



Matt Stern, Deputy Commissioner, Dept of Housing
July 24, 2025

Green Social Housing

Chicago's Public Development approach



Brandon Johnson
Mayor



Lissette Castañeda
Commissioner of
Housing



Matt Stern
Deputy Commissioner,
Policy, Planning, and
Implementation





Chicago's Public Development Model approach

- Mixed-income, public development approach
- Seeded with \$135M revolving capital from a major bond sale
- Status: “building the plane while taxiing to the runway”
 - No projects yet, by EOY



The image shows a screenshot of a news article from the Chicago Tribune. The article title is "Mayor Brandon Johnson plan to spur affordable housing with public money passes council". The author is Jake Sheridan, and the article was updated on May 7, 2025. The article includes a photo of Mayor Brandon Johnson smiling.

Chicago Tribune

NEWS > POLITICS

Mayor Brandon Johnson plan to spur affordable housing with public money passes council



Chicago Mayor Brandon Johnson smiles while talking to reporters after a City Council meeting on May 7, 2025. Council members approved Johnson's affordable housing plan. (Terrence Antonio James/Chicago Tribune)

By **JAKE SHERIDAN** | jsheridan@chicagotribune.com | Chicago Tribune
UPDATED: May 7, 2025 at 5:46 PM CDT

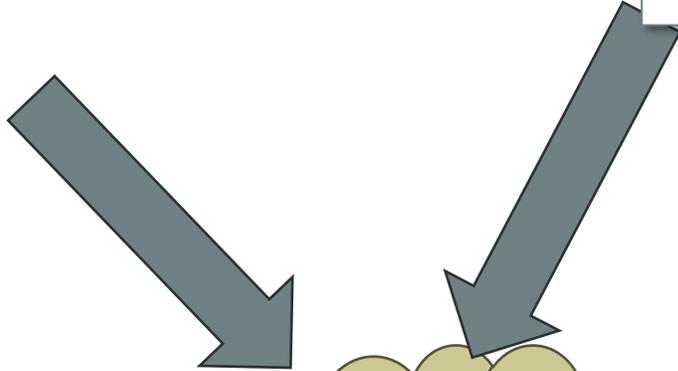
★ Chicago context

- Population: 2.7M
- Land area: 228 square miles
- Housing units: 1.1M
- 120,000 unit affordable housing gap (as of 2022)
- Chicago is an independent Housing Finance Agency with a local LIHTC allowance





LIHTC as
insufficient to
address local
housing needs



★ How does Chicago's GSH fit in?

"Right off the menu"

1. Mixed income (70/30 split or better)
2. Internal cross-subsidization
3. Partnerships with experienced developers
4. Revolving fund takes out expensive private equity
5. Preferred senior debt decreases cost

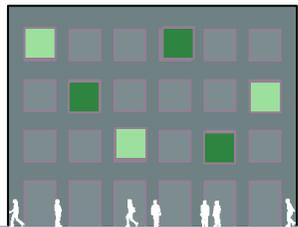
"Secret Sauce"

6. Independent NFP: The "Residential Investment Corporation"
7. Public ownership as both critical and *new for us*
8. Focus on permanent affordability
9. Focus on sustainability and climate action
10. Partnerships with IHDA and CHA

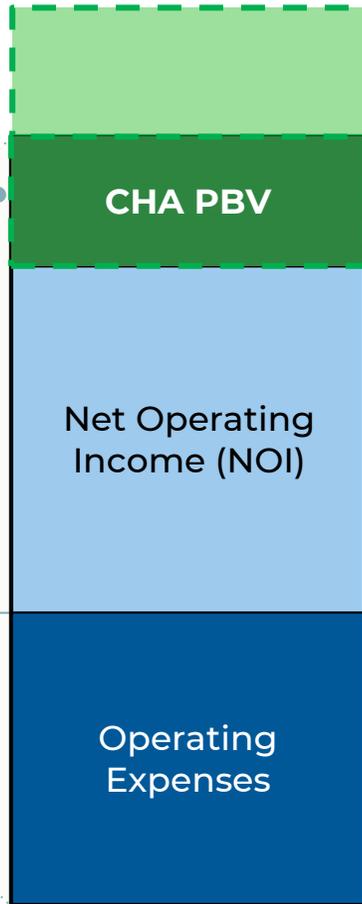
Green Social Housing: Unit-Based Rental Subsidies



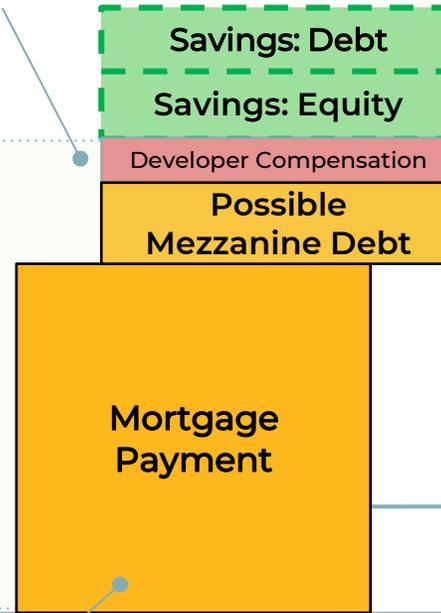
3. Rental subsidies allow less rent to be paid by tenants to create deep affordability



\$\$\$\$
Rent

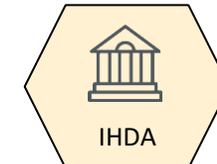
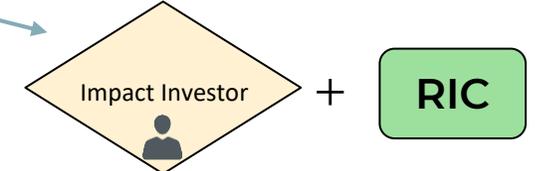
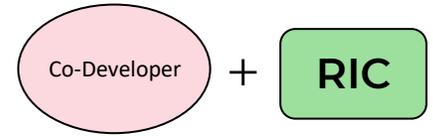


1. GSH Revolving Loan Fund Replaces Equity



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Mortgage Payment



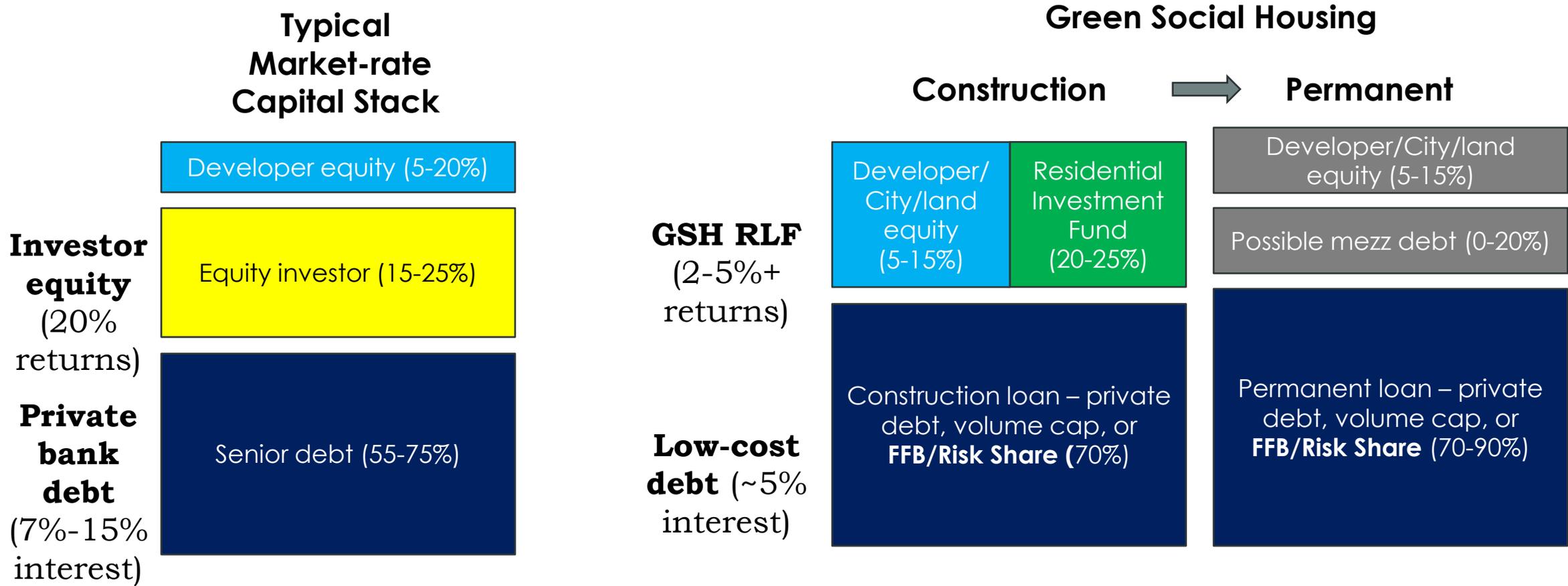
2. Access to Lower-Cost Debt

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Maintenance +
Management

*Design credit:
Invest Chattanooga*



★ How GSH Financing Works



★ Establishment process to date

July 2023



June 2024



**AFFORDABLE RENTAL HOUSING
GREEN SOCIAL HOUSING REVOLVING FUND**

New Initiative

Green social housing represents an innovative but proven form of affordable, mixed-income housing development that does not rely on LIHTC or traditional forms of affordable housing finance. Pioneered in the U.S. by localities like Montgomery County, Maryland in the Washington, D.C. suburbs and Atlanta, Georgia — but modeled on longstanding initiatives in other countries — green social housing provides low-cost construction loans to developers on the condition that the developers sell the building back to the local government when it has been completed. The local government then contracts a property manager

do not require additional long-term subsidies to preserve both affordability and long-term maintenance. In fact, over time, social housing developments have been shown to generate equity for the City that can then be reinvested in future developments.

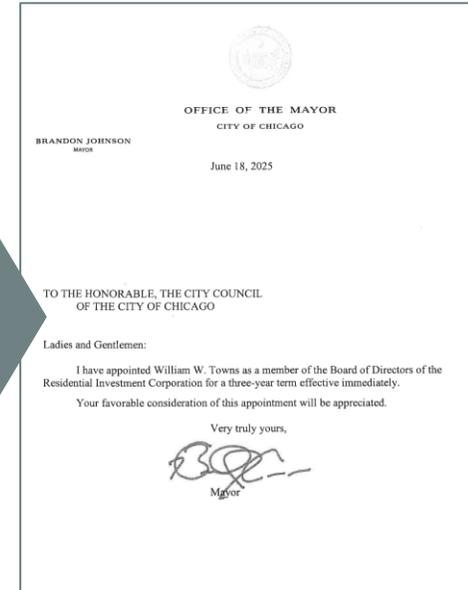
The Bonds would seed the revolving fund providing low-cost loans for green social housing. A program ordinance would be required to establish the administrative infrastructure and guidelines for the initiative.

Budget: \$115-135 million

May 2025



July 2025





Looking ahead

1. First board meeting
2. Official incorporation
3. Request for Information
4. Staffing up
5. Project procurement
6. Underwriting
7. Council approval (project by project)
8. Build!



★ How will the RIC Identify Projects?

1. Stalled market-rate projects. RIC can re-start proposed market-rate projects as mixed-income, especially in a difficult lending environment.

2. Requests for Qualifications. RIC can release an RFQ for development partners. RFQs could be open-ended or focus on high-potential city-owned lots.

3. Acquisition and Rehab. RIC can acquire and redevelop existing buildings.



★ Challenges & lessons learned

- Risk mitigation and legal structure
- Board structure
- Political challenges
- GSH can be many things, but it cannot be all the things

- Seek sage counsel
 - Center for Public Enterprise
- Work with, borrow from, and iterate on the work of peers
- Call on passionate & strong leaders

A wide-angle photograph of the Chicago skyline at night, viewed from across a body of water. The city lights are reflected on the water's surface. The sky is a deep blue. The text "Thank you!" is overlaid in the center of the image.

Thank you!

Matt Stern

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