



DEPARTMENT OF HOUSING
CITY OF CHICAGO

May 4, 2021

Ald. James Cappleman
4544 N Broadway
Chicago, IL 60640

Dear Ald. Cappleman,

Thank you for the invitation to attend the community meeting on April 29. I listened to the meeting and wanted to offer some clarity around the discussion on the Affordable Requirements Ordinance for 4600 N Marine and DOH's MF Development process.

The ARO obligations for private developments can be fulfilled by providing affordable units onsite and or paying a fee in lieu of the onsite units. The fee in lieu amount can be paid directly to the City - which contributes to AHOF and becomes a source of funds to develop affordable housing. Alternatively, the amount can be paid into an escrow for an approved affordable development.

Contributing the ARO obligations directly to an approved affordable development like Sarah's Circle enables the affordable development to be built quicker, provides surety for their financing, and may reduce routine compliance related costs for the affordable owner.

DOH has accepted an application to fund Sarah's Circle, but it is very early in the underwriting and a source of funds has not been determined. If the proposal from 4600 N Marine is approved, Sarah's Circle would not need any additional resources from the Department.

Please let me know if you or members of the community have further questions, thanks.

Sincerely,

Bryan Esenberg
Managing Deputy Commissioner