



CITY OF CHICAGO • OFFICE OF THE MAYOR



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CITY COUNCIL APPROVES SOUTH SHORE CONDO/CO-OP PRESERVATION FUND PILOT

New program will provide financial assistance to condo/co-op owner-occupants with repairs and assist Homeowner Associations in securing loans for needed maintenance

CHICAGO - City Council approved a measure today creating 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.

"Communities like South Shore are so vibrant in part because of the contributions of the residents who have lived there for years," said Mayor Lightfoot. "With the South Shore Condo/Co-Op Preservation Fund in place, these residents — many of whom are homeowners and have families — will be able to remain in their homes and access necessary repairs and maintenance. This is exactly the kind of housing investment we need to make in order to build more resilient communities and spur equitable, generational wealth."

South Shore is one of the City's most densely populated communities, attracting many residents due to its location along Lake Michigan, proximity to Hyde Park, the University of Chicago, Museum of Science and Industry, and the variety of single-family homes and multi-unit buildings that provide condominium ownership and rental opportunities. South Shore is also uniquely positioned just south of the Obama Presidential Center and west of South Shore Cultural center which are



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locations of current and proposed investments. However, a significant number of African American homeowners in the area residing in condominiums are at risk of conversion to high-cost units due to owners' inability to pay for deferred maintenance or secure loans with longer terms than the traditional five to seven years.

The pilot building for the South Shore Condo/Co-Op Preservation Fund is 6931-39 South Crandon. The physical and financial needs of the building and HOA have been assessed, and an ordinance to establish a loan/grant solution for the Crandon building is expected to be introduced next month.

After the pilot assessment is completed, 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.

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.

"Each community has unique housing needs, and in South Shore, we have heard loud and clear the need to ensure that longtime condo and co-op owners can stay in the community and continue to build wealth through affordable homeownership," said DOH Commissioner Marisa Novara. "This pilot fund will allow us to take a targeted approach to preserve valuable condo and co-op ownership opportunities in South Shore,"

Through this new pilot fund, TBI will broaden its ability to not only physically improve buildings but improve the financial condition of the bodies governing these buildings for greater long-term stability. By strengthening these associations, condominiums will continue to provide homeownership opportunities to those who want the benefits of owning a home without the responsibility of exterior maintenance associated with single-family ownership.



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"It is imperative that we preserve condominium and co-op buildings in South Shore - buildings that provide homeownership opportunities for residents to build generational wealth," said Alderwoman Leslie Hairston (5th Ward). "I want to thank the Department of Housing for their partnership in creating solutions that are specific to the housing needs of South Shore."

The South Shore Condo/Co-Op Preservation Fund is part of the Lightfoot Administration's efforts to address displacement and disinvestment throughout the City. Earlier this year, City Council passed the Encumbrance Ordinance, which relieves City debt on vacant and abandoned properties in low- to moderate-income communities that have the opportunity for rehabilitation and reoccupation for homeownership and business development. Waiving City debt eliminates the hurdle of added costs to already under-valued properties and provides an incentive to redevelop the lots.

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