

IL EE Stakeholder Advisory Group (SAG) Request for Comments on New Construction Eligibility Policy Proposal

Instructions:

- Using this template, send written comments to the SAG Facilitator, Celia Johnson: Celia@CeliaJohnsonConsulting.com **by Wednesday, August 20.**
- Include “New Construction Policy Feedback” in the subject line of the email.
- All comments will be posted on the [SAG website](#), and circulated to SAG.

Background Information:

- At the [July 23, 2025](#) Q3 Large Group SAG meeting, ComEd presented a proposed policy regarding income eligibility verification guidelines for the Electric Homes New Construction Program: [ComEd Policy Proposal Presentation](#).
- Following the July 23rd meeting, ComEd shared proposed policy language for review: [Income Eligibility Verification Guidelines for Electric Homes New Construction \(EHNC\) Program](#).
- A follow-up meeting in the SAG Reporting Working Group is scheduled on **Monday, September 8 (2:30 – 4:30 pm)**. If you plan to participate and do not have the September 8th meeting invite, please reach out to the Facilitator.

Comments Submitted By:

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Question 1: Please describe comments and /or questions on the proposed policy: [Income Eligibility Verification Guidelines for Electric Homes New Construction \(EHNC\) Program](#)

Response:

CIC and NRDC support the policy proposal to increase access to EHNC for developers to rehab and create new electric housing to benefit income eligible households and communities while ensuring the income eligibility process is efficient, minimally burdensome, and equitable. We want to ensure that historically disinvested communities and income eligible households benefit from new investment through the EHNC program. At the same time, we recognize that newly constructed housing can be priced above what is affordable for homebuyers at 120% AMI or renters at or below 80% AMI, which can place additional displacement pressures on surrounding communities and existing residents. Ensuring housing developed through this program is affordable to the target tenant and homebuyer is critical to ensuring an Income Eligible version of the EHNC program is successful and achieves its goals.

To create an income eligible (IE) pathway to the EHNC program, the program must be designed to ensure the housing developed is affordable to the target audience. An IE EHNC should review the level

of incentive and current program administration to ensure the program meets the financial needs of the developer to be accessible in areas that may be more difficult to develop and affordable to the households renting and buying the new or substantially rehabilitated all-electric housing. If needed, strengthening the program’s incentives will help channel investment into historically disinvested communities where the program currently has limited impact. We encourage pairing increased investment with requirements to not reduce the number of units a building offers if substantially rehabilitated, and encourage owners to develop on vacant land, if new construction.

Overall, we recommend changes and clarifications intended to strengthen affordability protections and better align program outcomes with affordability goals. Our recommendations focus on distinguishing between occupied housing rehabilitation and new construction scenarios, incorporating anti-displacement measures, and ensuring that program benefits ultimately reach the income-eligible households the program is designed to serve. Below are our recommendations and feedback on the proposed pathways for the ENHC program:

Pathway 1: Participation in an Affordable Housing Program. Automatic qualification for any property that can provide documentation of participation in a **property-based** federal, state, or local affordable housing program (agencies can also provide documentation on behalf of a property), for example: Low Income Housing Tax Credit (LIHTC), Housing and Urban Development (HUD), United States Department of Agriculture (USDA), State Housing Finance Agency (HFA), local tax abatement for low-income properties, etc.

Pathway 1 Feedback:

This pathway provides a clear option for developers, with the added benefit that many affordable housing programs include built-in affordability monitoring for long-term compliance. However, we recommend distinguishing between project-based programs and tenant-based programs to provide clearer guidance. To establish this clarity, we recommend including “**property-based**” in the pathway definition as bolded in red text above.

The core challenge is that many affordable housing programs focus on the tenant or property owner rather than the property itself. Tenant-based assistance like Housing Choice Vouchers and down payment assistance programs are tied to households, not developments. This means developers would still need to coordinate with or identify qualifying tenants/buyers before construction—which doesn’t solve ComEd’s income verification challenge for new construction. These tenant-based programs would be better suited for Pathway 2, which focuses on occupied housing to be rehabilitated through ENHC.

Pathway 1 would be well suited to focus on property-based local, state, and federal programs that guarantee affordability at the development level:

- Project-based rental subsidies (PBVs) can be incorporated into development proformas upfront and guarantee income-eligible tenants
- Local development programs like Chicago’s City Lots for Working Families directly target developers and ensure long-term affordability
- Tax abatement programs like Cook County’s Affordable Housing Special Assessment Program reduce property tax burdens while maintaining affordability requirements

- LIHTC developments provide strong affordability guarantees, though they typically target larger projects than the 1-4 unit properties this program serves

For developers to secure these types of project-based subsidies or to participate in these programs, the ENHC program will likely need to offer specific guarantees to the developer. This will be critical as the program is designed and rolled out as an IE program to avoid the developer from navigating a chicken or egg problem where they can't demonstrate acceptance into a program without getting the funding from this one and vice versa.

Overall, property-based local, state, and federal programs help alleviate the new construction verification problem by locking in affordability commitments at the development stage. This approach would encourage coordination between developers, municipalities, and nonprofits to layer housing incentives—strengthening the overall affordable housing development ecosystem. Tenant-based programs, while valuable, should be moved to pathways better suited for occupied housing where the tenants or homeowners are already known.

Pathway 2. Participation in the Weatherization Assistance Program. Submission of documentation showing that the property is on the waiting list for, currently participating in, or has in the last five years participated in, the Weatherization Assistance Program.

Pathway 2 Feedback:

We recommend that this option be designated primarily for income-qualifying homeowners or tenants in occupied buildings undergoing rehab, since the pathway depends on existing household eligibility. To strengthen its usefulness, we also recommend expanding eligibility beyond the Weatherization Assistance Program to include streamlined verification through other income-based programs such as TANF, SNAP, LIHEAP, Medicaid, SSI, or the State Children’s Health Insurance Program. Taken together, these adjustments would make Pathway 2 a more practical and inclusive option for occupied housing while ensuring it still functions as an efficient income-eligibility screen.

As this pathway applies to occupied rental housing, we recommend incorporating a lease stabilization affidavit provision that would require participating developers to offer current tenants lease renewals for a minimum three-year period at existing rates, similar to protections outlined in the proposed ROAD to Home Act's Section 204 - Whole-Home Repairs Act (S.2651 - ROAD to Housing Act of 2025). The lease renewal requirement could include standard exceptions for non-payment, illegal activities, or uncorrected lease violations, ensuring property management flexibility while prioritizing tenant stability. These exemptions could be codified through an affidavit or certification process to ensure developers offer this lease extension but that it is minimally burdensome.

Pathway 3. Location in a Low-Income Census Tract. Location in a Census Tract identified by the Program Administrator as low-income. As a starting point, the Program Administrator should use HUD’s annually published “Qualified Census Tracts.” HUD’s Low-Income Housing Tax Credit Qualified Census Tracts must have fifty percent (50%) of households with incomes below sixty percent (60%) of Area Median Income or areas that have a poverty rate of twenty-five percent

(25%) or more. However, the Program Administrator’s target Census Tracts may be expanded or restricted based on additional analysis demonstrating that the change would ensure that the majority of buildings treated would have at least fifty percent (50%) of tenants with incomes at or below eighty percent (80%) of Area Median Income. For example, a Program Administrator may choose to target a higher percentage of poverty within their definition of a low-income Census Tract.

Pathway 3 Feedback:

This pathway offers a very low barrier to entry for developers and could be a useful tool, but only if it is paired with stronger assurances that the final product is truly affordable to the target households. CIC and NRDC aim to ensure investment through this program reach qualified census tracts, however relying solely on tract-level data does not guarantee that newly developed housing will be accessible to households at or below the intended AMI levels.

For new construction, we recommend requiring developers to demonstrate affordability through the final sale price for “for sale” 1–4 unit properties for households at or below 120% AMI or through rent levels that are set at or below 80% AMI for rental housing.

As mentioned for Pathway 2, we recommend incorporating a lease stabilization affidavit that would require participating developers to offer current tenants lease renewals for a minimum three-year period at existing rates, similar to protections outlined in the proposed ROAD to Home Act's Section 204 - Whole-Home Repairs Act ([S.2651 - ROAD to Housing Act of 2025](#)).

Without such guardrails, this pathway is particularly vulnerable to producing higher-priced housing that could exacerbate displacement pressures in low-income neighborhoods rather than providing benefits to existing residents. Ensuring that affordability is built into the end product is critical to aligning this pathway with the program’s equity goals.

Pathway 4: Rent Roll Documentation. *Submission of rent rolls documenting that the median rents charged by a particular property are at or below eighty percent (80%) of “Fair Market Rent”, as published annually by HUD, which is intended to define rents that are affordable to households with incomes at or below eighty percent (80%) of Area Median Income.*

Pathway 4 Feedback:

As there is no relevant rent roll documentation for new construction, this approach provides clear, measurable criteria only applicable to developers/owners interested in participating in the EHNC for substantial renovation or gut rehab of currently occupied housing. CIC and NRDC strongly recommend enhancing this pathway to ensure long-term affordability preservation—a critical component of sustainable community development. As mentioned previously for Pathways 2 and 3, we recommend incorporating a lease stabilization affidavit that would require participating developers to offer current tenants lease renewals for a minimum three-year period at existing rates, similar to protections outlined in the proposed ROAD to Home Act's Section 204 - Whole-Home Repairs Act ([S.2651 - ROAD to Housing Act of 2025](#)).

Pathway 5. Tenant Income Information. *Submission of tenant income information showing that at least fifty percent (50%) of units are rented to households meeting one of the following criteria: a. At or below two hundred percent (200%) of the Federal Poverty Level, or b. At or below eighty percent (80%) of Area Median Income.*

Pathway 5 Feedback:

As currently structured, CIC and NRDC do not believe this pathway streamlines the application process for developers and would likely see limited use. If inclusion is considered necessary for consistency with the Income Eligibility Verification Guidelines for Low-Income Customers outlined in Policy Manual 3.0, we would support that approach. As highlighted in our feedback on Pathways 2, 3, and 4, this pathway would only be applicable to substantial renovation or gut rehab of currently occupied housing. Further, CIC and NRDC continue to recommend incorporating a lease stabilization affidavit policy with this pathway that would require participating developers to offer current tenants lease renewals for a minimum three-year period at existing rates.

Pathway 6. Alternative Approaches for Income Eligible Verification for EHNC (including single-family and multifamily new construction) Customers. *Program Administrators may use alternative approaches to verify income where a Program Administrator can demonstrate that potential residents (including single-family and multifamily new construction) building have incomes at or below 80 percent (80%) of Area Median Income and the verification process is less burdensome than individual tenant income certification. Program Administrators will employ the qualifications methodologies that are the least burdensome and time-consuming for building owners first and maximize the potential for and ease of participation in their Income Qualified multifamily Programs.*

Pathway 6 Feedback:

The other pathways outlined are sufficiently flexible and this pathway is not needed as it reads as completely open-ended, allowing any potential eligibility criteria for the program. Due to our previously stated concerns of tenant displacement if there aren't requirements that rents and mortgages remain affordable for low-income households, we do not believe this pathway should remain. If there are additional criteria that are identified, they can be periodically brought forward in future amendments to the Policy Manual.

Overall, CIC and NRDC support ComEd's efforts to expand accessibility to this program for developers seeking to develop all electric new housing in income eligible communities and to benefit income eligible households. The pathways could be improved by making a distinction between qualifying occupied housing rehab versus qualifying new construction projects and by incorporating stronger protections against displacement. We also recommend exploring current barriers for developers to develop housing that is affordable to the target homebuyers with incentives at their current levels. While the pathways to eligibility may be one barrier, the overall incentive may not be adequate for developers to develop affordable and all electric new housing and therefore may not benefit targeted income eligible communities. We encourage ComEd to approach an income eligible version of the ENHC

program to increase incentives to enable programs to meet the needs of income eligible program design. These deeper questions should be thoroughly investigated prior to making program changes.