



OFFICE OF THE MAYOR
CITY OF CHICAGO

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CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

**CITY COUNCIL APPROVES INITIATIVE TO SUPPORT HOME BUYERS AND STRENGTHEN
NEIGHBORHOODS ACROSS CHICAGO**

*Home Buyer Assistance Program Encourages Homeownership by Providing Down Payment Assistance
for Working Families*

City Council today approved the Home Buyer Assistance Program, an initiative to support home buyers in neighborhoods across Chicago. This important community investment will help make homeownership possible for working families and individuals by providing financial support for down payment and closing costs.

“By helping hardworking Chicagoans afford a down payment on a home, we are making a down payment on stronger neighborhoods for the city of Chicago,” said Mayor Emanuel. “The Home Buyer Assistance Program is another piece of our strategy to put all of the building blocks in place to enable our neighborhoods to thrive, from access to good-paying jobs, investing in a modern infrastructure, and increasing quality, affordable housing. I want to thank the City Council for its strong support for this important measure.”

Through the Home Buyer Assistance Program qualified buyers may receive a grant for up to seven 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 the potential home buyer selects 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, currently \$133,000 for a family of four.

The typical home in Chicago is sold for \$250,000, meaning a family could receive a grant of more than \$17,500 to help them cover their down payment and closing costs.

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.

The city of Chicago 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

121 NORTH LASALLE STREET, ROOM 507, CHICAGO, ILLINOIS 60602

responsible for accepting and processing applications, which will be accepted on a first-come, first-serve basis. The city is working with aldermen and our not-for-profit partners to conduct workshops across Chicago to provide interested residents with more 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 a 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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