



DEPARTMENT OF HOUSING
CITY OF CHICAGO

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CONTACT:

Department of Housing Press Office

312.744.3653

dohpressoffice@cityofchicago.org

**THE CHICAGO DEPARTMENT OF HOUSING ISSUES \$100 MILLION IN BOND FUNDS FOR
PHASE THREE OF THE LATHROP HOMES**

CHICAGO - The Chicago City Council and the Department of Housing (DOH) have approved an ordinance issuing \$100 million in tax-exempt housing revenue bonds for the third phase of the Lathrop Homes redevelopment.

This phase will produce 309 new/rehabbed, mixed-income units in a combination of a newly constructed building (59 units), and seven rehabbed buildings (250 units). Bonds will be issued to Lathrop Homes 1C, LP, or an entity acceptable to the Department of Housing Commissioner.

The development will also demolish three buildings and rehabilitate the powerhouse which is critical to securing the historic tax credits required for the project. The powerhouse will be structurally repaired, the smokestack will be repointed and rebuilt, and the interior will be built out as a 'grey box' that can be built out by a future tenant once they are identified. Other amenities will include landscaped courtyards and off-street parking.

Total development costs are approximately \$201,920,777, and in addition to the use of tax-exempt bonds, 4% tax credit equity generated from the bonds and tax credit equity generated from State and Federal Historic Tax Credits (HTC) will be used. Other funding will consist of Tax Increment Financing (TIF), Chicago Housing Authority (CHA) loan funds,

a first mortgage, Illinois Affordable Housing Tax Credits which will be generated from the value of the CHA-owned land, a deferred developer fee and a seller's note.

Related Midwest and Bickerdike Redevelopment Corporation were selected by the CHA in 2010 to be the master developer for the Lathrop Homes redevelopment through a Request for Qualification. To date, 487 mixed-income units have been developed, as well as 11 acres of green space, including the two-acre "Great Lawn" and public access to the Chicago Riverfront. As part of the CHA's Plan Forward, once complete, Lathrop Homes is to produce 1,116 units of mixed-income housing and approximately 75,000 square feet of retail/commercial space.

Construction and rehabilitation will commence after the closing of the financing which is expected to occur in the first quarter of 2025.