



CITY OF CHICAGO • OFFICE OF THE MAYOR



**FOR IMMEDIATE RELEASE**

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**NEW PRESERVATION FUND WOULD HELP STABILIZE CONDOS AND CO-OPS IN SOUTH SHORE**

Mayor Lori E. Lightfoot introduced a measure to City Council today that would create a new pilot preservation fund that targets vulnerable condo and co-op owners in the South Shore community. The fund will provide owner-occupant grants to individual owners and a low-interest, long-term loan/grant product to homeowner associations (HOAs) for needed repairs and deferred maintenance to ensure that longtime homeowners, many of them older and on fixed incomes, can remain affordably housed. The South Shore Condo/Co-Op Preservation Fund Pilot will leverage DOH's Troubled Buildings Initiative (TBI) and, together with the Chicago Community Loan Fund (CCLF), establish a loan/grant product to assist owner-occupants with repairs and provide loans to HOAs for needed maintenance.

Created in 2004, the Troubled Building Initiative is a tool to help reclaim troubled and abandoned buildings that promote dangerous and hazardous conditions for residents, neighbors, and first responders. TBI works with existing owners and lien holders, primarily through the housing court process with the use of receivers and by the acquisition of distressed notes and liens, to prevent these buildings from deteriorating into a state of disrepair which may lead to displacement, the loss of affordable housing, and unnecessary demolition. In 2006, the program expanded to include vacant and abandoned one- to four-unit properties and expanded again in 2008 to incorporate distressed condominiums. The initiative has preserved more than 16,000 rental and for-sale units across the City since its inception.

Condo/HOA owner/applicants will be able to apply directly to CCLF for program assistance. CCLF will guide owners through the process, with the goal of stabilizing their buildings. The City of Chicago will establish a fund with CCLF that will be used as a loan conservation reserve to support longer-term loans for condo owners. Condo owners will now have the option of financing repairs of their properties with reduced interest rates.

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## **SEVENTY-SIX UNIT MIXED-INCOME DEVELOPMENT PLANNED FOR AUSTIN**

A measure introduced to City Council by Mayor Lori E. Lightfoot today would allow the issuance of up to \$15 million in tax-exempt revenue bonds for the acquisition and construction of Austin United Alliance (AUA). The six-story 76-unit new construction, mixed-income apartment building in Austin is an INVEST South/West project that will include 53 affordable units for households at or below 50% and 60% of the area median income (AMI) and 23 market-price units. The unit mix includes 25 one-bedroom, 24 two-bedrooms, and four three-bedroom units.

The development will be financed with various sources, including up to \$15,000,000 of tax-exempt bonds being issued by the City of Chicago that will automatically generate 4% Low Income Housing Tax Credits for an estimated \$8,861,760 in equity for the benefit of the transaction. The equity payments will be funded throughout construction to completion and finally occupancy. Other funding will consist of a private loan, TIF, HOME, and 9% LIHTC; as well as grants from ComEd and GP Equity.

Austin United Alliance is a partnership between Heartland Housing and Oak Park Regional Housing Center. The Oak Park Regional Housing offers free resources for housing primarily serving Western Cook County. Since its founding in 1988, Heartland Housing has been actively involved in the development, completion, and placement in service of 25 projects totaling over 2,600 units of affordable and permanent supportive housing in Chicago, Milwaukee, and Madison, currently managing over 1,350 affordable units.

Austin United Alliance was selected as a winning RFP development in March 2021 for the Mayor's INVEST South/West initiative. Planned for the former Laramie Bank building and approximately 20,000 square-feet of adjacent land, the proposed \$37.5 million project will renovate the landmark structure with commercial uses that include a blues museum, bank branch, café, and business incubator. The adjacent land will be redeveloped with a mixed-income, multi-story rental building that includes a green roof, public plaza, social spaces, and outdoor art.

Marshaling over \$1.4 billion of investment resources to-date, INVEST South/West is strategically reversing decades of public and private disinvestment on 12 commercial corridors within 10 South and West Side community areas. The project is expected to generate up to 150 construction jobs and 22 full-time positions.

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## **SARAH'S ON LAKESIDE WOULD PROVIDE 28 AFFORDABLE STUDIOS IN UPTOWN**

Mayor Lori E. Lightfoot today introduced a measure to City Council that will pave the way for 28 permanent affordable studio apartments for very low and extremely low-income individuals that are homeless or chronically homeless in the Uptown community. Sarah's on Lakeside will be the third supporting housing development from Sarah's Circle.

Rents will be subsidized through a combination of project rental assistance provided by the Chicago Housing Authority, and HUD's Continuum of Care subsidies. Fifty percent (14) of the units will be targeted to residents earning no more than 30% of the area median income (AMI) level, and 50% (14) will be targeted to residents earning no more than 60% of AMI.

All residents will have access to supportive services at Sarah's Circle Support Center. In addition to meals, the Center will provide case management services, educational programming, and clinical services. Residents will have access to shared laundry facilities, multipurpose rooms, a shared computer lab, group dining, and social services.

Total development costs are approximately \$15,381,239, and the City will provide up to \$3.5 million of Multi-Family Loan Funds, \$3,087,566 of Affordable Requirements Ordinance (ARO) "in lieu of" funds, and \$1,543,783 in Illinois Affordable Housing Tax Credit proceeds (Donation Tax Credits). The Illinois Housing Development Authority (IHDA) will provide \$6 million in Supportive Housing Funds, and Sarah's Circle will provide a capital contribution of \$1,948,033.

The ARO "in lieu of" funds will be derived from a market-rate development to be erected at 4600 North Marine Drive. In lieu of providing 25% affordable units in their market-rate development, developer Lincoln Properties will donate \$3,087,566, which will go to Sarah's Circle to assist with the costs of erecting the 28 affordable housing units at Sarah's on Lakeside.

Sarah's Circle was founded in the late 1970s, and its mission is to provide a refuge for women who are homeless or in need of a safe space by providing housing assistance, case management, referral services, and life necessities. Since opening its doors, Sarah's Circle has helped to place over 700 women in permanent housing, and on a day-to-day basis, serves 100s of individuals with their comprehensive supportive service programs such as meals, case management, clinical services, general education, and referral services.



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## **NEXT PHASE OF ABLA HOMES REDEVELOPMENT PLANNED FOR THE NEAR WEST SIDE**

Mayor Lori E. Lightfoot introduced a measure to City Council today that would authorize the issuance of up to \$87 million in multi-family mortgage revenue bonds for the next phase of the Roosevelt Square-ABLA Homes redevelopment.

Today's introduction would also authorize the execution of a TIF Redevelopment Agreement with RS Affordable I LL, authorizes the City to transfer Illinois Affordable Housing Tax Credit (Donation Tax Credits) proceeds generated by the sale of these tax credits to the project known as Roosevelt Square 3B, authorize the conveyance of City-owned parcel(s) located at approximately 1221 to 1259 West Roosevelt Road to the Chicago Housing Authority (CHA), its designee, or the developer for the benefit of the project known as Roosevelt Square 3B, and designates RS Affordable I LLC as a TIF developer.

Related Midwest was chosen as the master developer for the Roosevelt Square-ABLA Homes redevelopment through a Chicago Housing Authority (CHA) Request for Qualification. As part of the CHA's Plan Forward, Roosevelt Square-ABLA Homes was to produce 2,441 units of mixed-income housing, and approximately 75,000 square feet of retail/commercial space, in six phases on the near west side in the Roosevelt/Racine Tax Increment Financing Redevelopment area. To date, 664 homes have been developed, mixed between rental and for-sale, as well as 30,000 square feet of retail, a 15,000 square-foot library, and over two miles of new streets.

This phase of development will produce three newly constructed buildings that will house 207 mixed-income rental units, the rehabilitation of the housing museum which will contain 15 mixed-income rental units in the northern portion of the building, and the renovated museum in the southern portion, tenant and community amenity, and green spaces, off-street parking. Today's measure will also authorize the conveyance of city-owned parcel(s) located at approximately 1221 to 1259 West Roosevelt Road to the Chicago Housing Authority, its designee, or the developer, pursuant to Resolution 06-CDC76 adopted by the Community Development Commission of the City of Chicago on September 12, 2006, and the rehabilitation of 184 CHA and affordable rental units from Phase I.

Total development costs are approximately \$160,850,000 and in addition to the use of tax-exempt bonds and the 4% tax credit equity generated from the bonds (approximately \$48 million), other funding will consist of \$17 million in TIF to be ported from the Western-Ogden TIF Redevelopment area, approximately \$35.5



million in new and assumed Chicago Housing Authority (CHA) funding, a first mortgage of approximately \$47 million, equity from Illinois Affordable Housing Tax Credits (Donation Tax Credits) of approximately \$2.25 million, which will be generated from the value of the land, a deferred developer fee of approximately \$5 million and approximately \$1 million in transferred reserves from the existing Roosevelt Square phase one buildings.

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### **NEW DEVELOPMENT WOULD CREATE 58 NEW AFFORDABLE UNITS IN AUBURN GRESHAM**

An ordinance introduced to City Council today by Mayor Lori E. Lightfoot would authorize the issuance of up to \$6 million in multi-family loans or grant funds for the creation of 58 new affordable rental units in Auburn Gresham, an INVEST South/West community. Today's measure would also authorize the issuance of up to \$18 million in TIF funds, and up to \$25 million in Tax-exempt Housing Revenue Bonds for the benefit of Evergreen Imagine JV LLC or one of its affiliates, or an entity acceptable to the DOH Commissioner, as well as convey seven City-owned lots to developer Evergreen Imagine JV LLC, or their successor affiliate(s), Auburn Gresham Apartments LP, an Illinois Limited partnership, or an entity acceptable to DOH Commissioner as developer.

The total development cost is estimated at \$42.6 million, with a City ask of \$18 million in TIF; up to \$6 million in other City soft funds, and \$18.2 million in 4% LIHTC equity generated from the tax-exempt bonds. The City will also provide Donation Tax Credits to the project in the amount of \$122,500, which will generate an approximate \$109,025 in equity for the project. Additional sources are expected to include a first mortgage, a seller note, funding from ComEd, and a deferred developer fee.

This is the first INVEST South/West project to advance to DOH application stage. Marshaling over \$1.4 billion of investment resources to-date, INVEST South/West is strategically reversing decades of public and private disinvestment on 12 commercial corridors within 10 South and West Side community areas. This project will generate 58 new construction units and \$42.6 million of investment in the Auburn Gresham neighborhood. The project is anticipated to generate 17 new permanent jobs and 100 temporary construction jobs.

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## **PRESERVATION PLANNED FOR 272 UNITS AT THE BARBARA JEAN WRIGHT APARTMENTS IN UNIVERSITY VILLAGE/LITTLE VILLAGE**

An ordinance introduced to City Council today by Mayor Lori E. Lightfoot would issue bond inducement of up to \$45 million in Multi-Family Housing Loan Funds to finance the acquisition and moderate rehabilitation of the Barbara Jean Wright Apartments located at 1354 S. Morgan (multiple sites generally bounded by Maxwell St/Morgan St/14th Pl/Racine Ave/Blue Island). This project consists of 272 units in 12 garden-style four-story apartment buildings and 15 two-story townhomes in the University Village/Little Italy area.

Of the 272 units, 251 are for tenants at 60% area median income (AMI) and below and the remaining 21 units have unrestricted rents. The apartment complex, spread over an 11.5-acre campus, was originally constructed in 1972, and ownership was transferred to the Chicago Community Development Corporation (CCDC) in 1999. CCDC proposes to sell it to Jonathan Rose Companies. The total project cost is estimated at \$82 million. In addition to City funds, developers will be provided with a HUD FHA loan of approximately \$46 million.

The rehabilitation will include upgraded security, replacement of kitchens, bathrooms, flooring and carpeting in units, interior painting, A/C, and new lighting. New amenities will include a 4,000-square foot community building with ancillary common spaces; provision of Wi-Fi to residents; supportive services and upgrades to the basketball court and playground maintenance.

Jonathan Rose Companies is the sole member of the developer entity. This is the first project for which Jonathan Rose Companies has sought City funding. However, over the last 30 years, the firm has owned, developed, and managed over \$1.8 billion in real estate. JRC specializes in the acquisition and long-term preservation of existing affordable housing and implements its preservation activities through public and private collaboration and the utilization of local incentives that allow each project to extend affordability provisions and invest in long-term improvements.

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