



OFFICE OF THE MAYOR
CITY OF CHICAGO

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CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

**MAYOR EMANUEL INTRODUCES ORDINANCE TO SUPPORT HOME BUYERS
AND STRENGTHEN NEIGHBORHOODS ACROSS CHICAGO**

Home Buyer Assistance Program Will Encourage Homeownership by Providing Down Payment Assistance for Families; Revised Proposal Increases Eligible Income Levels and Grant Amounts

Mayor Rahm Emanuel today introduced an ordinance at City Council to support home buyers in neighborhoods across Chicago. The Home Buyer Assistance Program will help make homeownership possible for working families and individuals by providing support for down payment and closing costs. The initiative has been revised since its announcement last month to make even more working families eligible for the program and provide a higher level of down payment assistance.

"Homeownership is the key to strong neighborhoods and a stronger economy in Chicago," Mayor Emanuel said. "This program puts responsible and hardworking Chicagoans on the path to homeownership in neighborhoods throughout the city."

Through the Home Buyer Assistance Program qualified buyers may receive a grant for up to 7 percent of the total loan amount based on income. The program is intended to assist a broad range of families that include middle- and low-income households. Depending on whether they select an FHA-insured loan or a loan insured by Fannie Mae or Freddie Mac, home buyers can have annual incomes of up to 175 percent of the area median income – approximately \$159,600.

The typical home in Chicago is sold for \$250,000, meaning a family could receive a grant of more than \$17,000 to help them cover their down payment and closing costs.

The initial draft of this proposal allowed grants up to 5 percent of the total loan amount and income of up to 160 percent of area median income. The revised proposal means more families across Chicago will be eligible.

"Chicagoans will be given the key to a new home and the ability to build wealth," Kurt Summers, City Treasurer and Chair of the Infrastructure Trust said. "Home buying is essential to improving our local economy and strengthening neighborhoods across our City. The Trust is proud to provide hardworking residents with this opportunity that will benefit Chicago for generations to come."

The program is open to families or individuals who are buying a home; and first-time buyers must complete a homebuyer education course. The program can be used for the purchase of single-family homes, town homes, condominiums and owner-occupied properties containing up to four units. It may also be used to refinance an existing mortgage.

"I'm pleased the City of Chicago is stepping up to the plate to stimulate the housing market by offering low income, first time buyers a helping hand in making their first home purchase," Ald. Howard Brookins said. "Many communities on the South Side are still impacted by the Great Recession and any assistance we can give by rebuild our neighborhoods is sorely needed."

The city will provide an initial \$1 million to launch the Home Buyer Assistance Program, which will become self-sustaining over time. The program will be administered by the Chicago Infrastructure Trust, which will work in conjunction with authorized lending institutions responsible for accepting and processing applications, which will be accepted on a first-come, first-serve basis.

"This program will give families across the 15th ward the opportunity and ability to buy a home," Ald. Raymond Lopez said. "Homeownership plays an important role in building stronger neighborhoods and through this program the city of Chicago will help make it a reality for families throughout the city."

In the coming months, the city will work with aldermen and not-for-profit partners to conduct workshops across Chicago to provide interested residents with information about the program.

The Home Buyer Assistance Program is part of Mayoral Emanuel's initiative to expand housing opportunities in local neighborhoods. In 2014, the Mayor launched his Five-Year Housing Plan to invest \$1.3 billion in public and private funds toward the construction, rehab and preservation of more than 40,000 units of housing citywide. Through the third quarter of last year, more than \$200 million has been allocated in 2015 to support more than 6,187 units of affordable housing.

The city also offers the Choose To Own program through the Chicago Housing Authority. The program provides eligible public housing and housing choice voucher recipients the option of homeownership by using their rental voucher to pay a portion of their monthly mortgage for up to 15 years (up to 30 years for the elderly or people with disabilities). For more information please visit www.thecha.org/cto.

The Mayor also recently reformed the Affordable Requirements Ordinance (ARO) to expand affordable housing development in local neighborhoods for projects involving city assistance. The ARO reform ordinance is estimated to generate an estimated 1,200 units, including 600 affordable units within or near market-rate developments; and more than \$90 million in in-lieu fees by 2020. It is expected to create 2,500 new jobs; and nearly \$200 million in local income.

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