, and evaluating cost tradeoffs relating to energy efficiency, usable life, maintenance, and operational costs of proposed components.
- Develop a management information system (MIS) between the owner, CM, architects and other parties to the project. The MIS must include procedures for reporting and communication during the design phase.
- Conduct an initial project conference, and conduct progress meetings with the owner and architect to review the plan, schedule, design phase schedule, budget, and MIS
- Monitor the design to ensure compliance with the plan and coordinate the flow of information between the Sponsor, architect, and others as required, including implementing the MIS.
- Review the design documents, and make recommendations on constructability, scheduling, clarity, consistency, and coordination of the design documents.
- Coordinate the transmittal of design documents to the various regulatory agencies.
- For cost management, prepare an estimate for each submittal of the design development drawings and facilitate decisions by the owner when changes are required to the program. Provide value engineering recommendations to the owner.
- Facilitate outreach to potential subcontractor bidders and assist the owner in preparing and placing notices to solicit bids.
- Conduct pre-bid conference(s) and coordinate procedures to answer questions and disseminate bid documents.

### 3.3.2 Construction Contingency and Cost Savings

DOH allows a maximum construction contingency of 5% of the total construction budget for new construction, and 10% of the total construction budget for rehabilitation and adaptive reuse projects.

Contingency is available to address:

- Issues that arise within the scope of the GC contract (i.e. unfinalized scope, missed scope or estimating errors, labor and material cost escalation, acceleration expenses, correction of defective or non-conforming work, subcontractor defaults, general conditions overruns).
- Betterments or other scope changes made to the GC contract.

To the extent that it doesn't conflict with other agency requirements, contingency is controlled by the Sponsor. Contingency control is limited by the following restrictions:

- Contingency may not be used for off-site improvements.
- Contingency may not be used for soft costs, vehicles, resident services, management and operations, items not related to the project, or other non-construction items.



- If, in accordance with the Underwriting Standards Guide, any amount of construction contingency is included in the calculation of eligible basis, the use of such construction contingency is subject to Internal Revenue Code requirements to be included in eligible basis.

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**NEW IN 2025: DEVELOPER-CONTROLLED CONTINGENCY**

Beginning in this ATSM 4.0, contingency will be controlled by the project Sponsor, who may allow some contingency to be carried by the General Contractor. The developer will have agency to negotiate financial agreements with their GC where permissible, such as shared-savings clauses, in order to create shared financial incentives to keep the project under budget. Unspent contingency, as well as any project savings, now accrues to the Sponsor for specified permitted uses. DOH will retain authority to approve or deny change orders that impact project scope and design.

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The Sponsor may elect to allocate up to a maximum of 50% of the available contingency to be held within the GC contract, thus creating a separate construction contingency and owner contingency. The Sponsor and GC may also negotiate any legally permissible arrangement related to contingency use and cost savings as long as they are acceptable to all project funders, including shared savings clauses that define the financial benefits of minimizing contingency use and identifying savings elsewhere in the project. Any such arrangement must be codified in the GC contract prior to financial closing.

DOH maintains approval authority for any change orders that modify project scope and/or design, as described extensively in in [Section 6.4](#).

At the conclusion of the project, cost savings and unspent contingency not awarded to the GC through an arrangement described above may, with DOH's specific approval and contingent on the regulations associated with the funding source(s) provided, be used by the Sponsor for the following allowable purposes:

- Paying back soft loans to DOH and other public funders
- Funding the development's replacement reserve and/or initial operating deficit reserve account
- "De-deferring" any deferred developer fee

DOH will hold the Sponsor financially responsible for delivering the agreed construction scope. Increases in construction costs that exceed the guaranteed maximum price and exhaust project contingencies are the ultimate responsibility of the Sponsor. After City Council introduction (during Milestone 2), DOH will not provide additional project funding, even in the event that the cost of delivering the project as designed exceeds the project costs established at City Council introduction.

### 3.3.3 Overhead, Profit, and General Conditions

In alignment with federal guidelines, DOH limits the amount of GC overhead, GC profit, and general conditions that may be present in a GC contract to a maximum total of 14% of the combined sum of trade payments and site work costs (in other words, construction costs net overhead, GC profit, and general conditions; these limits do not include any additional GC profit from shared savings clauses as permitted under [Section 3.3.2](#)). Typical and expected markups for each of these categories are defined as follows:

	<b>GC's profit</b>	<b>GC's overhead</b>	<b>General conditions</b>
<b>Definition</b>	The proceeds of the transaction, minus the cost, including intangibles such as contract incentives.	The operational costs generally required to run a business ("indirect costs"), much must include transportation, travel expenses, and temporary housing.	The set of operations, procedures, and indirect costs that are essential for successfully executing the construction of the project.
<b>General limit (% of net const. costs)</b>	6%	2%	6%
<b>Reduction for self-performed work</b>	Allowable profit on self-performed work line items is reduced to 4%		Allowable general conditions on self-performed work line items is reduced to 0%
<b>Other notes</b>			May be further reduced based on excluded general conditions (see below)

#### General Conditions

DOH considers all of the following costs, if accrued, to be General Conditions expenses:

- Items identified in Division 00 and 01 of the Project Manual provided by the AOR
- General Contractor Insurance (either general liability insurance or builders risk insurance)\*
- Payment and Performance Bond\*
- Project manager and superintendent
- Draw-related paperwork
- Layout
- Surveys
- Plans/printing
- Material testing
- Communications
- Mobilization
- Temporary heat and utilities
- Temporary fencing
- OSHA protection
- Field office
- Hoisting equipment
- Site security

- Small tools
- Disposal
- Construction photography
- Cost certifications
- Audits
- Mock-ups
- Daily construction site cleaning
- Final cleaning
- General labor
- Portable toilets

The GC is responsible for all the above General Conditions expenses. With the submission of a bid or proposal, the GC must provide a list of items included in general conditions. All of the above costs must be included within General Conditions and cannot be held as an additional markup. If values for these items in excess of the allowable percentage are identified, the individual line-item values must be removed from the budget. Redistribution of these values through the remaining trades after being removed from the GC contract is prohibited. If any of the above costs are undertaken by subcontractors or any other party, the amount of allowable GC general conditions must be reduced accordingly.

If the project Sponsor or GC wish to hold certain items outside of the general conditions, a formal waiver must be submitted to DOH outlining the specific project circumstances that would necessitate the waiver and include an explicit, itemized log of all general conditions and associated costs. If the waiver is approved, DOH may also reduce the general conditions limit.

**\*Payment and Performance Bond; General Contractor Insurance:** costs associated with the GC's required payment & performance bond as described in [Section 3.3.4](#) below, and GC insurance (including, but not limited to, General Liability Insurance) are considered General Conditions costs and must be included within the allowed 6% markup outlined above. Under no circumstances may these costs be held as an additional markup. With DOH approval, bond costs may be broken out as a separate line item, provided that there is a requisite reduction in General Conditions.

With DOH approval, project-specific builder's risk insurance may be held by the Sponsor as a soft-cost line item. In this case, the insurance would be listed in the insurance carrier's name on the owner's sworn statement. Builder's risk insurance held by the GC must be held within the markups noted above.

### 3.3.4 Construction Performance Surety (P&P Bond)

The GC must obtain a Payment and Performance (P&P) bond equal to 100% of the cost of construction of the development from a company acceptable to the City of Chicago.

### 3.3.5 Other DOH policies related to GC Contracts and Compensation

Other construction contract stipulations:

- **Unauthorized Activity:** City of Chicago will not be responsible for payment, compensation, or loss of funding due to unauthorized work or activity prior to financial closing, the issuance of relevant building permits, and DOH CAC's Notice to Proceed.
- **Winter Conditions:** If applicable, winter conditions will be treated as a contingency item.
- **Allowances:** Allowances are not allowed for biddable and definable portions of the project. Any allowances to be held within the GC's contract must clearly outline how the allowance was determined (context), what is included in the allowance (scope & cost), and how the scope held with an allowance will be determined during construction (timing). Unit prices and other qualifying metrics must be used where appropriate. A comprehensive summary of identified allowances must be shared with and approved by DOH prior to closing.
- **Alternates:** If indicated on the plans, alternates must be identified in separate line items. The Sponsor and AOR must establish procedures for when and how alternates will be incorporated into the project.
- **Shop Drawings:** Payment for any shop drawings will be limited to 5% of the total cost for that line item. A letter from the AOR approving the shop drawings, an executed subcontractor contract, detailed invoices from the subcontractor and copies of all approved shop drawings, cut sheets, et cetera must be submitted to DOH CAC prior to inclusion on the pencil draw. Shop drawing draws are subject to all pencil draw requirements.
- **Elevators:** Prior to installation, elevator line items will only be paid up to 50% of the GC contract value. Once installation of the elevators has begun, the balance will be paid out based on the percentage of installation.
- **Retainage:** Retention must remain at 10% until 90% completion of the project. A reduction to 5% can be made at the 90% completion of the entire project where it must stay until 100% project completion. Full retainage requirements are described in [Section 6.5.5](#).
- **GC Clarifications and Exclusions:** Must be carefully considered to address the specific conditions of the project, coordinated with the requirements outlined in the construction documents, and must be reviewed thoroughly by the Sponsor and the AOR. As with the rest of the Owner-Contractor Agreement, the any Clarifications and Exclusions exhibit is subject to DOH review and approval.
- **Insurance Claims:** The City is not responsible for insurance claims filed in relation to a DOH-funded project and will not consider additional funding for these costs. This includes costs to cover deductibles or other related payments as well as instances of material or equipment theft.

## 3.4 Subcontractor Engagement & Self-Performed Work

Subcontractor selection requirements are outlined below:

### 3.4.1 Self-Performed Work

Self-performed work is defined as any work that the GC intends to perform with its own staff, in lieu of being performed by a subcontractor. In order to expand opportunities for subcontractors, it is the preference of DOH that self-performed work be minimized. The following requirements are thus established:

- The GC may not self-perform more than 10% of the GC contract value.
- If a GC wishes to self-perform work, those line items must be competitively bid in a closed bidding process carried out and managed by the Sponsor. The GC may not manage the bidding for line items they wish to self-perform.
- Self-performed work must be completed under a cost-plus-fee contract with a guaranteed maximum price arrangement and is subject to audit by DOH. Self-performed work is not permitted to be completed under a lump sum contract.

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#### **NEW IN 2025: LIMITATIONS ON SELF-PERFORMED WORK**

The Department of Housing is committed to ensuring that small or emerging subcontractors have access to opportunities on City-funded developments. In line with that commitment, the 2025 ATSM introduces a cap on the total value of work that a GC is able to self-perform. GCs will not be permitted to self-perform more than 10% of the GC contract value.

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### **3.4.2 Subcontractor Eligibility, Qualifications, and Selection**

All construction related costs required to complete the project must be determined by receiving bids from all line items identified on the GC's sworn statement prior to the project obtaining DOH construction approval. The subcontractor bidding must be carried out by the GC following the procedures outlined below:

- All construction related costs required to complete the project must be documented in a schedule of values and memorialized in the GC sworn statement.
- For each trade, a competitive bid from **at least three qualified subcontractors** must be procured. The results of the subcontractor bidding process will be documented via a subcontractor bid book submitted as part of Milestone 2.
- The GC shall host at least one pre-bid conference / forum.
- The Bid Announcement must be sent to the entities on the Department of Procurement Services (DPS) assist agency list found here: [https://www.chicago.gov/city/en/depts/dps/supp\\_info/city-of-chica-go-assist-agencies.html](https://www.chicago.gov/city/en/depts/dps/supp_info/city-of-chica-go-assist-agencies.html)
- In addition, DOH Construction Compliance team must be notified by sending bid announcement form to: [DOHconstructioncompliance@cityofchicago.org](mailto:DOHconstructioncompliance@cityofchicago.org)
- The Outreach Summary must be completed to demonstrate how the MBE and WBE community was involved in outreach to potential bidders.
- Subcontractor bids must be submitted in a digital binder format that is fully text searchable, indexed and bookmarked. The digital binder index/tabs/bookmarks must correspond to the GC's sworn statement. Every line item on the GC's sworn statement must have a corresponding index/bookmark/tab including a bid tabulation sheet and the prospective subcontractor bids. Sworn statements and successful subcontractor bids must be updated accordingly to reflect the issued for construction drawings prior to



closing. If discrepancies are found between the bid book and the sworn statement, DOH will notify the GC and request explanation/justification from the GC.

- Prospective subcontractors must be licensed by the City of Chicago for their applicable trade.

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## 4.0 Design Guidelines and Requirements

High quality design is a cornerstone of Chicago’s affordable housing developments. The goal of DOH’s design guidelines and requirements is to create affordable housing that is safe, functional, appealing, energy efficient, accessible, visitable, and durable. Design choices should seek to balance building with high quality design and materials with the goals of up-front cost containment and reducing long-term maintenance costs. DOH encourages architects and development teams to understand local conditions and design buildings that create healthy living environments, enhance neighborhood surroundings through design consistency, neighborhood appropriateness, and distinctive architectural characteristics.

In addition to this section, development teams are also encouraged to review and incorporate the [Department of Planning and Development’s Design Excellence: Neighborhood Design Guidelines](#) into the building and site design.

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### **NEW IN 2025: DESIGN REQUIREMENTS REORGANIZATION**

The design requirements portion of the ATSM has been entirely revamped for version 4.0. Content has been reorganized to be more easily referenced, with consistent section layouts and table design to allow for relevant policies to be quickly identified. DOH invites continued feedback on the usability of this section.

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DOH values a collaborative design process with the development team. DOH and the development teams should work together to find solutions that best address the needs of residents, and strive for consistent, timely communication throughout the process. Please reference [Chapter 5: Pre-Construction Activities](#) for more information about the design review process.

**Many sections in this chapter include both functionality descriptions and minimum requirements.** *Minimum requirements* are objective, measurable standards; *functionality* descriptions provide the intent behind these requirements to describe how a space should ideally function and feel. This two-pronged approach is intended to provide maximum design flexibility while ensuring a high standard for building quality is consistently upheld. The goal is for all building spaces to comfortably accommodate their intended use and be easy to navigate for all residents.

**All designs must both comply with relevant minimum standards and meet relevant functionality descriptions; the policy is not “either/or.”** In addition to confirming designs meet minimum specifications, CAC will evaluate proposed designs for functionality and provide deliberative feedback to project teams.

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## NEW IN 2025: FUNCTIONALITY AND REDUCED MINIMUM REQUIREMENTS

Room size requirements and various other minimum requirements have been reduced in the 2025 ATSM, often aligning DOH construction policies with those promulgated by IHDA. This ATSM also places renewed focus on the *functionality* of various physical spaces in any development. The reduction in minimums and functionality descriptions provide greater flexibility to development teams to produce dignified, durable, user-friendly housing.

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DOH CAC retains the authority to determine whether a design meets both the minimum requirements and functional guidelines described in this chapter. DOH will coordinate with other public funders (HUD, CHA, IHDA, etc.) to ensure consistent and reasonable application of other funders' requirements; generally speaking, the strictest policy applies. DOH expects applicants to be responsive to comments regarding design and reserves the right to request additional items or revision at DOH's discretion to maximize functional life, quality of life, and overall building durability. Developments that do not meet these requirements will not advance to financial closing.

### 4.1 General Unit Information

The following table provides bedroom, bathroom, and square footage requirements for DOH affordable housing developments.

Unit Size	Intended Residents	Min. Bathrooms	Max Bathrooms	Min. Square Footage
SRO	1	0	1	300
Efficiency	1	1	1	400
1 bedroom	1 - 2	1	1	525
2 bedroom	2 - 4	1	1.75	750
3 bedroom	3 - 6	1.75	2	950
4 bedroom	5 - 8	2	2	1100

TABLE 1

#### Clarifying definitions for “0 bedroom” units:

- **SRO (Single Room Occupancy) units:** A residential property that includes multiple single room dwelling units may be classified as an SRO. In SRO buildings the units need not, but may, contain food preparation or sanitary facilities.
- **Efficiency units:** Outside of a building classified as an SRO building, any dwelling unit that has combined sleeping, living, and dining areas is considered an efficiency unit or studio apartment. Every efficiency unit must include food preparation and sanitary facilities.

### 4.2 All Interior Spaces: Common Areas and In-Unit

#### Functionality:

Spaces within the unit and in common areas should be designed with common sense layouts that are adequate and easy to navigate for the intended number of residents. Oddly shaped spaces

should be avoided or reserved for studios and utility areas. Units should include the appropriate amount and size of furniture, have the associated maneuvering clearances, and have enough dedicated storage rooms. It is encouraged to demonstrate compliance with requirements and functionality through clearly dimensioned drawings, shaded areas / clearances / turning radii, written notes, and schedules.

### Minimum Requirements:

These minimum requirements apply to all rooms inside the dwelling units and building common areas. Additional room-specific requirements are included in further sections, which must be considered in concert with these general requirements.

- ☐ Dimension and area requirements must be taken from the finish face of walls
- ☐ Closets and door swing alcoves are not counted towards usable room square footage
- ☐ Maneuvering clearances around furniture is a clear width of circulation path of 36" to allow accessibility and visitability
- ☐ Dedicated storage rooms must be fully accessible with adequate maneuvering spaces once "storage cages/spaces" installed

Feature	Requirement	Not Permitted
<b>Cabinet boxes &amp; vanities</b>	Solid plywood box construction	MDF, particle board
<b>Cabinet doors and drawer fronts</b>	Solid wood face or high-pressure laminate (HPL)	MDF, particle board, non-high-pressure laminates
<b>Drawer boxes</b>	Dovetail or reinforced joint construction	
<b>Hardware</b>	Accessible hardware on all cabinet doors and drawers	
<b>Countertops</b>	Solid-surface material (granite, quartz, Corian, cultured marble, or similar)	Laminate tops
<b>Closets Doors</b>	Minimum grade 2 (light commercial) hardware	Conventional, residential grade (Grade 3) hardware
<b>Interior Doors</b>	Solid core or solid wood doors	Hollow core doors
<b>Closets</b>	Adjustable Shelving	Stationary, built in shelves or similar.
<b>Heating and Cooling</b>	All units must be heated and air-conditioned	Seasonal window A/C units
<b>Windows</b>	Insect screens on all operable windows, except those more than 50' above the ground	
<b>Window treatments</b>	Blinds or curtains	Aluminum "mini blinds"
<b>Flooring</b>	4-6mm LVT or vinyl plank flooring with 20mil minimum wear layer, solid wood, or tile	Carpet Sheet vinyl
<b>Ceilings</b>	Drywall finished with 2 coats primed and 1 coat painted in all residential accessible common areas and units	Unfinished or painted concrete, exposed MEPs, except in non-resident areas (stairwells and "back of house")

<b>Walls</b>	Drywall finished with 2 coats primed and 1 coat painted in all common areas and residential units	Unfinished or finished brick, concrete block, or similar, except in non-resident areas (stairwells and “back of house”)
<b>Electrical Outlets and Switches, Environmental Controls, Electrical Panelboards</b>	All outlets, switches, controls, and panelboards to be at accessible reach ranges	Raceways exposed conduits

TABLE 2

## 4.3 In-Unit Room Requirements

All rooms must meet the relevant room-specific information in this section in addition to the general requirements described in [Section 4.2](#).

### 4.3.1 Bedrooms

#### Functionality:

Bedrooms, including the sleeping areas of SRO and efficiency units, should include sufficient space for routine daily activities, appropriately sized furniture, and adequate maneuvering space. The bedroom should allow for simple, unobstructed access to beds, closets, and windows. High quality materials and fixtures should be prioritized for durability and aesthetics.

#### Minimum Requirements:

All bedrooms, with the exception of SRO and efficiency units, must fit the following furniture and meet the minimum square footage and wall dimensions:

Bedroom	Bed Size	Nightstand	Closets, minimum width	Square Footage	Shortest wall minimum dimension
<b>Primary</b>	queen	2	5'	110	10'
<b>Non-primary</b>	full	2	4'	100	9'

TABLE 3

All bedrooms, including the sleeping area within SRO and efficiency units, must meet the following additional requirements:

Feature	Requirement	Not Permitted
<b>Maneuvering Space</b>	30” of space around 3 sides of the bed	
<b>Walls</b>	Extend to ceiling for privacy with door to each bedroom, except in SRO and 0-bedroom units	
<b>Lighting</b>	Primary lighting must be a hardwired switched ceiling fixture	
<b>Light and Vent</b>	An operable window to the exterior for access to natural light and ventilation	Borrowed-light or window-less bedrooms

TABLE 4

### 4.3.2 Living Room

#### Functionality:



Living rooms should be appropriately sized for the intended household size and be organized to facilitate the gathering of hosts and a reasonable number of guests. Furniture should fit comfortably with adequate maneuvering space. To achieve these functional goals, it is recommended to have at least one wall with a minimum length of 11'-6".

#### Minimum Requirements:

Feature	Requirement	Not Permitted
<b>Furniture</b>	Must be able to fit: 7' couch, 1 chair, 2 side tables, coffee table, TV console	
<b>Lighting</b>	Primary lighting must be a hardwired switched ceiling fixture	

TABLE 5

### 4.3.3 Dining Area

#### Functionality:

Dining areas should have space for the intended household size to eat comfortably together with space for visitors to join them.

#### Minimum Requirements:

Unit Size	Seating Required*	Eat-in kitchen / Separate Dining Room	Peninsula / Kitchen Island
<b>SRO, Efficiency</b>	3 chairs	Not Required	
<b>1 bedroom</b>	4 chairs	Either	
<b>2 bedroom</b>	6 chairs	Either	
<b>3 bedroom</b>	6 chairs	Required	Optional
<b>4 bedroom</b>	8 chairs	Required	Optional

TABLE 6

\*In the event multiple dining areas are provided, at least one must entirely satisfy the seating requirement. The seating requirement may not be cumulatively met across multiple dining areas.

Feature	Requirement	Not Permitted
<b>Lighting</b>	Primary lighting must be a hardwired switched ceiling fixture	

TABLE 7

### 4.3.4 Kitchens

#### Functionality:

Kitchens should be sized and organized around the typical daily activities of the residents. This includes prioritizing space for unloading groceries, storing food, and preparing meals in a logical, organized manner. To achieve these functional goals, cabinets and/or a pantry should be sufficiently sized and counter space adjacent to the refrigerator and on both sides of the cooking range and sink are encouraged when possible.

Functionality guidelines also include logical outlet/switch locations and appropriate cabinet layout that allows clear door swings and drawer operation. Kitchens should be easily maintained with high quality finished surfaces and areas protected from moisture, mold, and kitchen residue.

#### Minimum Requirements:

Feature	Requirement	Not Permitted
<b>Lighting</b>	Primary lighting must be a hardwired switched ceiling fixture; task lighting above kitchen ranges and sinks	
<b>Appliances</b>	Provide a grease shield behind all ovens or ranges and on abutting partitions. Protective shields must be high-pressure plastic laminate, ceramic tile, enameled steel, stainless steel, or similar.  Range exhaust must be provided (recirculating or vented exhaust). Vented exhaust preferred.	Painted wall at range or cooktop
<b>Windows</b>	Must have window to exterior or a visual opening to living space larger than a standard doorway	

TABLE 8

#### Countertop and Cabinetry Minimum Requirements:

Unit Size	Countertop Lineal Feet	Total Cabinet Lineal Feet (recommended base and upper)
<b>SRO</b>	3	5 (3 base, 2 upper)
<b>Efficiency</b>	4	7 (4 base, 3 upper)
<b>1 Bedroom</b>	6	9 (5 base, 4 upper)
<b>2 Bedroom</b>	7	11 (6 base, 5 upper)
<b>3 Bedroom</b>	7	13 (7 base, 6 upper)
<b>4 Bedroom</b>	8	13 (7 base, 6 upper)

TABLE 9

#### Measurement Information:

- Cabinet/countertop measurements are taken from the front face of cabinet (not the wall)
- Cabinet and countertop measurements exclude the sink/sink base and appliances that interrupt the work surface
- If a pantry is provided, the cabinet lineal feet may be reduced by a proportional amount
- Sinks must be at minimum 7" depth

#### Appliance Minimum Requirements:

Unit Size	Range/Oven	Refrigerator / Freezer	Sink
<b>SRO</b>	Permitted but not required	Permitted but not required	Permitted but not required
<b>Efficiency / 1 bed</b>	24" self-cleaning	14 cu. ft	Single or double bowl sink Dishwasher optional
<b>2 bed and larger</b>	30" self-cleaning	Larger than 14 cu. ft	Double bowl sink OR Single bowl sink and dishwasher

TABLE 10

### 4.3.5 Bathrooms

#### Functionality:

Bathrooms must provide the necessary space for easy maneuvering and access. High quality fixtures & finishes should be utilized to ensure long-term durability. Bathroom accessories should be installed to avoid conflict with door swings, grab bar locations, and switch locations. In a 3-bedroom or larger dwelling unit, compartmentalizing at least one full bathroom for simultaneous multiple use is encouraged.

#### Minimum Requirements:

	Lavatory Sink	Toilet	Tub and shower (combined or separate)	Shower
Half (½)	X	X		
Three-quarter (¾)	X	X		X
Full	X	X	X	

TABLE 11

Feature	Requirement	Not Permitted
Fixtures	Towel bar(s), toilet paper holder, shower curtain rod, mirror	
Bathroom Lighting	Vanity lighting centered above the mirror and either a ceiling fixture or a combo vent light	
Medicine Storage	Drawer, cabinet, or shelf space	Surface-mounted medicine cabinets

TABLE 12

#### Storage Minimum Requirements:

- ☐ Must have at least a linen closet or a vanity with storage

If a linen closet is provided:

- ☐ Can be in the bathroom or just outside
- ☐ Minimum width 24". Minimum depth 15"
- ☐ If linen closet is located outside a bathroom, a door must be provided. Linen closets inside bathrooms may be doorless.
- ☐ Linen closets must be equipped with adjustable shelving

### 4.3.6 In-Unit Laundry

Laundry facilities with washing machines and dryers are required in every building. If provided within the residential units, follow the guidelines in this [Section 4.3.6](#). If provided within a common laundry room, follow the guidelines in [Section 4.4.4](#).

#### Functionality:

In-unit laundry should be easily accessed within a dedicated closet, and appliances should be selected for ease of use. If storage is provided in laundry closets in residential units, storage within accessible and adaptable units must meet all reach range requirements. To prevent extensive water damage over the long term, DOH recommends providing a floor drain in laundry closets.

**Minimum Requirements:**

- ☐ In-unit laundry may not share a closet with other equipment such as HVAC; full swing door is preferred

Feature	Requirement	Not Permitted
<b>Drainage</b>	Leak detector, disaster pan, or floor drain	
<b>Floor Finish</b>		Wood or concrete
<b>Lighting</b>	Switch lighting at accessible reach range heights and location	
<b>Doors</b>		Bifold doors
<b>Shelving (optional)</b>	If provided, all units must have similar amount and be at accessible approach and reach ranges	

TABLE 13

### 4.3.7 Storage

**Functionality:**

Storage areas must be provided to safely and sufficiently address household storage needs. These spaces must be sized proportionate to the household size and provide a variety of storage options for items such as cleaning supplies, vacuums, children's bikes, toys, seasonal items, and more. Storage space provided should be functional for a range of uses with multiple types and locations available, especially for larger units.

**Entry Closet Minimum Requirements:**

- ☐ All units must include an entry closet located near the unit's front door
- ☐ Entry closets must be equipped with at least a single adjustable hanging rod and shelf

Unit Size	Minimum closet depth	Minimum closet width
<b>SRO &amp; Efficiency</b>	24"	2.5'
<b>1 + 2 Bedroom</b>	24"	3'
<b>3 + 4 Bedroom</b>	24"	4'

TABLE 14

**Bulk Storage Minimum Requirements:**

All units must provide sufficient bulk storage, which may be calculated cumulatively across the following in-unit and out-of-unit storage solutions:

- Any entry or bedroom closet space beyond the minimum size
- Any laundry closet space not occupied by appliances
- A linen closet

- Any dedicated, in-unit general storage closet provided
  - Any dedicated storage provided outside the unit, including space in any provided garage not reasonably expected to be occupied by a vehicle
- ☐ Adjustable shelving is optional, fixed shelving not allowed
  - ☐ Any out-of-unit storage area must be on an accessible route
  - ☐ Bulk storage within a bedroom closet must have a dedicated area and cannot impede access to hanging rods and shelves

Minimum storage space is expressed in square feet of floor area, assuming standard height ceiling:

Unit Size	Square Feet
SRO	5
Efficiency	6
1 Bedroom	10
2 Bedroom	25
3 Bedroom	30
4 Bedroom	33

TABLE 15

#### **HVAC Closets, Minimum Requirements:**

- ☐ HVAC closets must lock and only be accessible to building management
- ☐ Sealed concrete floors (floor drain allowed)
- ☐ HVAC closets are not allowed to be used for storage of any kind

## **4.4 Common Area Requirements**

Ground floor and shared spaces should be designed to maximize functional use, safety, and easy maneuverability. A note on mail and packages: In addition to USPS required mailroom space, it is strongly encouraged to provide a secure package room or smart lock HUB room.

### **4.4.1 Security**

#### **Functionality:**

Security plans should incorporate a combination of components appropriate to the project and location. This may include but is not limited to a camera system/locations, alarm systems, security doors, and/or access control systems. DOH will work with the project team during design review to discuss the adequate scope of a security plan, which is expected to vary by development.

#### **Minimum Requirements:**

- ☐ Detailed security plan must be in place with all security features incorporated in the construction documents and included in the GC scope, prior to GC contract execution.

### **4.4.2 Broadband Internet**

#### **Functionality:**



Broadband internet should function smoothly throughout the development for the building's security needs and for the residents' daily use. Installed broadband infrastructure should accommodate all elements of the security system and in-unit wiring connection point(s) should be accessible in a centralized part of the unit for maximum wireless reach.

#### Minimum Requirements:

- ☐ All developments must include unit-based broadband infrastructure. This means tenants must be able to obtain a contract for broadband internet from at least one internet service provider without the installation of additional cables or infrastructure.
- ☐ Broadband internet service is required for all PSH units. This means tenants of PSH units must be provided broadband internet, including wireless connectivity, without individually obtaining or paying for a contract from an internet service provider.
- ☐ Broadband infrastructure must accommodate Federal Communication Commission (FCC) minimum speed requirements (at time of writing, 100 Megabits per second [Mbps] download and 20 Mbps upload). If receiving federal assistance, greater speed minimums may be mandated by HUD.

### 4.4.3. Waste Disposal (Trash and Recycling)

#### Functionality:

Waste disposal should be designed to meet the needs of the number of residents in the development and be easy to use throughout the building. Ground floor trash rooms should be appropriately sized to accommodate the quantity of trash/recycling needed to service the building with adequate maneuvering space, and trash chutes should be centrally located on building floors near other common areas such as laundry rooms and elevators.

#### Ground Floor Trash Rooms Minimum Requirements:

- ☐ All multi-floor developments must incorporate one or more rooms for trash and source-separated single-stream recycling on the ground floor, and each floor must have an enclosed trash chute room on each floor.
- ☐ Ground floor trash rooms may not share space with any other program spaces or usage
- ☐ Waste disposal minimum requirements do not apply to 3-flat / 6-unit buildings or smaller

Feature	Requirement
<b>Doors</b>	Double doors or garage-style overhead doors to exterior and from trash/recycling room; with protective bollards, corner guards, door guards
<b>Concrete Slab</b>	Directly link access from trash/recycling area to the exterior pick up point with all required curb depressions, ramps, etc.
<b>Plumbing</b>	Floor drains and hose bibs for maintenance and cleaning
<b>Mechanical</b>	Adequate mechanical ventilation and mechanical heating/cooling must be incorporated.
<b>Walls and Flooring</b>	Trash/recycling rooms and any route from room to exterior pickup point or enclosure wall protection must be provided (corner guards, wall coverings, exterior bollards, etc.)
<b>Direct Route</b>	A direct route from the collection room to the exterior loading or dumpster location must be provided.

TABLE 16

#### 4.4.4 Common Laundry Rooms

Laundry facilities with washing machines and dryers are required in every building. If all units are not provided with in-unit laundry, a common laundry room must be provided.

**Functionality:**

Laundry facilities should have the adequate appliances for the number of building tenants and be easy to use and accessed. The facilities should have visual connections to common areas and corridors, have access to natural light if possible, and be accessible without leaving the conditioned area of the building.

**Minimum Requirements:**

- ☐ One washer/dryer for every 12 units must be provided
- ☐ An adequate folding area in the form of tables and/or counter space, must be provided in all shared laundry areas
- ☐ The minimum required front-loading machines for accessible units must be provided
- ☐ One washer/dryer for every 12 units must be provided

#### 4.4.6 Elevators

**Minimum Requirements:**

All multifamily and senior buildings must have at least two accessible elevators serving all floors.

**Functionality:**

DOH has a strong preference for one of the elevators to function as a service elevator with taller cab size, wider doors, and dual-sided at the ground floor to accommodate move-ins and outs, large furniture, and maintenance tasks. Example specifications for a service elevator: 5'-7-1/8" x 7'-7-7/8" interior cab dimension and 4000# capacity.

#### 4.4.7 Entrances

**Functionality:**

Building entrance design should take into account resident safety and ease of use and highlight architectural characteristics whenever possible. DOH strongly encourages the minimum requirements for primary entrance illumination and identification be applied to secondary entrances as well.

In addition to USPS-required mailroom space, it is strongly encouraged to provide a secure package room or smart lock HUB room.

**Minimum Requirements:**

- ☐ All entry points must provide adequate sheltering from the elements. Sheltering strategies include entrance canopies, recessed entries, or other sheltering strategies should be used at primary and secondary building entrances

- ☐ Primary residential entrances and address signage must be illuminated and identifiable from all directions, parking areas and public ways

#### 4.4.8 Amenities

##### **Functionality:**

Building amenities and common areas are integral parts of a lively, welcoming, and optimally functioning building. These spaces provide services and resources for tenants and support the social life of a building. Amenities and common areas should be useful, convenient, furnished appropriately for their intended use, and tailored to the specific needs of the residents.

The atmosphere of amenity spaces should be collaborative and interactive, promoting active use, visual connection, and intermixing of both leisure and utilitarian activities. Designing spaces with multiple amenities and cross-programming opportunities is encouraged. DOH seeks to avoid nondescript, generic, and underutilized common spaces.

Intentional space planning and proactive programming should be utilized to support these functional goals and be clearly communicated via furniture plans, narratives, and programming plans. DOH will assess building amenities for design and intended use.

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##### **NEW IN 2025: “A LA CARTE” AMENITY MENU**

This ATSM introduces a flexible approach to building amenities. There is now the option to select from a menu of building amenities or to propose alternative ones in order to encourage the inclusion of amenities that are the best fit for the development, its intended residents, and the community. This new approach is intended to promote creative designs, and the ability to integrate multiple amenities in one space and to plan for innovative cross-programming opportunities.

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##### **Minimum Requirements:**

- ☐ Provide a common, flexible, accessible, furnished space for amenities. This space should serve as a versatile area designed for multiple purposes and be adaptable for various needs that offer a range of options for work, relaxation, and social interaction.
  - ☐ Examples: a lounge that transforms into an event space, a co-working area with adaptable furniture, a movie or TV watching area, or a general space for gatherings and entertainment
- ☐ Provide at least three additional amenities, as listed in the “a la carte” menu below
- ☐ All amenities must be on an accessible route

##### **Additional Minimum Requirements for Family-Oriented Developments:**

- ☐ an indoor or outdoor play space, as defined in the amenities table below, must be one of the three required additional amenities

Amenities not on the “a la carte” list may be proposed and will be assessed on a case-by-case basis. DOH encourages amenities that are unique fits for a development and its intended residents and that demonstrate creativity and innovation.

<b>Amenity</b>	<b>Notes and Examples</b>
<b>Bike repair room</b>	Bike storage room must also be provided
<b>Business center</b>	Designed for modern, multiple uses like individual study, small groups, meetings, student resource and study space, co-working area Equipment might include phone booths, printers, screens with HDMI hookups, computer rooms
<b>Common kitchen and lounge space</b>	Programming might include cooking classes, community potlucks, etc.
<b>Covered outdoor seating and entertainment area</b>	
<b>Covered parking</b>	Must be tenant-serving, recommended at least 50% of parking covered
<b>Dog run and pet wash</b>	
<b>Food provisions</b>	Grab and Go market, vending machines, or cafe Must be in addition to a common kitchen
<b>Fitness room</b>	Provide varying equipment; sized adequately for building (35-45 sq ft/expected user at peak times) Sample equipment layout must be provided at application
<b>Game room</b>	Must provide game equipment like ping-pong table, shuffleboard, pool table, etc.
<b>Health clinic and wellness space</b>	Must have ability to be staff and programmed for specific tenant population
<b>Library / resource center</b>	
<b>Play space</b>	Minimum 600 square foot with a stable, firm, and slip resistant ground surface that provides interactive elements and can be programmed for activities. Space must be centrally located, shielded from outside view, and adjacent to dwelling units. May be indoor or outdoor.
<b>Repair shop or workroom</b>	Must have vehicular access May include storage, utility sink, toilet facilities, and/or workbench for maintenance staff
<b>Vegetable garden and/or greenhouse</b>	

TABLE 17

## Maintenance and Office Spaces

### Functionality:

The primary function of a maintenance workshop and/or office space is for property management and must be appropriately sized for its intended use. These areas may be in separate buildings, such as a clubhouse, or on the ground floor to allow for maximum site and building surveillance.

### Office Space Minimum Requirements:

- ☐ If office space is provided, it must be for the exclusive use of property managers, tenant service providers, or building operations staff

- ☐ If the size of the project warrants a separate common space for the management staff and rental office, it must include an office large enough to accommodate a secretarial space, a waiting/reception area, at least one accessible public restroom, and a storage/coat closet
- ☐ Any space designed for interaction with tenants or the public (including office), must be on an accessible route from the point of arrival and accessible to persons with disabilities

**Maintenance/Repair Shop Minimum Requirements:**

- ☐ Must be provided for staff to include storage facilities for attic stock and fire cabinets, desk, a utility sink, toilet facilities, and work bench

## 4.5 Trauma-Informed Design Guidelines

Trauma-informed design (TID) is a framework combining trauma-informed care with the design process. TID takes into account the physical effects that trauma can cause in a person's body and uses this information to shape a built environment to better meet people's needs. DOH requires and/or strongly encourages designs that meet certain TID standards based on development type, as described in [Section 4.5.2](#).

### 4.5.1 General principles

As a practice, trauma-informed design extends broadly across a wide array of design and architectural standards. Four key tenets guide the design principles:

- **Choice and Autonomy:** Residents feel a sense of control and power within and over the environment
- **Health and Safety:** Residents feel safe and secure interacting throughout the environment; their health and safety is promoted through the design of individual and common spaces.
- **Community and Collaboration:** Residents can participate in shared community space and supportive services within the environment, offering the opportunity to belong and helping to build relationships based on trust.
- **Beauty and Well-Being:** Residents can find dignity, self-esteem, empowerment, and meaning within the environment.

### 4.5.2 Implementation Requirements

Across the four principles defined above, DOH has identified 24 specific TID standards. Required adoption of these standards depends on project type.

Buildings that meet the definition of PSH must meet the following standards:

- **Newly Constructed PSH Developments** must meet 100% (16) of the required standards under each of the four TID categories and may include additional optional standards.
- **Rehab or Preservation PSH Developments** must meet a minimum of at least 50% (8) of the standards under each of the four TID categories and should preferentially meet as many of the standards as reasonably possible.

Other developments not classified as Permanent Supportive Housing developments are highly encouraged to meet as many standards as possible, with a particular focus on the 6 standards



indicated with an asterisk (\*). DOH expects to require certain TID standards in all developments in the future.

### 4.5.3 TID Standards

Choice and Autonomy	Health and Safety	Community and Collaboration	Beauty and Well-Being
<b>Required</b>			
Residential units contain tenant-controlled heating and cooling*	Non obstructed lines of sight in common areas and hallways	Enclosed outdoor area for smoking in conformity with other funding requirements (i.e., HUD definition of smoke-free housing)	All residential unit light and vent requirements per CBC are exceeded by at least 20%*
Sound insulation in all interior bedroom walls in addition to insulation of all exterior walls in all units*	All entry, exit, and common area residential use rooms have a minimum of 30% glazing of the total area of the door or a full-length sidelight to improve sightlines	Provide a de-escalation room and/or sensory sensitive room near public/common spaces to serve as an area of refuge	Trauma-informed interior finishes are welcoming, calming, and non-institutional (i.e. not only white), in cool light color spectrum throughout the project*
Variable lighting in all bedrooms as well as living areas*	A diverse array of wayfinding markers is utilized throughout common area hallways and common spaces	At least one multi-use resident services space for use by on-site and visiting service provider partners for resident services such as for healthcare, employment training, or counseling	Residential studio units are at least 15% larger than the minimum requirement*
Free internet access per unit	The building(s) is oriented and provides fenestration for maximum solar gain /minimum solar loss	Design, art, or decorative elements are welcoming to those with a variety of cultural backgrounds, ages, abilities, and other characteristics.	Substantial outdoor space or all-season area for residents to utilize
<b>Optional</b>			
All residential units contain in-unit washers and dryers	Full security proposal includes, at minimum, a security camera system, security desk, and key fobs or other entry mechanism	At least one common area residential space that reflects the tenant population and community served and is flexible for multiple uses and users	Looped walking paths or connected sidewalks throughout the site
Computer room equipped with one (1) computer for every three (3) units	Exercise / fitness center with at least one (1) machine per five (5) units	Fully equipped indoor or outdoor playground or tot lot appropriately sized for the development	Connections to nature, including balconies, Julietts, sliders, or porches are included for each unit

TABLE 18

## 4.6 Accessibility

Accessibility is a key component of the City's affordable housing goals. In addition to compliance with the Fair Housing Act, all housing developments covered by this manual must address the following accessibility standards:

Accessibility Standard	As defined in:	Federally assisted development requirement	Non-federally assisted development requirement
Type B	Chicago Building Code	All units*	
Type A	Chicago Building Code	31% of units	36% of units
504-Mobility	Rehabilitation Act of 1973	10% of units	0% of units
504-Hearing/visual impairment	Rehabilitation Act of 1973	4% of units	0% of units

TABLE 19

*\*All units in buildings with elevator service and ground floor units in buildings without elevator service*

For projects involving multiple public funders, units that comply with multiple funders' accessibility standards may count towards multiple funders' requirements, if permitted by the other public funders.

## 4.7 Senior Housing

### Minimum Requirements:

The following items are required **both in-unit and in common areas** for senior buildings:

- ☐ Sprinkler system
- ☐ Fire alarm system with central annunciator panel
- ☐ Hard wired smoke and heat detectors would require strobe warning light
- ☐ Hardwired carbon monoxide detectors, unless a valid exemption in 14B-9-915.1.4 applies
- ☐ Lever type door handles on all doors
- ☐ Grab bars with reinforcement
- ☐ Single lever faucets on all plumbing fixtures
- ☐ Soft-close cabinet door hardware throughout the unit
- ☐ Sound Transmission Coefficient (STC) sound rated glass for all windows\*
- ☐ Emergency call system/pull cord in all bathrooms

The following additional items are required **in common areas** of senior buildings:

- ☐ Emergency backup generator to service all common areas
- ☐ Emergency lights
- ☐ Emergency exit signs
- ☐ Emergency HVAC system capable of servicing common area for at least 3 hours

\*Please refer to [HUD Sound Transmission Classification Assessment Tool \(STraCAT\) users guide](#) on the HUD Exchange website

## 4.8 Multi-Family Rehabilitation

### Functionality:

Rehabilitation projects funded by DOH are expected to result in housing that is high-quality, safe, dignified, and durable. In addition to addressing known issues and replacing equipment at the end of its useful life, rehabilitation should focus on the reduction of long-term maintenance costs, address energy needs, and ensure alignment with the existing environment.

### 4.8.1 Evaluation of rehabilitation proposals

DOH's review of rehabilitation projects prioritizes building durability, sustainability, tenant experience, and safety. The scope of work for any proposed rehabilitation project should improve overall building performance and reduce the long-term operating and maintenance costs for both tenants and owners and ensure long term viability and use of the building for affordable housing.

The Sponsor should describe the full scope of the rehab project in the application and may propose a rehabilitation classification as described in [Section 4.8.2](#) they believe is best aligned with the project. DOH will evaluate this initial scope based on the exploratory survey, physical needs assessment, and DOH's rehab criteria and functionality goals. DOH has a strong preference for the most extensive rehab feasible within the physical and budget constraints of the project and prioritizes the evaluation of the efficiency of the building. DOH has the discretion to approve or change the proposed rehabilitation classification and will have touchpoints with the development team to review scope and classification.

### 4.8.2 Rehabilitation classifications

The design requirements apply to rehabilitation projects to varying degrees based on the level of work being performed. The table below defines four classifications of rehabilitation, each associated with ATSM compliance guidance. The classification assigned by DOH may not necessarily align with building code definitions.

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#### NEW IN 2025: REHABILITATION CLASSIFICATIONS

DOH is now providing specific definitions for the four classifications of rehabilitation projects, including the level of work each classification generally requires. ATSM compliance information is included to provide requirements and exceptions associated with each classification. These additions should help create a shared understanding of how each project should be classified and what level of compliance is expected.

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Classification	Definition	ATSM compliance
<b>Adaptive Reuse</b>	Rehabilitation of an existing building where the use of the building is being substantially altered.	All new construction design requirements apply.
<b>Substantial (or "gut") Rehabilitation</b>	A project that meets either of the following: 1. The work area exceeds 50% of the aggregate area of the building per the current Chicago Building Rehabilitation Code Section 604 Level 3 Alteration.	All new construction design requirements apply.

	<p>2. Includes the replacement or improvements or both of at least two major systems of the building, including its envelope (air and thermal barrier). Major building systems also include roof structures, wall or floor structures, foundations, plumbing, HVAC, electrical systems, and fire protection systems.</p>	
<b>Moderate Scope Rehabilitation</b>	<p>A project that is not classified as a substantial rehab or adaptive re-use and meets the following:</p> <p>1. The work area does not exceed 50% of the aggregate area of the building.</p> <p>2. Where the work is limited to the reconfiguration of space, the addition or elimination of any door or window, the reconfiguration or extension of any system, or the installation of any additional equipment per the current Chicago Building Rehabilitation Code Section 603 Level 2 Alteration.</p>	<p>All new construction design requirements apply, except where existing conditions prohibit compliance with full standards.</p> <p>Unit sizes may be up to 10% smaller than those required in <a href="#">Section 4.1</a> if they maintain functionality goals and are approved by DOH.</p> <p>DOH will review requests to reduce other within-unit requirements on a case-by-case basis.</p>
<b>Limited Scope Rehabilitation</b>	<p>A rehabilitation work scope considered by DOH to be limited and not considered substantial or moderate rehabilitation.</p> <p>A minor rehabilitation includes a work area with the removal and replacement or the covering of existing materials, elements, equipment, or fixtures using new materials, elements, equipment, or fixtures that serve the same purpose.</p> <p>Applicants should consider the 'Construction Cost Minimum Thresholds' outlined in the QAP and the 15-year RUL requirements when proposing a limited scope rehabilitation project.</p>	<p>Same as Moderate Scope Rehabilitation, except sustainability (<a href="#">Section 4.9</a>), accessibility (<a href="#">Section 4.6</a>), and elevator standards (<a href="#">Section 4.4.6</a>) do not apply.</p> <p>In buildings without an existing elevator, all first-floor units must at a minimum be Type B accessible units, including adding ramps, wheelchair lifts, or similar to ensure the first floor is accessible.</p> <p>In buildings with one or more existing elevators, accessibility requirements will be determined by DOH based on an evaluation of the existing floor plate.</p>

TABLE 20

### 4.8.3 General standards for all rehabilitations

#### Rehabilitation General Expectations

1. **Address identified issues:** All outstanding needs identified by the following assessment activities must be addressed in the project scope:
  - Physical needs assessment (PNA) and energy audit, as described in [Section 4.8.4](#)
  - Accessibility assessment (if not included in PNA)
  - Outstanding Department of Buildings violations
  - Physical and exploratory assessments
  - Other agency/funder requirements
  - Other inspections that may be deemed necessary
2. **Sustainability:** Rehabilitations should include evaluations of the efficiency of the building and propose as many enhancements as feasible in providing a more sustainable energy efficient building. (Except for limited scope rehabilitations, the relevant Sustainability requirements documented in [Section 4.9](#) apply.) Enhancements may include, but are not limited to:
  - Perimeter insulation
  - Efficient windows and roofing
  - Insulated doors
  - Energy-efficient mechanical systems
  - Energy-efficient plumbing systems

Rehabilitations are encouraged to additionally incorporate features that can offset operating costs. These features may include, but are not limited to:

- Photovoltaic systems
- Solar thermal panels
- Smart building items

### **Exploratory Survey**

As part of developing the rehabilitation scope, the Sponsor is encouraged to perform exploratory investigations including, but not limited to, light demolition of key areas in vacant residential units, select interior common areas, mechanical areas, or building envelope. This exploratory demo can help address issues that may not be visually apparent or identified in the PNA, aid in future MEP coordination, and avoid costly unforeseen conditions during construction.

If undertaken, this exploratory survey should take place as the project is being scoped in tandem with other pre-development due diligence and/or as part of the Milestone 1 design review if necessary to address DOH concerns.

### **4.8.4 Physical Needs Assessment (Property Needs Assessment)**

DOH-funded multifamily projects requiring rehabilitation must submit a Physical Needs Assessment prepared by an independent third-party consultant that is unaffiliated with the ownership and property management entities. The submitted PNA must meet the requirements of **ASTM E2018-15 Standard Guide for Property Condition Assessment: Baseline Property Condition Assessment Process**.

All PNAs must be accompanied by a full energy audit following **ISO 50002: 2014 Energy Audit Procedures** or **ASHRAE Energy Audit Level 2** minimum.

DOH will accept a PNA or Condition Needs Assessment (CNA) report prepared under other similar formats including USDA Rural Development, Fannie Mae, or Freddie Mac, to avoid duplication of work prepared under similar formats. The use of other formats not mentioned must receive DOH approval. Project teams should note that HUD RAD Project-Based Voucher projects require a RAD Physical Condition Assessment (RPCA) in addition to the PNA required by DOH. Project teams are advised to consider all required physical building assessment needs when budgeting and contracting.

Walk-through audits will not be accepted.

### **PNA Scope**

The PNA report should investigate and document the existing conditions of the building in its current state, largely independent of the proposed scope of work except where specifically relevant to assess existing building elements. For adaptive re-use projects, there should be detailed information about the conditions of all elements that are to remain.

### **Age of PNA Report**

The age of any PNA report **from the time of full application** (FPA) must be 180 days or less. If over 180 days, but less than one year, the needs assessment report may be used to comply with this needs assessment requirement; however, an updated 20-Year Capital Expenditure report must be included. Provide a new PNA if older than one year.

### **Minimum Observation Requirements**

Residential Units:

Number of Units	Minimum Unit Observations
4 - 75	50%
76+	25%

TABLE 21

1. For every PNA report, the consultant must include a residential unit matrix detailing the existing units. The matrix should specify unit type, approximate square footage, occupancy status, and identifying which units were observed during the walkthrough.
2. At each property, observations must include a minimum of 25% of every unit type.
3. For scattered site properties (those consisting of multiple apartment buildings), the minimum unit observation requirement applies individually to each building.
4. Across all properties, up to 50% of the observed units may be vacant.
5. All units classified as non-rentable must be observed in full at each property. A non-rentable unit is defined as one that is uninhabitable due to damage (e.g., fire, mold) or is currently undergoing renovation or repair.

### **Effective Useful Life**



The PNA must include a life expectancy analysis for all building elements, systems, and components. This analysis should include the estimated age, Expected Useful Life (EUL), and Effective Remaining Life (ERL). These metrics will be used as the basis for assessing the condition of building elements and their eligibility for replacement.

ERL (Effective Remaining Life) Metric	Requirement for Replacement
Less than 50%	Must be replaced and included in the rehab scope of work
More than 50%	Written request required for replacement*
More than 75%	Ineligible for replacement and use of DOH funds except as permitted below**
<b>General Note: Any elements that do not meet or exceed 15 years EUL must be included in the rehabilitation scope of work.</b>	
*Written requests should be placed in context with the overall project scope and include justification for the replacement (example: integrating a new building system that requires replacement of a relatively new piece of equipment)	
**DOH will review on a case-by-case basis for replacement of items with 75% EUL or more when required to obtain a green building certification or other extenuating circumstance.	

TABLE 22

These ERL guidelines attempt to balance creating a comprehensive scope of work that accurately addresses the building's short and long-term needs while being conscious of the financial cost and environmental impact of replacing items with adequate useful life remaining. Applicants should be prepared to describe the work described in the PNA and how it influenced the development of the scope.

### Additional Information

The PNA must include the following elements:

- Site and Roof Drainage
- Structural Integrity
- Building Envelope
- Common Areas – Interior Finishes, Appliances
- Common Areas – Laundry Facilities
- Common Areas – Trash Facilities
- Dwelling Units
- Stairs (interior and exterior)
- Plumbing and Sanitation Systems
- HVAC Systems
- Electrical Systems
- Elevators
- Fire Protection & Life Safety Protection Systems
- Environmental Standards (Remediation)
- Flood Risk Assessment
- Building Code Violations
- Accessibility
- Accessory Structures

## Incomplete Needs Assessments

DOH reserves the right not to accept any PNA if it does not adequately include a complete assessment of a property's condition, determined at DOH's sole discretion. DOH may require any incomplete PNA to be updated and re-submitted. The cost for new or updated PNAs will be the responsibility of the Sponsor.

## 4.9 Sustainable Building Requirements

In alignment with the City of Chicago's 2022 Climate Action Plan, and in recognition that the climate crisis places a disproportionate burden on low-income residents, the ATSM includes baseline sustainability requirements for all construction funded by DOH. These requirements are intended to increase energy efficiency, reduce utility bills and operating costs for tenants and building owners, reduce the city's overall carbon emissions, reduce pollution, increase air quality, and support the decarbonization of Chicago's residential building stock.

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### NEW IN 2025: STREAMLINED SUSTAINABILITY REQUIREMENTS

This ATSM continues the 2023 policies that require all tenant units and common areas avoid fuel combustion, and that buildings over a certain size participate in the City's Energy Benchmarking program. The remainder of sustainability requirements have been replaced by a targeted application of the Department of Planning & Development's new Sustainable Development Policy. This change streamlines project evaluation and reduces the need for project teams to comply with multiple overlapping policies, while providing development teams with additional choice in how to achieve sustainability outcomes.

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The following requirements apply:

- **All developments subject to the ATSM (new construction and rehabilitation) are required to comply with the 2024 Sustainable Development Policy while scoring particular points as described below.** The Sustainable Development Policy (SDP), administered by the Department of Planning and Development (DPD), is a point-based system that assigns values to strategies and building certifications for projects receiving City funding and zoning approvals. More information about the Sustainable Development Policy can be found on the [SDP website](#). Proof of SDP certification compliance is required as part of Milestone 1/design review as outlined in [Section 5.2.2](#). DPD must authorize certification.

For the purposes of determining SDP compliance, DPD will determine whether a project involving existing buildings is considered a "Moderate Renovation Project" or a "Substantial Renovation Project." This determination may not coincide with the determination of rehabilitation scope made by DOH. The DPD determination will govern compliance with the SDP, while the DOH determination will govern all other aspects of ATSM applicability and compliance.

- New construction projects must score a minimum of 35 points from the B category (Energy) as outlined on Page 12 and Page 47 of the 2024 SDP; OR achieve a certification worth 90 points or more (certification options are outlined starting on Page 42 of the SDP).
- Rehabilitation projects must score a minimum of 15 points from the B category (Energy) as outlined on Page 12 and Page 47 of the 2024 SDP; OR any of the building certifications listed (certification options are outlined starting on Page 42 of the SDP).
- **All buildings subject to the ATSM (new construction and rehabilitation) with final total square footage of over 10,000 square feet must comply with the policies outlined in the Chicago Energy Benchmarking Ordinance.** This program mandates annual reporting of total energy use and data verification every three years. More information about the Chicago Energy Benchmarking Ordinance can be found on the [website](#) of the Office of the Mayor.
- **New construction developments subject to the ATSM are not permitted to include fuel combustion in any residential units or residential common spaces.** Developments may not contain tenant gas hookups nor any other source of combustion inside residential units or residential common spaces, and all appliances must be electric including cooktops, hot water heaters, clothes dryers, and heating sources.

In addition to these requirements, DOH also encourages developers to consider implementing other cost-effective interventions to meet the City’s climate goals. Possible strategies include:

- **Utilize onsite renewable energy production or transfer,** including solar arrays or geothermal heating and cooling.
- **Make new construction developments “all electric” or “all-electric-ready,”** the latter meaning that the development’s electrical service(s) are sufficiently sized to accommodate all-electric appliances and systems, even where not initially installed, and physical building design provides sufficient space and capacity for all-electric systems.
- **Prepare existing buildings for future conversion where work is already being performed:** Any required electrical work, such as a building electrical service upgrade or replacement, should preferentially be sized to enable all-electric appliances and building systems, except where explicitly approved by DOH.
- **Maximize rehab opportunities to improve energy efficiency:** All perimeter/building envelope work should include insulation and air sealing to the highest possible R value within reasonable cost.

DOH strongly encourages developers to consider all ways to advance energy efficiency and decarbonization goals in new construction and rehabilitation scopes and reserves the right to require developers to implement particular design elements after reviewing a development’s scope, and design, and PNA if applicable.

## 5.0 Pre-Construction Activities

This chapter describes the steps that any development approved for DOH financial support must follow prior to construction kickoff to comply with all CAC policies and procedures. This chapter does not comprehensively capture pre-construction activities governed by other bodies besides CAC—for example underwriting, zoning, and permitting processes—but does reference them at times.

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### NEW IN 2025: PRE-CONSTRUCTION MILESTONES IN THE ATSM

To ensure consistency and transparency, ATSM 4.0 now comprehensively documents the pre-construction process and details DOH policies and expectations for this phase, including the CAC Milestone process. This section details what documents, approvals, and level of design are needed at each milestone, and includes timeline expectations for each phase.

In addition, the Milestones process has been revamped this year to encourage rapid advancement of projects from acceptance into DOH’s funding pipeline to financial closing and construction start. With these new policies and other process changes, DOH intends to deliver most developments to Notice to Proceed within 18 months of acceptance for financing.

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The construction approval process and timeline can vary depending on factors such as project design, zoning requirements, environmental conditions, and rehabilitation needs. Particular HUD requirements, such as those related to project-based vouchers or the Faircloth-to-RAD process, will require further timeline adjustments. The information below represents steps and expectations that may vary, but each milestone must be fully completed before a project moves to the next part of the timeline.



\*Milestone 2 activities may not commence until much later, pending non-design and construction requirements that may need to occur during Milestone 1 such as zoning changes and bond inducements

## 5.1 Project Timeline and Milestone Overview

While no two projects will follow the exact same timeline, this section outlines a framework and expected timeline to help project teams understand the typical design and construction-related steps leading up to the start of construction. The goal is to provide clarity around timing expectations, key milestones, and required documentation, while recognizing that adjustments may be needed based on each project’s unique circumstances. Some timeline elements are flexible and will be determined collaboratively between the project team and CAC, but Milestone

completion is required before the project can move to next steps. Project teams are encouraged to work closely with CAC and DOH to proactively identify opportunities and challenges as they arise.

All drawings and documents submitted to DOH by the development team must be submitted digitally in the manner specified by DOH.

### **Milestone 1: Design Review and Approval: Approximately 1 Month**

Milestone 1 encompasses activities between the conditional allocation of LIHTC funding and design approval. During this time, the development team and DOH CAC will work together to ensure that the proposed building and site design comply with the standards and requirements outlined in the ATSM. For many projects, other processes are happening concurrently with this Milestone process. Activities such as re-zoning applications, planned development (PD) applications, and bond inducements should be initiated or discussed with City staff no later than the start of Milestone 1 to avoid delays in the remainder of the timeline.

### **Milestone 2: City Council Approval and Contract Execution Approval: Up to 6 Months**

Once design review and approval are complete, Milestone 2 encompasses activities between design approval and execution of the GMP contract, including project approval through City Council ordinance. Milestone 2 begins upon CAC approval of a development's designs, as well other necessary prerequisites to the introduction of a City Council financing ordinance not governed by CAC. The majority of required documents must be submitted during Milestone 2, including drafts of agreements expected to be executed. DOH also requires the third-party cost estimate to be submitted during Milestone 2. City Council approval is then required for the GMP contract to be executed, and a letter authorizing execution of the GMP contract will be issued by DOH after the financing ordinance is approved.

### **Milestone 3: Financial Closing and Notice to Proceed: Up to 3 Months**

Milestone 3 includes activities between GMP contract execution and the Notice to Proceed with Construction, including financial closing. Executed loan agreements, escrow agreements, and the RDA agreement are expected during Milestone 3.

## **5.2 Detailed Milestone Requirements**

Requirements to complete each Milestone are described in greater detail in the following sections. Each section includes the following components:

- A process overview describing parts of the Milestone;
- A list of required documents associated with each Milestone; and
- A summary of expected interactions with other divisions and departments

Project team members are encouraged to engage with City staff as needed to clarify requirements, check in on timeline expectations, and share relevant status updates that are not otherwise outlined in this section.

## 5.2.1 Full Project Application

Any Sponsor whose development proposal is accepted via a Preliminary Project Application round, or is otherwise invited to submit a Full Project Application to DOH for consideration of financing, is expected to develop and submit detailed design and construction plans to DOH as a part of their Full Project Application. The submission of a Full Project Application may be preceded by a written response to a Preliminary Project Application, a Project Clarification Period (as governed by the relevant Qualified Allocation Plan), one or more intake meetings, and/or other opportunities to consult with DOH about the general direction of an initial project concept. It is expected that the Sponsor carefully consider and fully respond to DOH's feedback when developing a Full Project Application.

In addition to financial and other materials that may be required as part of the Full Project Application, as governed by the Qualified Allocation Plan and/or other DOH guidance, the following design and construction documents must be submitted for the application to be considered complete:

- **Project Narrative**, which should provide a complete overview of the scope of the project, building and unit features.
- **Project Assessment Matrix**, which should indicate where the proposed building and site design meet, exceed, or fail to comply with the standards and requirements detailed in the ATSM.<sup>1</sup>
- **Development Team Experience, Qualifications, and Selection Process**, which should include both general background information and specific, project-relevant past experience/skills/trades for the Sponsor, architect of record, and general contractor (if identified at application), as well as a detailed description of the selection process used to select project team members as described in [Chapter 2](#).
- **Design Presentation**, a color PowerPoint or PDF presentation which shall highlight or include the following elements:
  - Site Plan: The site plan must provide a diagram identifying the overall layout of the project site including the location of buildings and structures, roads, utilities, easements, parking, outdoor space, and landscaping elements.
  - Site Photos: Provide color photos of the existing site including color photos of adjacent buildings.
  - Ground Floor Plan: The ground floor plan must include a detailed drawing of the first level of the building with clear illustrations of the walls, doors, windows, rooms, and other structural and functional features of the first level of the building.
  - Residential Floor Plans: For this stage, development teams may provide schematic general floor plans for residential units (in lieu of full, detailed floor plans) with larger, fully dimensioned layouts for each unit type in the proposed development. Residential floor plans must meet the following requirements:

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<sup>1</sup> This fulfills the "Project Scope Certification" requirement described in the 2025 QAP VIII.H.i



- ◆ The floor plan must include an identification of general circulation, delineation of the location of elevators, stairs, offices, common amenities, refuse and recycling disposal location(s), and common laundry facilities (including the number of washers and dryers) with overall dimensions where applicable.
- ◆ For each unit type, the floor plan must include the overall unit, room dimensions, and furniture layout for the living room, dining room, primary bedroom, secondary bedroom(s), kitchen, and bathroom.
- ◆ For *general storage areas and for bedroom, entry, and linen closets*, the floor plan must identify where in the unit these will be located and provide the dimensions for each.
- Elevation Drawings: Elevation (front, rear and side) drawings must list the type of materials used and illustrate the location of doors, fenestration, and detail of room configuration and vertical heights. Elevations should be shown in the context of the surrounding buildings massing and fenestration treatment.
- Conceptual or schematic rendering(s): of the front elevation of each building type (fully polished or color-intensive renderings are not required); reference images that convey general intent for exterior materials and fenestration (including precedent images, reference palette, or simple diagrams).
- **(New construction only) A Massing Study**: which describes the basic shape, form, size, and overall spatial relationship of a proposed development to nearby structures.
- **For rehabilitations only**: a Physical Needs Assessment, energy audit, and façade report comporting with the requirements in [Section 4.8](#).

### 5.2.2 Milestone 1: Design Review and Approval

Milestone 1 encompasses activities between the conditional allocation of LIHTC funding and design approval. During this period, the development team and DOH CAC will work together to ensure that the proposed building and site design comply with the standards and requirements outlined in the ATSM. This part of the process typically takes one month.

#### Design Review Letter

After reviewing the required submittals, including proposed building and site designs, DOH will respond to the Project Team with questions regarding the submitted materials and identifying any features of the proposed design that may be out of compliance with ATSM standards and requirements. The development team should then submit a written response to DOH's comments, clarifying or correcting items from DOH's initial communication. Once this response is received, the design meeting will be scheduled.

#### DOH-Development Team Design Meeting

The DOH-Development Team Meeting allows for further clarification and planning around the submitted design and subsequent communication. The Project Team should leave the meeting with a clear sense of what action needs to be taken for the proposed plan to comply with ATSM

standards and requirements. DOH staff should leave the meeting with a clear understanding of the project's vision, anticipated challenges, and immediate next steps.

Following the DOH-Development Team meeting, the development team can expect the design approval process to proceed iteratively until the design complies with ATSM requirements.

### Design Approval

DOH will issue a design approval letter once the proposed design aligns with the department's expectations. Design approval signifies the end of Milestone 1.

### Required Documents

Development teams are required to submit the following document(s) to DOH as a part of Milestone 1. Design review can only begin in earnest once drafts of the following documents are presented to DOH; DOH will issue design approval only once final versions of the following documents are submitted and approved by CAC:

- **All documents required at Full Project Application** in [Section 5.2.1](#), updated as needed based on changes made since the initial submission.
- **DOH General Contractor Application form.**
- **MOPD Data Sheet**, including meeting minutes.
- **Complete set of architectural plans**, at "50% DD" level or higher, including all relevant site plans, floor plans, and elevations. Plans at this stage must include the following elements:
  - For each residential unit type and all common areas and amenities, the floor plan must include the overall dimensions, room dimensions, and expected furniture layouts.
  - For *bathrooms and kitchens*, the floor plan must indicate lineal feet of cabinetry (both upper and lower) and include the type of appliances, flooring, and fixtures.
  - For *general storage areas and for bedroom, entry, and linen closets*, the floor plan must identify where in the unit these will be located and provide the dimensions for each.
- **Color renderings**, including buildings adjacent to the development site. For scattered site developments, development teams should illustrate the proximity of each proposed site.
- An executed copy of any **preconstruction services agreement** between the General Contractor and Sponsor, as described in [Section 3.1.2](#).
- An executed copy of the **architect-owner agreement**.
- An updated **DOH Pro Forma** including a preliminary cost proposal based on the approved design.

### 5.2.3 Milestone 2: Due Diligence and City Council

After Design Approval is issued by DOH, the project team will advance to the second stage of the preconstruction process. Milestone 2 will typically begin with a meeting between the development

team and DOH. The goal of this meeting is to identify outstanding due diligence tasks (including those required due to project funding sources) required before the project is introduced to City Council.

Milestone 2 steps and requirements are outlined below, with the full Milestone expected to require up to six months for completion.

### **Third Party Cost Estimate**

For projects that select a GC at application, a third-party cost estimate is required to be submitted to DOH in the first part of Milestone 2. The full requirements for third-party cost estimates are outlined in [Section 2.3.3 Third-Party Cost Estimate \(Cost Estimation\)](#). The purpose of the Cost Estimate is to verify cost-reasonableness of the approved design. This must be assessed—and the cost of the project confirmed—prior to City Council introduction.

### **IGA Packet Submission**

Prior to City Council introduction, DOH staff will prepare a set of materials known as the “IGA packet”. Submission of the IGA packet is required one month before the intended City Council introduction date. The development team is expected to submit the required due diligence items to DOH CAC no later than five days before the date that the IGA packet will be sent to City Council for review and approval. Delays in submitting the required documentation may cause introduction to City Council to be delayed. (Many other requirements, as communicated and approved by the DOH multifamily finance team, are also pre-requisites for IGA packet submission.)

Once the IGA Packet has been submitted, the project financing ordinance must be introduced and approved by City Council.

### **Subcontractor Bidding**

The GC should initiate subcontractor bidding during Milestone 2. The GC is required to host a pre-bid conference/forum before collecting bids from qualified subcontractors, as described in [Section 3.4.2](#).

### **Betterments List**

An upgrade or betterment is an optional improvement made in the design, material quality, or performance to provide a better environment for the residents than what is represented in the approved construction documents. During Milestone 2, the design approved at Milestone 1 may undergo some value engineering to reduce project costs. No later than Milestone 2, every project team is expected to produce a betterments list, in priority order that has been approved by DOH. Project savings and contingency may be used during project construction to implement these betterments.

### **City Council Approval & Contract Execution Authorization**

City Council approval and the receipt and approval of all required Milestone 2 documents (including that of the GC contract with all exhibits and edits tracked) mark the completion of Milestone 2. At this point, DOH will provide a letter to the Sponsor authorizing execution of the GMP contract at the price approved by City Council ordinance. This letter will include guidance for the project team regarding expected timelines for GMP contract execution, financial closing, and the start of construction.

### **Documents Required Prior to City Council Introduction**

Development teams are required to submit the following document(s) to DOH prior to submission of the IGA packet:

1. **Third-Party Cost Estimate**, aligning with requirements outlined in [Section 2.3.2](#)
2. **Updated MOPD Data Sheet** if applicable, including meeting minutes
2. **Environmental Report: Phase I**
3. **Environmental Report: Phase II (if required)**
4. **Geotechnical (Soil) Report**, which shall have a minimum of 8 soil borings along the foundation lines of the proposed foundation, one for each corner of the building and one at the midpoint of each side. An additional soil boring is required at the location of the elevator pit.
5. **Architectural Permit Set**, a copy of the construction drawings submitted for permit must be submitted for review and approval.
6. **Draft GC-Owner Agreement**, as required by [Section 2.4](#).
7. **GC's Subcontractor Bid Book**, corresponding to the general contractor sworn statement line items, as required by [Section 3.4.2](#).
8. **Draft subcontractor agreements**
9. **General Contractor's Sworn Statement**, draft form
10. **Owner's Sworn Statement**, draft form
11. **Permit Application**, including drawings.
12. **Betterments List**, organized in order of priority.
13. **Value Engineering List**
14. **Draft Performance and Payment Bond**
15. **A finalized draft copy of the redevelopment agreement**

### **Documents Required After City Council Introduction**

Development teams are required to submit the following documents prior to the end of Milestone 2:

- **Final copy of the ordinance approved by City Council**
- **Owner's Sworn Statement**, final form
- **General Contractor's Sworn Statement**, final form
- **General Contractor-Owner's Agreement with Exhibits**, final form
- **Environmental Approval**
- **Construction Schedule**, final form

- **Executed CDOT Restoration Agreement**
- **Payment and Performance Bond**, final form
- **Short-term Monitoring Wage Letter**
- **Insurance Certificates with Risk Management Approval**
- **List of permit corrections**, including any addenda to the drawings

### Interactions with Other City Divisions and Departments

Milestone 2 requires extensive interaction with other departments and agencies. These other DOH divisions and City departments may include:

- **DOH Multifamily Finance:** Throughout Milestone 2, the development team will work closely with their Financial Planning Analyst to ensure that the project is adequately progressing through DOH Finance milestones.
- **Department of Law (DOL):** DOL will assign a staff attorney to review certain documents produced during Milestone 2 including the GC-Owner agreement, for compliance with departmental and City policies.
- **Department of Buildings (DOB):** The development team will need to apply for a building permit through DOB no later than Milestone 2. Underlying permits for the building permit may require interaction with other departments depending on the specific nature of the project.
- **Department of Fleet and Facility Management (2FM):** The development team can expect to be in contact with 2FM no later than Milestone 2. 2FM will collaborate with the project team on environmental reviews (including those required under the National Environmental Policy Act (NEPA)).
- **Chicago Department of Transportation (CDOT):** The development team can expect to be in contact with CDOT regarding the CDOT restoration agreement no later than Milestone 2.

### 5.2.4 Milestone 3: Financial Closing and Notice to Proceed

Milestone 3 includes activities from the execution of the Owner-GC agreement to the Notice to Proceed (NTP) with Construction, including financial closing. Development teams can expect a 60-90 day time period from the end of Milestone 2 to the end of Milestone 3.

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#### **NEW IN 2025: TIMING OF OWNER-CONTRACTOR AGREEMENT EXECUTION**

In order to accelerate project closing timelines and ensure construction can begin rapidly after financial closing, the ATSM establishes and describes a new process in which the owner-contractor agreement is executed prior after City Council approval but prior to financial closing. When all Milestone 2 activities are complete, DOH will now issue a letter verifying the project's ability to move forward. Pre-closing GC contract execution is intended to lock in project terms, enable rapid subcontractor buy-out, and facilitate rapid construction start after closing.

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During this period, the development team will be responsible for negotiating, completing, and returning closing documents and preparing for the start of construction. Preparation is critical in order to avoid delays in financial closing and the start of construction. Development teams and GC's will be expected to execute a GC contract in a timely manner and execute subcontractor agreements to substantiate the GMP contract amount. 90% of the line items listed on the GC Sworn Statment must be executed prior to Milestone 3 completion.

### **Preconstruction Meeting**

Once development teams have submitted loan and escrow agreements and have substantially executed all subcontractor necessary to begin construction, DOH will schedule a preconstruction meeting. The goal of the preconstruction meeting is to familiarize the development team with the requirements and processes that govern the construction stage. Attendees can expect a review of key contacts; an overview of requirements for change orders, draw package submission and draw payouts; and key steps of the construction closeout process.

### **Closing Draw**

The closing draw request is typically expected at or after 90% of subcontractor agreements are executed. More details about the draw process, including draw expectations, are outlined in [Section 6.5](#).

### **Financial Closing**

Financial closing takes place once all parties have approved the necessary legal agreements. The loan agreements, escrow agreement, and closing draw are required for financial closing to proceed.

### **Notice to Proceed**

After the completion of financial closing, sufficient subcontractor buy-out, and all other pre-construction milestones, DOH CAC will issue a Notice to Proceed (NTP) with Construction, which permits a project to begin construction. The NTP is a formal communication that indicates that the Sponsor has successfully fulfilled all pre-construction requirements outlined in the ATSM. Work is not permitted to begin prior to an executed NTP. Work started prior to an executed NTP will not be paid out from the project budget and may put proposed funding at risk.

### **Milestone 3 Required Documents**

Development teams are required to submit the following documents at the beginning of Milestone 3 for DOH review and approval:

- **Loan agreements**, draft form
- **Escrow agreement**, draft form

Development teams are required to submit the following documents to DOH prior to Financial Closing:

- **Loan agreements**, final form
- **Escrow agreement**, final form



- **Closing draw**
- **In-for-construction drawings**, 100% complete
- **Redevelopment agreement**, final form
- **Executed subcontractor agreements** representing 90% of project line items.

#### **Milestone 3 Interactions with Other Divisions and Departments**

- **DOH Multifamily Finance:** During Milestone 3, the development team can expect to work closely with the assigned FPA to ensure that the project is processed smoothly through to financial closing.
- **DOH Short-Term Compliance (STC):** The development team can expect to be introduced to a member of the DOH STC team during the Milestone 3 preconstruction meeting.
- **Department of Law (DOL):** In Milestone 3, the staff attorney assigned to the project during Milestone 2 will continue to assist in processing the project through to Financial Closing.

### **5.3 Waivers**

All requests to waive ATSM policy requirements must be submitted directly to DOH CAC and will be considered on a case-by-case basis. The procedure for the review of waiver requests is outlined below. This procedure should be undertaken collaboratively between all relevant parties to determine the best possible outcome. Waiver requests must demonstrate understanding of the underlying requirement and document the development team's efforts to accommodate the requirement.

#### **Minimum Waiver Request Requirements:**

1. Detailed description of the request on company letterhead, addressed to the CAC Deputy Commissioner. This description should provide relevant context, describe the requirement and its implications for the project, and any other due diligence.
2. Depending on the nature of the request, financial models, design diagrams, or other materials must be provided that demonstrate the various options considered and the potential impact to the project.
3. The waiver request should clearly explore one option that adheres to ATSM requirements and outline the implications of such adherence (positive or negative) for the overall project.

#### **Waiver Review Process:**

1. Development team should communicate its intent to submit a waiver to DOH for review.
2. Development team submits the waiver request package to DOH for review
3. DOH CAC reviews the request, asks for additional information if needed
4. DOH CAC provides a waiver determination letter

The outcome of this process should be a clear understanding of all potential options so that the waiver can be considered by all parties on its practical merits.

## 6.0 Construction Activities

This chapter documents DOH requirements and processes during the construction process. DOH's express goal during the construction phase is to ensure the Development is built as approved, with quality materials and workmanship, free of defects, on schedule and on-budget, and in compliance with all City policies including M/WBE, City Residency, Prevailing Wage, and this ATSM. DOH seeks to collaborate with Project Teams to find solutions that best address the needs of residents of affordable housing projects.

This chapter documents processes associated with the construction stage of project development (beginning with a financial closing, ending with the issuance of a Certificate of Construction Completion, which is required for building occupancy).

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### **NEW IN 2025: CONSTRUCTION ACTIVITIES**

To ensure consistency and transparency, in this ATSM 4.0 DOH has sought to formalize, centralize, and document policies related to the construction phase which have traditionally been communicated in the pre-construction, or "pre-con" meeting. This chapter consolidates various policies that apply during the construction process, including subcontractor agreements, change orders, draw requests, and the construction closeout process.

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## 6.1 General Construction Guidelines

### 6.1.1 Onsite Construction Management

The GC is responsible for compliance with the policies & procedures outlined in the ATSM, site control, and all necessary safety measures during construction. The GC must maintain a daily presence at the construction site, and a superintendent/project manager must always be on the jobsite while work is taking place. The GC is responsible for regular inspection of construction work and should create a daily log documenting the progress of the work. This daily log must be submitted to DOH at construction closeout.

On-site presence from DOH leadership (Assistant Commissioner or above) on walkthroughs during construction activities may be desired for expedited approvals. A written request for this walkthrough can be made via an email sent to the CAC architect assigned to the development.

### 6.1.2 Document Submission Requirements

All project documentation, including Pencil Draws, Payout Draws, Change Orders, etc. may be submitted via electronic package with electronic signatures. All electronic packages shall be submitted in a manner specified by DOH. No outside links (Google Drive, Dropbox, etc.) or emailed submissions are permitted.

It is the sole responsibility of the Sponsor to upload all documents and to notify the DOH CAC RCS and DOH Architect via email once an upload is complete and ready for review. Access will not be shared with any other project participants. All document submissions for a single item must be uploaded in one combined file (all documents must be in a single PDF file for one pay application, for example). Separate applications, change orders, et cetera should be submitted as separate files. To facilitate efficient staff review times, separate files and other formats will not be accepted.

### 6.1.3 Post-Construction Activities

At approximately 70-75% project completion, the Sponsor must reach out to the DOH Long Term Monitoring Team to begin discussions regarding lease-up, DOH Long Term monitoring requirements, and marketing for the development.

## 6.2 Subcontractor Agreements

Subsequent to execution of the Owner-GC agreement, subcontractor buyout should occur expeditiously. This buyout should closely align with the exhibits in the GC contract. The GCSS is a breakdown of the total GC contract price showing the amount included for each principal category of work. Each category of work (i.e. line item) listed on the GCSS is required to have a separate subcontractor agreement.

### 6.2.1 Buyout Schedule and Executed Agreements

The General Contractor shall provide a subcontractor buyout schedule concurrent with the execution of the Owner-Contractor agreement. 90% of the subcontractor agreements should be executed within 30-60 days of GC contract execution and prior to financial closing and Notice to Proceed. The remaining 10% shall be executed in a timely fashion and no later than the fourth construction draw.

All executed subcontractor agreements for any subcontractor drawing down for a payout needs to be submitted to DOH prior to the pencil draw meeting or the draw will not be processed.

### 6.2.2 Line-Item Adjustments

As the subcontractor buyout process is carried out, any deviations (increase or decrease) from the amounts listed on the GCSS provided at closing must be documented and disclosed to DOH. These adjustments must be documented using DOH's CM-09 Line Item Adjustment form, which is used for subcontractor buyout only. Changes after the execution of a subcontractor agreement must be documented via a change order.

The CM-09 Form should be accompanied by the relevant executed subcontractor agreement and a clear explanation for why the GC contract amount differed from the previously negotiated line item amount.

The Sponsor and General Contractor shall allocate any project savings resulting from the buyout process to a separate "project savings" line item on the GCSS.

### 6.2.3 Work Allocation and New Line Items

It is the responsibility of the GC to comprehensively allocate the scope of work amongst the appropriate trades, subcontractors, and line items. Most of this allocation of scope should be completed prior to execution of the Owner-Contractor Agreement.

During subcontractor bidding, the ATSM requires that all subcontractor line items be bid to a minimum of three subcontractors. Any new line items created after the execution of the GC contract will also be subject to this policy.

### 6.3 Notice to Proceed

To secure the Notice to Proceed, all requirements must be completed as outlined in [Section 5.2.4](#).

### 6.4 Change Orders

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#### **NEW IN 2025: CONTINGENCY AND CHANGE ORDERS IN THE GC CONTRACT**

Prior to this ATSM, DOH required all contingency be held outside of the Owner-Contractor Agreement and required every change order request to be individually approved by DOH. Beginning with this ATSM, as documented in [Section 3.3.2](#), DOH now allows some contingency to be held within the GC contract, and is shifting control of all contingency from DOH to the Sponsor. These changes require an overhaul to how DOH manages the change order process. As described in this section, DOH still requires timely submission of change order documentation and, in instances where potential change orders impact project's design and/or ATSM compliance, change orders still require CAC approval.

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Changes to the intended project operations, design, scope, materials, or management may occur for a variety of reasons, including unforeseen or concealed conditions, errors and omissions, construction cost increases, contractor negligence, damage, theft, seasonal constraints, and material delays. Contingency is the primary source for funding change orders, with construction costs that exceed contingency solely the responsibility of the Sponsor, and/or the GC in accordance with the Owner-Contractor Agreement.

All change order documentation must be submitted to DOH for review, record-keeping, and determination that the change does not void DOH-approved project documentation or result in ATSM noncompliance. However, the process for documenting and seeking DOH approval for change orders varies based on whether the change order is “internal” or “external” to the GMP price.

#### 6.4.1 Change Order Review Criteria

DOH's approach to reviewing and approving all change orders will focus on four determinations:

1. Does the change order impact the project's ATSM compliance?

2. Does the change order substantively impact the development's adherence to the approved design, reduce building quality or longevity, or negatively impact tenant experience?
3. Does the change order involve the expenditure of contingency funds for a disallowed use (as defined in [Section 3.3.2](#))?
4. Does the change order thoughtfully incorporate project improvements/betterments? (Including, if the change order constitutes a betterment, is it a high-priority betterment on a pre-approved betterments list?)

Change orders will be approved by DOH if they meet all four of the above criteria. DOH will not deny a change order for any reason beyond these four criteria. DOH may choose to issue a recommendation against a pending change order, or a non-binding determination of non-support for a change order already implemented, for reasons other than the listed criteria.

While actions to implement change orders may be taken prior to DOH review, they are taken at the development team's risk; work associated with any change order rejected based on these criteria may need to be reperformed at cost to the Sponsor and/or GC. Any actions taken by the development team that do not follow the binding determinations issued by DOH may result in withholding of future draw requests or project completion documentation, or other actions as required to rectify the situation.

#### 6.4.2 Internal change orders

As allowed by [Section 3.3.2](#), the project Sponsor may allow up to half of a project's total contingency amount to be carried by the GC, within the GMP contract price. The purpose of GC contingency is to allow the GC to account for various changes to the GC's cost of delivering the project as designed. Any change order that uses GC-controlled contingency and that does not alter the overall GMP contract value is considered an "internal change order." (It is generally expected that the GC contract will outline the specific parameters around contingency-eligible items.)

##### **Typical reasons for internal change orders**

- missed scope or estimating errors
- labor and material cost escalations
- acceleration expenses
- costs incurred to correct defective, damaged, or nonconforming work
- general conditions overruns
- costs associated with subcontractor defaults

Because GC contingency is typically used to address changes in cost rather than changes in scope, it is presumed that internal change orders do not fail any of the four change order determinations described above. Thus the project team may, at their own risk, make and act upon internal change orders without DOH approval.

The general contractor must keep a log of all internal change orders, which must be submitted for CAC review with every draw package. Every internal change order should also be documented with an authentic, copyrighted AIA G701S. Upon review of the internal change order log, CAC may request additional details or justification for internal change orders. If, after viewing additional documentation, DOH finds that an internal change order fails one of the four change order approval criteria, DOH reserves the right to require re-work as necessary to correct the issue. The cost of such rework will not be covered by DOH.

### 6.4.3 External change orders

External change orders are those that use Sponsor-controlled contingency and alter the overall GMP contract value. Thus, while external change orders may occur for the same reasons as internal change orders, they may also occur to correct for errors and omissions in the design process, unforeseen conditions not included in project scope, or other owner-directed changes such as (but not limited to) pre-approved betterments.

#### **Typical reasons for external change orders:**

- Any reason listed for internal change orders (prior table), depending on the terms of the Owner-Contractor agreement, including if GC contingency is exhausted or does not exist.
- Unforeseen conditions
- Owner-directed change
- Design error or omission (“miscoordination”)
- Regulatory change

External change orders must be submitted to CAC for review as PCOs. Similar to internal PCOs, project teams may choose to begin work associated with an external change order at their own risk. Work associated with any denied PCO may need to be re-performed at cost to the Sponsor. However, external PCOs will only be denied if they fail to meet one of the four criteria described in [Section 6.4.1](#).

All PCOs must be submitted with the following documentation:

- AOR letter of explanation documenting the reason the change is needed.
- Authentic, copyrighted AIA G701 & AIA G701S
- Supporting documentation, which may include plans, sketches, photos, GC/subcontractor proposals, RFI's, meeting minutes, key dates, etc.

Any external PCO that constitutes a betterment is expected to be a high-priority betterment on a betterments list pre-approved by DOH prior to construction kickoff. DOH reserves the right to reject betterment PCOs that were not pre-approved.

### 6.4.4 General Change Order Guidelines

The following apply to all change orders:



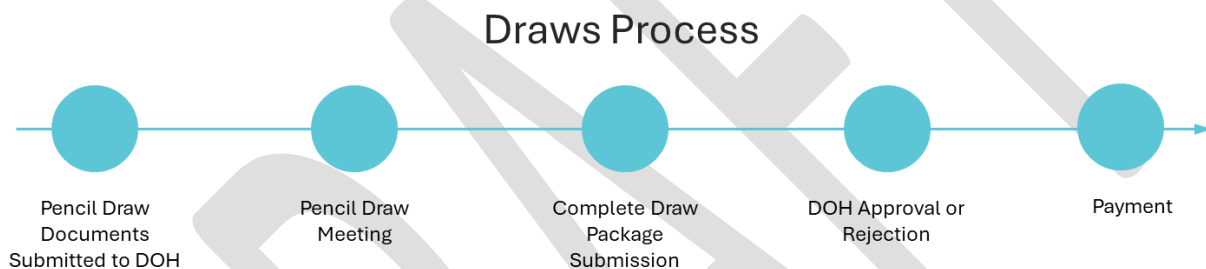
- The AOR/GC are responsible for ensuring that items included on PCOs are not included in the plans, specifications, or other contract documents
- Each change order item, event, trade, etc. must be separated and submitted individually. Combining a credit from one trade and a PCO from another into one change order is not permitted.
- No PCOs shall be processed or reviewed after issuance of a DOH CAC punchlist

It is the Sponsor and GC's responsibility to manage the project contingency carefully while maintain overall project quality and craftsmanship.

#### 6.4.5 Waivers

The process for submitting a waiver request to DOH is outlined in [Section 5.2.2](#).

### 6.5 Construction Draws



The construction draws process is a monthly cycle that ensures accurate and timely payments for completed work. Each construction draw is subject to DOH review and approval. Authentic, copyrighted AIA documents (AIA G702 GMP – 2021: Application and Certificate for Payment; AIA G703 CW-2021 Continuation Sheet) are required for all draw submissions. Draws will not be processed until required documentation is submitted. Project teams should ensure accuracy and alignment with DOH requirements to avoid draw delays.

As summarized in the figure above and detailed in the following sections, each draw process follows the following steps:

1. **External change orders ([Section 6.4.3](#)), material storage requests, early retention reduction, etc.:** submitted on a rolling basis as they occur. These must be reviewed and approved by DOH prior to inclusion in a pencil draw package.
2. **Submission of pencil draw package:** the pencil draw is a draft version of all draw paperwork
3. **Pencil draw meeting:** between Sponsor, GC, and DOH to review the submitted draw, address any discrepancies, and agree on a final amount due.
4. **Revisions to and submission of the final construction draw package:** reflecting changes discussed during the pencil draw meeting and the agreed-upon amount.

5. **DOH Approval or rejection:** DOH will process payment requests for approved draw packages. Rejected draw packages will be returned with comment, so the GC can correct and resubmit the draw.

Each draw package shall be based on the estimates of the amount of work accomplished within the period which meets the standards of quality established in the ATSM and GC contract.

Draws will be processed in chronological order; a draw cannot be processed until all previous draws are finalized and approved. A draw must be submitted every month; project teams may not combine draws or skip months.

### 6.5.1 Pencil Draw packages

The purpose of a pencil draw is to expedite the construction draw process by creating a venue to collaboratively address issues prior to the submission of a fully executed draw package. Pencil draws are draft versions and are open for comment. Pencil draws should cover the most recent month of work. Pencil draws may project future work, but only up to the date of pencil draw meeting. All work to be paid for must be complete and verifiable at the pencil draw meeting.

#### Pencil Draw Document Submissions

Pencil draw packages should cover the most recent month of work and should have minimal projection of progress payments so that all work is verifiable at the pencil draw meeting. The table below outlines documents required for submission in a pencil draw package.

Documents required for pencil draw package submission	
<i>Documents DOH will be seeing for the first time</i>	<i>Documents to be included in the package, already reviewed and approved by DOH</i>
<ul style="list-style-type: none"><li>• Pencil draw cover sheet</li><li>• General Contractor's Sworn Statement</li><li>• Copies of all supporting documents (Invoices, claim forms, Sub-Contractor backup, shop drawings, check requests and checks, draft AIA G702/G703, etc.)</li><li>• RFI Log</li><li>• Project's PCO Log (no standard formatting required)</li><li>• Updated Construction Schedule</li></ul>	<ul style="list-style-type: none"><li>• Copy of the DOH-issued Change Order memorandum (if applicable)</li><li>• Copy of the DOH CAC Approved Onsite/offsite Material Storage Request (if applicable)</li><li>• Copy of the DOH CAC Approved Retention Reduction Request (if applicable)</li><li>• Copy of the DOH CAC Approved CM-09 form (if applicable)</li><li>• Copy of shop drawings</li><li>• Copy of deposits</li></ul>

#### Pencil Draw Meeting

Each month the Sponsor shall schedule a pencil draw meeting to collaboratively review the most recent application for payment and progress of construction. Pencil Draw documents are required to be submitted a minimum of 5 business days prior to the pencil draw meeting to allow for adequate review. The pencil draw meeting is a key opportunity for DOH and the project team to

review the draft documentation, verify the request, and ensure accuracy and consistency before it is submitted as a finalized draw package.

### 6.5.2 Complete draw packages

Following the submission and review of a pencil draw and a pencil draw meeting, a final draw package should be submitted for review. **A complete, executed draw package must be submitted no later than 7 business days from the pencil draw date.** All line items being drawn must have an executed subcontractor contract that has already been submitted to DOH.

Only complete packages will be processed for payment; packages submitted with missing information will be delayed until all components have been submitted.

Documents required for draw package submission
<ul style="list-style-type: none"><li>• Paying Agent Form CM-08</li><li>• Owner's Sworn Statement</li><li>• Sources and Uses Statement</li><li>• Waiver of Liens (For all parties requesting a payout)</li><li>• General Contractor's Sworn Statement*</li><li>• AIA G702 and G703 for the General Contractor</li><li>• AIA G702S and G703S for all Subcontractors</li><li>• Copies of all supporting documents (Invoices, claim forms, Sub-Contractor backup, shop drawings, check requests and checks, etc.)</li><li>• Copy of the DOH Change Order memorandum (if applicable)</li><li>• Copy of the DOH CAC Approved Onsite/offsite Material Storage Request (if applicable)</li><li>• Copy of the DOH CAC Approved Retention Reduction Request (if applicable)</li><li>• Copy of the DOH CAC Approved CM09 form (if applicable)</li></ul> <p><i>*Every line item on the GCSS requires a separate subcontractor agreement that matches the scope and line item amount approved at closing.</i></p>

### 6.5.3 DOH draw review

Draw review is a critical opportunity for DOH to confirm developments are proceeding through construction with adequate progress, quality, and transparency. Accuracy in draw submissions, timeliness in submissions and response to CAC comments, and communication are baseline expectations for the draws process. CAC staff is available to answer questions about the draw process and review expectations.

#### Division of Responsibilities

The draw submission is ultimately the Sponsor's responsibility. The Sponsor must fully understand and vouch for its contents. The sponsor is responsible for preparing and revising draw submissions; proactively communicating issues, conflicts, or changes to the draw; and facilitating conversations between the necessary parties in order to resolve issues in an expeditious manner. The Sponsor must work with CAC staff to submit, answer questions related to, and revise as needed all draw packages.

It is the responsibility of DOH to review draw packages efficiently, clearly communicate issues, and provide reasons for delay or rejection.

### **Delayed and Rejected Draws**

The following are grounds for delay or rejection of draw packages. A written explanation for the delay or rejection will be included in correspondence with the Sponsor.

1. Incomplete revisions based on the pencil draw comments
2. Incomplete draw packages: missing documents, out of order documents, unexecuted forms
3. Delay in previous draw packages: a draw will not be processed if previous months' draws have not been resolved and processed
4. Combined draws: draws cannot be combined with a previous month's draw in order to rectify the draw submission schedule
5. Unexecuted subcontractor agreements
6. Unexplained deviations from the pencil draw submission such as the inclusion of additional payments or significant changes not included in the pencil draw or discussed at the pencil draw meeting.
7. As a policy, DOH will not attend or schedule pencil draw meetings or review monthly draw packages until the previous month's draw package has been finalized.

### **6.5.4 Final construction draw**

The final construction draw will not be paid by DOH until the AOR Certificate of Substantial Completion, the DOH Certificate of Construction Completion, and the DOB Certificate of Occupancy have been issued as described below in [Section 6.6.1](#).

In addition to all regular draw package submission requirements, as described in 6.5.1 and 6.5.2, the final hard cost construction draw must include the following documentation:

- Certificate of Occupancy
- AIA G704 Certificate of Substantial Completion
- Building Permit with signoffs from DOB Inspections
- Copy of Architect of Record's punch list (completed)
- Copy of DOH CAC Certificate of Construction Completion (completed)
- Final Construction Draw Contact Form

### **6.5.5 Other contracting and draw policies**

Some draws require special circumstances to be completed; those special circumstance draws are outlined below. If a project team identifies another special circumstance draw, contact the CAC team to inquire on how to proceed.

#### **Deposits**

Payments for deposits will be limited to 15% of the total cost for that line item; this includes payment for items required prior to lease-up, such as common area furniture, laundry machines, and window coverings. Deposits may also apply to equipment contributing to project operations. Any deposit payment request requiring more than 15% of the total cost of that line item is

considered a waiver and must follow the guidelines in [Section 5.3](#). The following requirements apply to deposit payment requests:

- Proof of cost must be provided, including but not limited to detailed invoices and a description of deposit usage
- Proof of review and approval by the AOR must be provided
- Deposit requests must align with shop drawings previously approved by DOH
- Deposit requests will only be approved for non-building materials

### **Retainage**

The Owner-Contractor agreement shall include 10% retention on all line items withheld from each progress payment for work completed and materials presently stored (on-site or off-site). This retention shall apply to GC's General Conditions/Requirements, Overhead, and Profit.

The retention shall remain at 10% until 90% completion of the project. A reduction to 5% can be made at the 90% completion mark for the entire project, where it shall stay until 100% project completion.

A GC may request an early reduction of retention for specific subcontractors, prior to 90% construction completion, if the conditions below are met. In these cases, a CM-07 'Early Retention Reduction' form must be completed for the specific subcontractor and submitted to DOH for review. The request must be approved by CAC prior to inclusion in the draw and the CM-07 must be included in the draw package for which early retention is being paid.

Early retention reduction may be considered by DOH CAC if all of the following are true:

- The subcontractor requesting the retention reduction is 100% complete for the total contract amount and scope of work on their agreement
- All short-term compliance obligations have been met for that subcontractor
- A copy of the subcontractor agreement and detailed scope of work for the subcontractor are provided for verification of completion
- The AOR issues a letter stating they have reviewed the completed work, and no outstanding corrective work/punch list remains for this subcontractor

### **Payment for Material in Storage**

Material storage funding requests must be submitted to DOH for approval for construction items purchased ahead of their use or incorporation into the project and for materials or equipment stored on- or off-site for longer than one pay application period. The following requirements will be enforced by DOH CAC staff, who will review requests alongside percentage of labor completed to ensure reasonable proportionality of materials to labor. The project team should additionally be aware of material storage request requirements from other project funders. In general, progress payments for labor and material should closely align throughout construction. Significant payments for materials prior to installation will be subject to increased scrutiny on monthly pay applications.

### **Material Storage Payment Submission Guidelines**

- Stored materials can only be paid out to a maximum of 50% of the corresponding line item for that trade
- Documentation submitted to DOH CAC for review requires written approval prior to inclusion on any draw. Material storage payment requests should be submitted no later than at the pencil draw for that month, but they may be submitted prior to pencil draw submission. Earlier submissions may help safeguard payment request delays.
- For requests covering individual items (e.g. drywall, 2x4s), a detailed invoice is often adequate, but DOH CAC may request additional information. More complex requests requiring additional materials or details must include documents included in the list to the right.

#### Documents required for a material storage payment request

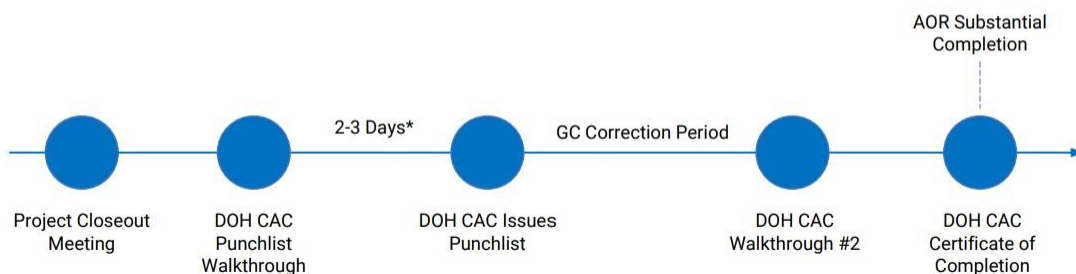
- A signed copy of the DOH CAC Onsite & Offsite Storage Package
- A letter of explanation for the request with justifying backup documentation
- A letter from the AOR confirming the material being stored is what has been specified in the project documents (color, make, model, etc.)
- Insurance certificates for the material being stored
- Description of the location of stored material
- Photos of the material
- Invoices and receipts from the supplier to the subcontractor
- Executed subcontractor agreement

## 6.6 Project Closeout Process

The steps listed below ensure that DOH procedures are integrated into the typical project closeout process with the goal of closing projects out efficiently and successfully. It is important for the Project Team to have a proactive strategy for achieving project substantial completion. This includes accounting for timelines for project financing and DOH closeout processes. Project Teams should prioritize consistent communication with DOH and other funders to ensure issues, obstacles, and delays are resolved quickly.

# Project Closeout

Overview





### 6.6.1 Project Closeout Process Overview and Steps

The closeout procedure requires close coordination between the AOR and DOH CAC. The timeline for the closeout process is often dependent on the time required for the GC to make corrections required based on the DOH punchlist. The DOH Certificate of Construction Completion serves as the “substantial completion” document from DOH. This should align with the AOR’s substantial completion. Change orders are not permitted once the project punchlist is issued.

In the event that project closeout is achieved but occupancy is delayed, payment from the final soft cost draw or other funding may be delayed.

#### **Project Closeout Meeting**

Completion required: +/- 75% complete

This meeting kicks off the closeout process with the following meeting attendees:

- Owner/Developer (and JV partners)
- Architect of Record
- General Contractor (and JV partners)
- Commissioning Agent (if applicable)
- Owner's Rep. (if applicable)
- DOH Construction Team
- DOH Compliance Team
- DOH Long-Term Monitoring

Note to development teams: At this stage in the process, DOH recommends a separate meeting with the Long-Term Monitoring (LTM) Team to discuss project marketing, lease-up, and LTM requirements.

#### **GC Submits Request for DOH Walkthrough & GC Punchlist**

Completion required: +/- 90% complete

All units should be move-in ready before punchlist walkthrough is scheduled, but no units may be occupied until the Certificate of Construction Completion is issued by DOH.

- The AOR should coordinate the punchlist process.
- Within five days of the GC request submission, the AOR punchlist walkthrough and the DOH punchlist walkthrough should occur. The AOR should provide the punchlist to DOH after the walkthrough is completed.
- Within three days of the DOH punchlist walkthrough, DOH will submit documentation of punchlist issues to be completed during the correction period as an addendum to the AOR punchlist.

#### **DOH Issues Punchlist Document**

- Once DOH issues the punchlist document, the GC correction period begins (timeline for completion varies)

### **Request for Certificate of Construction Completion & Punchlist Verification**

- After DOH punchlist corrections are made, the GC should submit a request for Certificate of Construction Completion & Punchlist Verification.
- Within three days of the request submission, the AOR should submit Certificate of Substantial Completion to DOH.
- Within three days of the Certificate of Substantial Completion to DOH, DOH will respond with necessary follow-up to verify corrected items.

The AOR completed the inspection for Certificate of Substantial Completion at or before this time.

### **DOH Issues Certificate of Construction Completion**

- AOR issues Certificate of Substantial Completion
- DOB issues Certificate of Occupancy
- Occupancy of the project is allowed after all three certifications above have been issued

The AOR completes the final completion walkthrough; GC final cleaning, etc. at this time

### **Construction Closeout**

- Submission of final hard cost construction draw required
- Closeout documents submitted to DOH
- Project Team to complete and submit lease-up contact form
- Final release of retention

### **Post-Construction Meeting**

Meeting Attendee List includes:

- Owner/Developer (and JV partners)
- Architect of Record
- General Contractor (and JV partners)
- Commissioning Agent (if applicable)
- Owner's Rep. (if applicable)
- DOH Construction Team
- DOH Compliance Team
- DOH Long-Term Monitoring

### **Soft Cost Draw Closeout**

- Processing of the final construction draw may only occur after the Certificate of Construction Completion is issued and the project has achieved “final completion”
- The final soft cost draw must follow construction draw guidelines presented in this chapter

### 6.6.2 IRS Compliance for LIHTC Projects

For developments involving financing from either 9% and 4% LIHTC, a completed 8609 Application must be submitted to DOH within 180 days of the date on which a development's last building becomes ready for occupancy, as evidenced by the Certificate of Occupancy (for new construction) or Certificate of Substantial Completion (for projects involving existing buildings).

After the Certificate of Substantial Completion is approved by DOH, the Sponsor should submit the IRS Form 8609 application. DOH recommends that loan closings for permanent financing take place before submitting Form 8609. Supporting documentation required for Form 8609 submission is found on the [8609 Submission Checklist](#).



