



DEPARTMENT OF HOUSING
CITY OF CHICAGO

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**CHICAGO DEPARTMENT OF HOUSING WOULD CONTINUE PARTNERSHIP TO
PRESERVE SINGLE ROOM OCCUPANCY BUILDINGS**

CHICAGO - Chicago City Council introduced an ordinance that would continue partnership between Department of Housing and Community Investment Corporation (CIC) to offer a “loan conversion reserve” with the intent to assist existing and potential owners of Single Room Occupancy buildings refinance development debt.

Single Room Occupancy (SRO) buildings in Chicago are at risk of being converted to market rate housing. This tool will help support the financial viability of SRO buildings by reducing debt service and operating costs for owners and maintaining low-cost, affordable housing options for the City’s at risk-residents.

The program also seeks to secure long-term affordability for the SRO properties that receive grant funds, with owners being required to maintain rent levels at 50% area median income (AMI) or below. Tenants will pay no more than 30% of their income and the percentage of restricted units per building are determined by the level of investment. The program will require a 15-year affordability term, or longer if investment is more than \$15k per unit. Long-term affordability will be achieved and maintained for 15 years or more, per facility, helping owners maintain higher occupancy and marketability.

Funding is \$5,000,000 per year for a total of five years, as funds are available. SRO owner/applicants will apply directly to CIC for program assistance. The City of Chicago has established a fund with CIC that will be used as a loan pay down of up to 50% of the permanent loan balance per applicant.

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