



OFFICE OF THE MAYOR
CITY OF CHICAGO

FOR IMMEDIATE RELEASE

January 25, 2016

CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

**MAYOR EMANUEL LAUNCHES INITIATIVE TO SUPPORT HOME BUYERS AND
STRENGTHEN NEIGHBORHOODS ACROSS CHICAGO**

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

Mayor Rahm Emanuel today announced a city initiative 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.

"Homeownership is an essential building block of vibrant communities so by helping more families afford a down payment on their home, we are making an important down payment on a stronger future for Chicago's neighborhoods," Mayor Rahm Emanuel said. "The city of Chicago will only be as strong as our neighborhoods are strong. So with the help of this program, we will put more responsible and hardworking Chicagoans on the path to homeownership and build a stronger economic foundation for Chicago."

Through the Home Buyer Assistance Program qualified buyers may receive a grant for up to 5 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 160 percent of the area median income – approximately \$121,000.

The typical home in Chicago is sold for \$250,000, meaning a family could receive a grant of more than \$12,000 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 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.

"Hardworking Chicagoans across the city will now have the opportunity to buy a home, a reality that may not have been an option without this program," Kurt Summers, City Treasurer and Chair of the Infrastructure Trust said. "Home buying is central to building wealth and an incredible investment in the future of Chicago. The Trust is proud to give residents the ability to safely and affordably become homeowners, which will pay dividends to our 77 neighborhoods."

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.

"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 ravaged by the Great Recession and any assistance we can give by rebuild our neighborhoods is sorely needed."

"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."

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.

###