

To: DOH Commissioner Lissette Castañeda
cc: Chief of Policy Jung Yoon, Chief Homelessness Officer Jonah Anderson, Chief of Staff Dr. Cristina Pacione-Zayas, Policy Analyst Melani Lopera
From: Chicago Low-Income Housing Trust Fund Board of Directors
Subject: Request for Additional \$13M in 2027 City Funding to Sustain the Chicago Low-Income Housing Trust Fund
Date: Delivered electronically on May 15, 2026

*The Chicago Low-Income Housing Trust Fund (CLIHTF) respectfully requests **an additional \$13 million allocation** in the City of Chicago's FY2027 Budget to preserve critical rental housing assistance for extremely low-income households and stabilize the long-term operations of the Chicago Low-Income Housing Trust Fund.*

CLIHTF serves as one of the City's primary tools for preventing homelessness and preserving affordable housing opportunities for residents with the greatest housing needs. Through rental subsidies and housing stability programs, CLIHTF supports thousands of low-income households, including seniors, individuals with disabilities, working families, and residents facing severe housing cost burdens.

Over the past several years, CLIHTF has experienced substantial revenue declines across its primary funding sources, including City corporate funds, Affordable Housing Opportunity Fund (AHOF) contributions, and State Rental Housing Support Program (RHSP) allocations. Recent legal and policy changes have significantly reduced revenues derived from real estate-related activity and other market-sensitive funding streams. These reductions have resulted in recurring operating deficits over CLIHTF's two most recent fiscal years.

Without corrective action, current projections indicate that CLIHTF reserves may be fully depleted within the next three years, jeopardizing the housing assistance for thousands of vulnerable Chicago residents.

CLIHTF has taken proactive steps to address these challenges. The organization is actively pursuing new and diversified revenue opportunities through legislative advocacy, fundraising initiatives, grant development, and exploration of alternative long-term financing models utilized successfully in other municipalities and states.

The City of Chicago has already recognized the urgency of this issue and is committed to collaborating with CLIHTF to address short-term operating deficits and develop long-term solutions to stabilize the fund. An additional \$13 million investment in the FY2027 Budget would represent a critical step toward fulfilling this shared commitment.

Specifically, the requested funding would:

- Preserve existing rental subsidies for 1,378 low-income Chicago households;
- Prevent displacement and homelessness among vulnerable residents;
- Stabilize CLIHTF operations during the implementation of long-term funding reforms;
- Protect the City’s existing affordable housing investments; and
- Provide continuity of assistance while new recurring revenue strategies are developed and implemented.

This request is not simply an investment in a program—it is an investment in housing stability, neighborhood preservation, and the well-being of Chicago residents at most risk of housing insecurity and homelessness.

CLIHTF respectfully urges the City of Chicago to include an additional \$13 million appropriation for the Trust Fund in the FY2027 Budget to ensure the continuation of critical housing assistance and to support the development of a sustainable, long-term funding framework for affordable housing preservation in Chicago.

Respectfully submitted,

Fatmah Farraj, Board President
Sam Paler-Ponce, Board Vice President

on behalf of the Board of Directors, Chicago Low-Income Housing Trust Fund