

# North Town Village

## *Chicago, IL*

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HOPE VI

The AFL-CIO Housing Investment Trust (HIT) helps cities such as Chicago to make use of HUD's HOPE VI program to replace run-down and outdated public housing projects with new, revitalized developments providing homes for former residents of the projects.

PROJECT  
DESCRIPTION

North Town Village was built as part of the City of Chicago's Near North Redevelopment Initiative. The overall goal of this initiative was to improve and revitalize portions of the Chicago Housing Authority's Cabrini-Green high-rise complex and the underutilized blocks surrounding the former public housing project. The new development included attractive low-rise rental apartment buildings for mixed-income families, together with market rate homes for purchase, all designed to create a vibrant new community. As part of the city's plan, the dense development of the notorious Cabrini-Green complex was being replaced by an open street grid, and residents were relocated to affordable housing nearby or in other Chicago neighborhoods.

The portion of the North Town Village project financed by the HIT in 2000 consisted of 116 newly constructed units located in five residential buildings on a 37,500 square foot site. The unit mix consists of 48 one-bedroom units, 52 two-bedroom units, 12 three-bedroom units and 4 four-bedroom units. Of the total units, 42% (49) were set aside for very low-income families, 25% (29) for low-income families, and 33% (38) were rented at market-rates. In addition, 34% of the units were set aside for public housing residents, the majority of whom were former Cabrini-Green residents.

Project amenities included a community center, rooftop exercise room, on-site laundry facilities, bike and tenant storage rooms and 102 indoor parking spaces.

# Project Profile

## HIT ROLE

The HIT's participation in this project grew from its successful relationship with the Illinois Housing Development Authority and its expertise in FHA financing. The HIT purchased a Participation Certificate for the project in the amount of \$2,575,000 under the FHA's Section 542 (c) Risk Sharing Loan Program. Because of its competitive interest rates and flexible loan terms, the HIT participated in both the construction and permanent financing. The financing combined a taxable loan structured through FHA Risk Sharing Program, Chicago Public Housing Development funds, HOME funds and low-income housing tax credit equity. The total development cost of the project was \$23.6 million.

## SOCIAL IMPACT

The North Town Village project supported the Chicago Housing Authority's plan to replace high density, high-rise public housing projects with an economically integrated community of attractive low-rise buildings and green spaces that would become a neighborhood of choice. The project created 78 affordable rental units and 38 market rate units. The construction work generated approximately 137 jobs for union members.

## ABOUT THE HIT

With over \$3.5 billion in assets, the AFL-CIO Housing Investment Trust provides financing for the development of multifamily projects around the country through secured mortgages. The HIT can provide construction, permanent and bridge loan financing for market-rate and affordable housing through the use of its various investment products. All projects financed by the HIT must be constructed using 100% union labor. HIT's labor relations staff is available to help developers meet this requirement.

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