



CITY OF CHICAGO • OFFICE OF THE MAYOR



FOR IMMEDIATE RELEASE

May 7, 2025

CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

Department of Housing Press Office

312.744.3653

dohpress@cityofchicago.org

CHICAGO CITY COUNCIL PASSES MAYOR JOHNSON'S LANDMARK GREEN SOCIAL HOUSING ORDINANCE

Green Social Housing makes Chicago the first major city in the United States to implement this innovative model for developing permanent affordable housing.

CHICAGO – Today, the Chicago City Council passed Mayor Johnson's Green Social Housing (GSH) Ordinance, a bold and innovative initiative to expand affordable housing in Chicago while upholding the City's green building standards. The ordinance lays the groundwork for the creation of an independent nonprofit with the authority to serve as a GSH developer. With the passage of the GSH ordinance, Chicago becomes the first major city in the country to implement this innovative model for developing permanent affordable housing.

"At a time when federal funds for housing are uncertain, we continue to develop tools to make Chicago the safest and most affordable big city in America," **said Mayor Brandon Johnson**. "I'm confident that Green Social Housing in Chicago will become a model for the nation. This work is part of our Housing and Economic Development Bond, the largest investment in affordable housing and economic development in the history of Chicago. Today we took the first step towards a greener, cleaner, and more affordable future for the working people of Chicago."

The urgency behind the ordinance is clear. Over half of all Chicago renters are 'cost-burdened,' meaning they spend more than 30% of their income on housing costs. As federal support for housing programs like the Low-Income Housing Tax Credit (LIHTC) becomes increasingly precarious, Chicago is taking the lead in developing progressive, community-centered solutions.



CITY OF CHICAGO • OFFICE OF THE MAYOR



“With the passage of this ordinance, we are showing the nation what it looks like to take local, innovative action in the face of a growing housing crisis,” **said Department of Housing Commissioner Lissette Castañeda**. “This model allows us to build permanently affordable, mixed-income housing that is sustainable, community-led, and responsive to the real needs of Chicagoans. We are not just building homes; we are creating healthier communities and ensuring long-term affordability for generations to come.”

GSH will be funded with \$135 million from Mayor Johnson’s [Housing and Economic Development \(HED\) Bond](#). A newly created nonprofit, known as The Residential Investment Corporation (RIC), will operate the GSH model independently of the Department of Housing. RIC will primarily own and operate these developments, with profits reinvested into future projects or used to increase affordability. Once established, this revolving loan fund will provide low-cost financing and equity investments for developing permanently affordable, mixed-income housing. This model provides flexibility to move at the speed of the market while being held to strong accountability and governance standards.

RIC, the non-profit developer, will collaborate with private developers and retain majority ownership during construction and after stabilization. This model combines the efficiency of the private sector with lasting community benefits. Through this initiative, Chicago reinforces its Climate Action Plan and Environmental Justice Action Plan designed to protect the city’s natural resources, reduce emissions, and help residents thrive.

The City plans to break ground on the first Green Social Housing development in 2026.

“This ordinance is a powerful reminder that housing justice and climate action go hand in hand,” said **Angela Tovar, Chicago’s Chief Sustainability Officer and Department of Environment Commissioner**. “Through Green Social Housing, Chicago is advancing a new model for sustainable development where affordable housing meets green building standards and also provides safe, healthy, and affordable living for families.”

The Green Social Housing ordinance also includes protections for workers and reinforces Chicago’s values around equity and inclusion. Projects will follow the Illinois Prevailing Wage Act and the City’s M/WBE program. Additional preferences have been added for veterans and people with disabilities, and the governance structure was shaped with input from the City Council to ensure effective oversight and transparency.



CITY OF CHICAGO • OFFICE OF THE MAYOR



Although other cities including Atlanta, Chattanooga, and Montgomery County, have experimented with the Social Housing model, Chicago will be the largest city in the nation to implement this cutting-edge approach and has authorized the largest revolving fund.

###