



CITY OF CHICAGO • OFFICE OF THE MAYOR



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**MAYOR BRANDON JOHNSON AND THE DEPARTMENT OF HOUSING INTRODUCE
GREEN SOCIAL HOUSING ORDINANCE TO CHICAGO CITY COUNCIL**

*Green Social Housing is key affordable housing initiative of the Johnson Administration's
Housing and Economic Development Bond*

CHICAGO – Mayor Brandon Johnson and the Chicago Department of Housing took the next step towards building Green Social Housing (GSH) with the introduction of an enabling ordinance to the Chicago City Council. The ordinance allows the City to establish an independent nonprofit with the authority to serve as the GSH developer.

Green Social Housing utilizes a financing model for permanently affordable, mixed-income, and environmentally sustainable housing development that does not rely on over-subscribed federal subsidies like the Low-Income Housing Tax Credits. The 2024 Housing and Economic Development (HED) Bond established a revolving loan fund of \$135 million to be used for low-cost construction period loans for GSH.

“I am proud to introduce the Green Social Housing Ordinance to City Council in an effort to increase the supply of affordable housing across our city and achieve environmental justice for our residents,” said **Mayor Johnson**. “This financing model will ensure that we have a consistent funding commitment to answer our need for housing units that meet Green Building Standards, and it will make Chicago a national leader for innovatively and steadfastly investing in our communities.”

No funding approval is included in this ordinance. In accordance with the HED Bond Ordinance, GSH projects utilizing \$5 million or more will require City Council approval.



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“In the midst of this long-standing housing crisis, it is imperative we take bold steps towards creating affordable, sustainable housing for all Chicagoans,” said **Housing Commissioner Lissette Castañeda**. “Green Social Housing is an innovative and proven strategy to maximize the impact our resources have on affordability.”

The City has an affordable housing shortage of over 119,000 units for families in need. Additionally, over 51 percent of Chicagoans are rent burdened, meaning they spend more than 30 percent of their income on rent and utilities.

Under the GSH model, a minimum of 30 percent of each GSH development’s units are made permanently affordable for households up to 80 percent of the area median income and the rest at market rate. The mixed-income model allows for rents to be kept affordable permanently without requiring on-going City subsidies over time.

The GSH Revolving Loan Fund replaces the need for private equity, reducing construction costs. The Residential Investment Corporation, the non-profit developer, will form joint ventures with private developers seeking to use this financing tool, and retain a majority ownership stake during both construction and after stabilization. This approach leverages the efficiency of private sector development while creating permanent community benefits of affordable, healthy homes.

GSH developments are planned to meet Green Building Standards. These sustainability measures decrease carbon emissions, provide affordable utility bills and reduce residents’ exposure to poor indoor air quality.

The Mayor’s Office and the Department of Housing extend their appreciation to the Center for Public Enterprise, the IL Green New Deal Coalition and Impact for Equity for their partnership and support in developing this model.

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