



Shared Equity Investment Program RFP Pre-Bidders Conference

November 21, 2023



Agenda

- Welcome & Introductions
- Background
- Community Wealth Building
 - Chicago Recovery Plan
 - Shared Equity Support Models
- Request for Proposals Details
- Questions



Mission, Vision, Values

The mission of Chicago's Department of Housing is to expand access and choice for residents and protect their right to quality homes that are affordable, safe, and healthy.

The equitable distribution of resources across all 77 communities so that every Chicagoan can choose and remain in quality housing that is affordable, safe, and healthy.

Equitable | Collaborative | Dedicated | Resourceful

Your City of Chicago team



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Community Wealth Building is an approach to economic development that promotes the **local, democratic, and shared ownership and control** of community assets

★ The City of Chicago is currently focused on four priority community wealth building models:


	Member-Owned (Direct)		Community-Owned (Indirect)	
				
	1	2	3	4
Pillar	Business Ownership	Home Ownership	Land Stewardship	Commercial Property
Priority Model	Worker Cooperative	Limited-Equity Housing Cooperative	Community Land Trust	Community Investment Vehicle
Model Definition	Business owned & controlled by its employees, rather than by one owner, several partners, or outside shareholders	Housing owned & managed by a cooperative made up of low-income members who each purchase shares at below-market	Organization governed by community owns land in perpetuity while residential and commercial tenants own the structures atop the land via a 99-year ground lease	A legal investment mechanism that provides collective community investment in neighborhood assets based on shared development goals

Shared equity models of homeownership supported through this program.



Shared Equity Homeownership

What are we trying to solve?

- **Continued inequity** in homeownership attainment due to lack of capital for down payment, lack of access to credit, regulatory burdens, and continued housing discrimination.
 - **Shared equity models of homeownership (cooperatives & community land trusts)** offers:
 - Pathways to affordable homeownership
 - Community-controlled affordable housing in perpetuity
 - Limited equity that mitigates market-price increases contributing to displacement
 - Stability for wealth building
 - **\$3.5M in Chicago Recovery Plan (CRP) funds** allocated for supporting shared equity homeownership models
 - **Focus group in Jan. 2023 and continued limited equity working group** identified primary needs:
 - Funds for acquisition of units
 - Funds for homebuyers to make sure units are affordable
 - Flexibility and ability to effectively get funds to the closing table
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Shared Equity Support Program

Track 1: Shared Equity Purchase Price Assistance

Purpose: support affordable homeownership by reducing the cost of purchasing a coop or CLT property

Available to:

- Homeowners purchasing property in a community land trust or shares in a cooperative

Details:

- Up to \$60,000 per household
- At or below 120% AMI
- Eligible grant uses include principal write-down, closing costs, PMI premium, and down payment assistance

Track 2: Shared Equity Acquisition Support

Purpose: increase the number of permanently affordable units in Chicago by supporting coops & CLTS in acquisition of units

Available to:

- Cooperatives with affordability restrictions
- Community land trusts

Details:

- Up to \$100,000 per unit
- 51% of units must be priced and sold at rates affordable to households at 80% AMI or below
- Eligible grant uses include acquisition costs, holding costs, appraisals, and gap financing costs



Details: Shared Equity Support Program

Clients (sub-grantees):

- **Track 1:** Purchasers of a cooperative share or community land trust property
- **Track 2:** Limited equity cooperatives or community land trusts

Contracting: Potentially multiple program providers

- 1-2 multimillion-dollar grantee contracts
 - Nonprofit (Track 1) or CDFIs (Track 2)

Compensation Structure: \$3.5M in Chicago Recovery Plan bond proceeds

- Grantees may only bill for purchase price assistance grants OR acquisition costs **and**;
- A fixed, negotiated project delivery fee per unit of housing, payable upon successful purchase of a unit or building.

Expected cost: \$1.5M for Track 1 and \$2M for Track 2

- \$30K-\$60K per unit for Track 1 (25-50 purchase price subgrants)
- ~\$100K per unit for Track 2 (20-30 units supported through acquisition)

Data management: DOH-selected database will be used across providers for client management



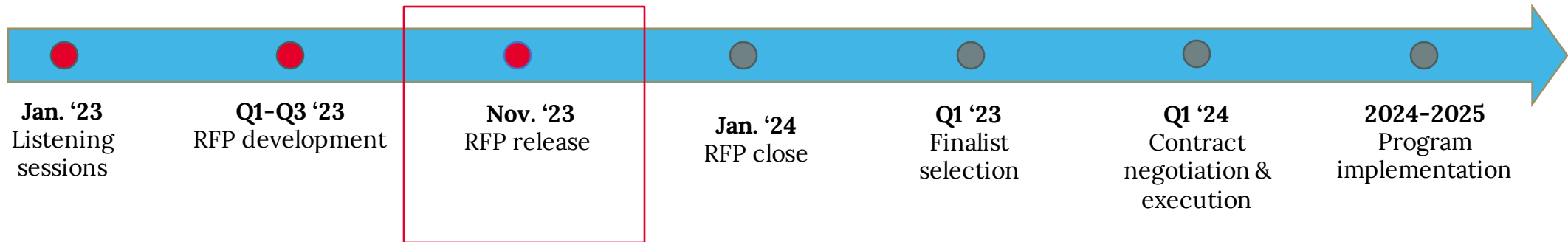
★ Shared Equity Timeline

RFP release date: Tuesday, Nov. 14, 2023

Pre-bidder's conference: Tuesday, Nov. 21, 2023

RFP due date: Monday, Jan. 8, 2024

Evaluation criteria: Proposals will be evaluated and selected based on the applicant's organizational capacity and values, program design implementation, budget justification and partnerships.





Questions?

Contact DOH with any other questions!

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