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**CHICAGO DOH TO CEDE UP TO \$150M TO IHDA TO BUILD AND PRESERVE
AFFORDABLE MULTI-FAMILY HOUSING**

CHICAGO — City Council has passed an ordinance today granting the Department of Housing (DOH) the authority to administratively cede up to \$150M in volume cap to the Illinois Housing Development Authority (IHDA) over a period of three years. This move aims to promote the creation and preservation of affordable multi-family housing in partnership with other funding agencies.

Volume cap refers to the allocation of resources based on population. In the case of the City of Chicago, volume cap is occasionally ceded to governmental agencies like IHDA and CHA to support affordable housing projects. While DOH has not be able to leverage all the volume cap provided to it due to insufficient subordinate resources, ceding a portion of the cap to IHDA enables DOH to maximize affordable housing creation in collaboration with other agencies.

DOH recently ceded \$100M in volume cap to the Chicago Housing Authority (CHA) for the preservation of 350 units of affordable senior housing. In doing so, DOH reduced the fees charged to the project, a cost-saving measure that not only benefited the project's budget, but also helped avoid potential funding gaps that might have required additional DOH subsidies.

IHDA, as a state allocating agency, also utilizes bonds to finance multi-family projects in Chicago. In the past five years (2018 to 2022), IHDA utilized its own volume cap to support over \$1.55B worth of developments in the city. Recognizing the excess of unused volume cap in 2020, the city had previously ceded volume cap to IHDA to further facilitate affordable development in Chicago.

Historically, the City receives an average of \$270M in bond cap annually. However, DOH has only utilized \$20M to \$30M for housing deals each year, resulting in approximately \$200 million of unused volume cap that expired annually. While recent changes in federal regulations and the inclusion of a Preservation Tract in DOH's funding rounds have allowed for a more significant utilization of volume cap, the City still expects nearly \$50 million of cap to go unused and expire each year.



Granting administrative authority to Marisa Novara, Commissioner of DOH, to cede a portion of the city's volume cap to IHDA on an as-needed basis over the next three years will enable the construction of more affordable multi-family housing projects. This arrangement will require no additional cash or staff resources from the City while maximizing the potential impact of the volume cap allocation.

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70 AFFORDABLE HOUSING UNITS TO BE PRESERVED AND REHABBED IN CHICAGO'S NORTH AND WEST SIDES

CHICAGO — City Council has passed an ordinance today to preserve, recapitalize, and rehabilitate 70 units of affordable rental housing in three separate walk-up buildings located in West Town, Humboldt Park, and Logan Square. The ordinance authorizes key measures to support the projects, including the issuance of funds, low-income housing tax credits, and modifications to existing loan and regulatory documents. The developer, Bickerdike, will lead the preservation efforts.

The three walk-up buildings, situated at 2212-14 N. Sacramento Ave., 1930-38 N. Humboldt Blvd., and 929-35 N. Sacramento Ave., were originally acquired and rehabilitated by Bickerdike with financial assistance from the City in the early 1990s. After more than 30 years, these buildings now require significant replacement of various systems and repair.

Bickerdike applied for the Boulevard Apartments Preservation project during the Department of Housing's (DOH) 2021 Qualified Allocation Plan (QAP) round.

The ordinance authorizes the following actions:

Issuance of up to \$18,987,827 in Multi-Family Funds: The funds will be provided to Bickerdike in the form of one or more loans or grants, enabling them to proceed with the preservation, recapitalization, and rehabilitation of the walk-up buildings.

Issuance of \$1,500,000 in 9% Low Income Housing Tax Credits: This provision allows the City to allocate tax credits to the project, facilitating the financial resources necessary for the successful completion of the preservation efforts. The amount may be adjusted as deemed necessary or desirable by the Commissioner of DOH.

Approval of Modifications to Existing City Loan and Regulatory Documents: In connection with the implementation of the preservation project, the City will make



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necessary modifications to the existing loan and regulatory documents related to the historical financial assistance provided in the early 1990s. These adjustments ensure a seamless transition and adherence to current standards and guidelines.

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DOH'S BUILDING NEIGHBORHOODS AND AFFORDABLE HOMES PROGRAM EXPANDS CITY-WIDE

The Building Neighborhoods and Affordable Homes Program will now provide up to \$100,000 in purchase assistance to buyers of single-family homes.

City Council, under the leadership of Mayor Brandon Johnson, has approved changes to the Chicago Department of Housing's Building Neighborhoods and Affordable Home program (BNAH) today, which includes an expansion of the program across the city, as well as increased funding.

Previously, the BNAH program encouraged homebuyers to move into five targeted neighborhood areas within the City Lots for Working Families program: Englewood Square, North Lawndale, South Lawndale, Humboldt Park/Garfield Park, and Woodlawn. Now, BNAH will offer assistance to homebuyers looking at any single-family home (one-to-four units) for sale across the city, as long as the property is in a City Council approved land sale redevelopment agreement.

Purchase grant assistance limits for homebuyers has also increased from \$60,000 to up to \$100,000, thanks to additional funding from the Community Development Block Grant (CDBG).

A more comprehensive list of the changes to the BNAH program can be found below:

- Expanded from five targeted community areas to **city-wide**;
- Expanded eligible properties to include any single-family home for sale (one-to-four units) in a **City Council approved land sale redevelopment agreement** (not limited to City Lots for Working Families development program);
- Increased funding authority from \$5M AHOF to \$10M (\$5M AHOF and **\$5M CDBG**);
- Increased homebuyers purchase grant assistance limits from \$60,000 to **up to \$100,000**;
- Grants funding with CDBG will be limited to eligible household buyers at or below 80% AMI;



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- Grants funded with AHOF will be limited to eligible household buyers at 81% AMI and below 140% AMI; and
- Grants will be provided to eligible buyers on a scale based on AMI and neighborhood residency:

Neighborhood Area Residents		Non-Neighborhood Area Residents	
HH Below 80% AMI	\$100K	HH Below 80% AMI	\$90K
HH 81% - 90% AMI	\$90K	HH 81% - 90% AMI	\$80K
HH 91% - 100% AMI	\$80K	HH 91% - 100% AMI	\$70K
HH 101% - 120% AMI	\$70K	HH 101% - 120% AMI	\$60K
HH 121% - 140% AMI	\$60K	HH 121% - 140% AMI	\$50K

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