



# City of Chicago



O2018-5099

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 6/27/2018

**Sponsor(s):** Sadlowski Garza (10)  
Taliaferro (29)  
Mell (33)  
Arena (45)

**Type:** Ordinance

**Title:** Amendment of Municipal Code creating new chapter entitled "City of Chicago Homes for All Ordinance" concerning preservation and expansion of affordable housing option

**Committee(s) Assignment:** Committee on Housing and Real Estate

*Committee on Housing and Real Estate  
June 27, 2018  
29th Ward - Ald. Taliaferro*

**The City of Chicago Homes for All Ordinance**

**An ordinance concerning transparency of the Chicago Housing Authority, equitable access to affordable housing across Chicago, and the preservation of affordable housing supported by City of Chicago funds.**

**WHEREAS**, it is a public purpose of the City of Chicago that all individuals and families in Chicago have access to safe, decent affordable housing for as long as they need it; and

**WHEREAS**, there is a scarcity of affordable housing in Chicago for low-income individuals and families in need; and

**WHEREAS**, the City of Chicago has allocated public dollars towards the development and the rehabilitation of federally supported public housing within Chicago; and

**WHEREAS**, the State Housing Authorities Act (310 ILCS 10/8.10) permits local governments to require a local public housing authority to report information to the local City Council for their jurisdiction; and

**WHEREAS**, in spite of that commitment of public dollars by the City of Chicago more than 16,000 units of public housing have been lost due to rehabilitation, demolition, disposition, redevelopment, and/or conversion since 1999. This loss of public housing has exacerbated Chicago's affordable housing crisis; and

**WHEREAS**, it is in the City's long-term interest to preserve the existing public housing especially when the City's public dollars are being utilized, and

**WHEREAS**, there is a particularly dire shortage of affordable family-sized housing, especially in high wealth wards and gentrifying areas; and

**WHEREAS**, the City has a duty to affirmatively further fair housing by taking meaningful actions that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics; now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO, AS FOLLOWS:**

**SECTION ONE:** RECITALS. The foregoing recitals are incorporated herein as the findings of the City Council.

**SECTION TWO:** A new Chapter of the Municipal Code of Chicago is hereby created as follows:

**Chapter \_\_\_\_\_.** The City of Chicago Homes for All Ordinance.

**1 Title.**

This Chapter \_\_\_\_\_, Sections \_\_\_\_\_ through \_\_\_\_\_ shall be entitled and referred to as the City of Chicago Homes for All Ordinance.

### **1.1 Purpose and Intent.**

The purpose and legislative intent of this Chapter is to preserve and expand deeply affordable public housing options for low-income households across Chicago as well as advance the City's desegregation. This chapter will help meet the City's goals of alleviating homelessness, preserving the net supply of deeply subsidized public housing, reducing residential racial segregation, and equalizing opportunity.

### **1.2 Applicability.**

The provisions of this Chapter shall apply to the Chicago Housing Authority and the operation of its public housing, project-based voucher, and project-rental assistance programs, as well as any owner of a public housing project in the City of Chicago who proposes the redevelopment, rehabilitation, demolition, disposition, conversion, or new construction of all or a substantial part of a public housing development.

### **1.3 Definitions.**

For the purpose of administering this Chapter:

"Chicago Housing Authority" means an Illinois municipal corporation, created and existing under the Housing Authorities Act, 310 Ill. Comp. Stat. 10/1 *et seq.* CHA is a Public Housing Agency within the meaning of 42 U.S.C. § 1437 and administers federally subsidized and assisted housing as authorized by the United States Housing Act and implementing federal regulations.

"City public dollars" means any financing appropriated or approved by the City of Chicago for the rehabilitation, demolition, disposition, conversion, redevelopment, or new construction of a public housing, including but not limited to bond financing, LIHTC grants, CDBG, HOME, TIF, and revolving loan funds.

"Community areas" are geographic areas which are designated pursuant to Chapter 1-14 of the Municipal Code of Chicago.

"Commissioner" means the Commissioner of the Chicago Department of Planning and Development or its successor agency or any successor agency.

"Conversion" or "convert" means, unless otherwise indicated, the act of changing or substantially altering the operation and affordability of all or a part of a federally-assisted housing development, including by disposition, sale, conversion, demolition, conversion of assistance through Rental Assistance Demonstration, or other actions.

"Covered project" means public housing as defined below.

“Covered unit” means an apartment or housing unit where public housing subsidy is attached to the unit.

“Department of Planning and Development or its successor agency” means, unless otherwise indicated, the Chicago Department of Planning and Development or its successor agency or any successor agency.

“Developer” means any person who develops housing units, but does not include a lender or any governmental entity.

“Standing public housing units” mean public housing units still in existence at the time of enactment of this Ordinance. “Standing units” does not include public housing units demolished or converted prior to the date of enactment of this Ordinance.

“Opportunity Community” or “Opportunity Area” for the purpose of this Chapter means a ward where less than 10% of the ward’s housing stock is provided as dedicated affordable housing.

“Land swap” means the disposition of vacant land with the City of Chicago in exchange for comparable or greater acreage and/or value of land for CHA development of mixed income residential housing, commercial, or other uses.

“Low, very low, and extremely low-income” means those families whose incomes are between 0 and 80 percent of the median income for the Chicago region, as determined by the Secretary of the United States Department of Housing and Urban Development, with adjustments for smaller and larger families.

“One-for-one basis” means replacement of any public housing unit lost due to conversion, rehabilitation, redevelopment, new construction, demolition, or disposition, with a comparable public housing unit or a project-based voucher unit for the maximum term allowable under each federal housing program as prescribed by HUD.

“Owner” means any person who alone, jointly or severally with others:

- a) Shall have legal title to any premises or dwelling units, with or without accompanying actual possession thereof; or
- b) Shall have charge, care or control of any premises, dwelling or dwelling unit as owner or agent of the owner;
- c) “Owner” includes the owner, his agent for the purpose of managing, controlling or collecting rents, any other person managing or controlling a building or premises or any part thereof and any person entitled to the control or direction of the management or disposition of a building or of any part thereof.

“Public housing” means housing as defined in the United States Housing Act of 1937, as amended (42 U.S.C. § 1437) and its regulatory and administrative authority.

“Replacement housing” means public housing units, or project-based vouchers. It does not mean tenant-based Housing Choice Vouchers.

“Section 3 hire” means any person hired according to programs described in Section 3 of the Housing and Urban Development (HUD) Act of 1968.

#### **1.4 Transparency and Reporting by the Chicago Housing Authority.**

- A. To ensure that the Chicago Housing Authority is using available public resources to the fullest extent and in a manner that reduces entrenched patterns of racial segregation and promotes housing options in opportunity communities and across Chicago, the Chicago Housing Authority will come before the City of Chicago Committee on Housing and Real Estate quarterly to present on:
- (1) accumulated unspent revenue, both restricted and unrestricted;
  - (2) its progress and plans for building replacement public housing units;
  - (3) its progress and plans for meeting CHA’s obligation to rebuild family public housing units of equivalent bedroom sizes to the units demolished under the Plan for Transformation in accordance with Section 1.6;
  - (4) its progress and plans for ensuring equitable and proportional access to CHA programs for low-income individuals across all city communities and constituencies;
  - (5) the number of households with outstanding rights under the 10/1/99 Right to Return Contract and the Post 10/1/99 Right to Return Contract, including the right or preference to return to a CHA development, and an update regarding the status of all households covered by the 10/1/99 Right to Return Contract and the Post-10/1/99 Right to Return Contract;
  - (6) The number of households on the CHA’s combined waiting lists for housing, with a report of the demographic characteristics of those seeking housing from the CHA.
  - (7) Information about the average wait time experienced by households on the CHA’s several waiting lists for housing, broken down statistically by the bedroom size required by the applicant.
  - (8) The number of new households housed off of the CHA’s combined waitlists and admitted into any of the CHA’s housing programs each quarter, as well as the number of households purged from the CHA’s combined waiting lists and statistics on the reasons households have been removed from the CHA waiting lists.
  - (9) Housing Choice Voucher Funding utilization rate, with a breakdown on what funds appropriated through the HCV line item are being used directly to issue housing choice vouchers, project-based vouchers or property rental assistance contracts, what funds are being used towards mobility counseling or other services, what funds being used on Administration, and any funds being re-purposed for other uses;
  - (10) the number of vacant and offline public housing units by ward, and

length

the amount of time units have been vacant in each development;

- (11) average Housing Quality Standard (HQS) inspection scores by ward of all units assisted under the CHA's voucher program and the average time for resolution of HQS violations or resident complaints, ward by ward;
- (12) a side-by-side comparison between the number of Section 3 jobs and contracting opportunities required under Section 3 versus generated in actuality by CHA's redevelopment projects and management contracts, whether these jobs are part-time or full-time, and whether they are temporary or permanent employment opportunities. The CHA shall further report on how many of the section 3 jobs and contracting opportunities were in fact taken by public housing residents versus other qualified section 3 business concerns.

The Chicago Housing Authority shall publish its report publicly two weeks in advance of each scheduled quarterly appearance before the Committee on Housing and Real Estate.

To provide greater transparency on equity of access to affordable housing across the City, including in high opportunity wards, the Department of Planning and Development shall further coordinate the production of an annual report that provides for the comprehensive accounting of the number of housing units of the following housing types in each ward as well as what percent of the ward's housing stock is comprised by this housing type:

- a. Voucher-holders;
- b. CHA supported housing units in each ward, inclusive of public housing, scattered site, project-based vouchers and project-based rental assistance contract units;
- c. Project-based section 8 housing;
- d. Low-income housing tax credit (LIHTC) units supported by allocations from both the Illinois Housing Development Authority or the City of Chicago;
- e. Low-Income Housing Trust Fund units; and
- f. Affordable Requirements Ordinance units.

#### **1.5 Waiting List Transparency and Accountability**

The Chicago Housing Authority shall create an online portal that enables households on any waitlist for CHA-supported housing to identify what their position in line is. The Chicago Housing Authority shall also ensure that waitlist records are saved in two independent locations to help ensure checks and balances, accountability and proper conduct regarding waitlist management.

#### **1.6 One-For-One Replacement Requirement of Standing Public Housing Units In Future CHA Redevelopments If City Funds Utilized**

As a condition of receipt of the City's approval or appropriation of financing for the future rehabilitation, demolition, disposition, conversion, redevelopment, or new construction of all or part of a development containing standing public housing, the CHA shall ensure the replacement of all covered units standing at the time of enactment of this Chapter that are proposed for demolition, disposition, or conversion to a use other than housing for low, very low, and extremely low income tenants. Nothing with respect to this subsection applies to covered units that were demolished, disposed of, or converted to a use other than housing for low, very low, and extremely low-income tenants prior to the enactment of this ordinance.

- (1) Not less than 20% of such replacement units shall be located in Opportunity Communities as further facilitated by Section 1.7.
- (2) Where replacement housing is provided through new construction, then such replacement units shall have the same number of bedrooms as the units being replaced, except to the extent necessary to convert studio units to one-bedroom units.
- (3) Where replacement units are produced through the acquisition or rehabilitation of an off-site existing housing stock, no more than 5% of such replacement units may be replaced with a smaller number of bedrooms than the existing units.
- (4) Replacement units shall remain public housing or project-based vouchers for the maximum allowable term under federal law subject to continued federal funding at commercially viable levels.
- (5) In addition to any other provision of law, the 10/1/99 Relocation Rights Contract and Post-10/1/99 Relocation Rights Contract shall govern the selection of residents for those residents covered by those contracts.

This Section shall not apply where any redevelopment, rehabilitation, demolition, disposition, conversion or new construction would result in less than 5% of the public housing units being lost or to meet the requirements of Section 504 of the Rehabilitation Act of 1974.

### **1.7 Zoning Approval Process to Ensure Desegregation of Family Affordable Housing**

To reduce the entrenched segregation of Chicago's stock of affordable family housing and ensure the City complies with its duty to affirmatively further fair housing, the Chicago Plan Commission and Committee on Zoning, Landmarks and Building Standards shall approve a Planned Unit Development (PUD) Application which includes affordable family housing units in wards where less than 10% of the housing stock within the ward is currently offered as dedicated affordable housing, subject to the following approval criteria and decision-

making process:

**a. Approval Criteria**

Planned Unit Developments which include affordable family housing proposed for wards with less than 10% current affordable designated housing shall be approved as long as the Chicago Plan Commission and Committee on Zoning, Landmarks and Building Standards find that the proposed Planned Unit Development complies with the following criteria:

- (1) the use will not have an adverse effect on traffic-flow or parking within the surrounding area as evidenced by a traffic impact study submitted as part of the application to the Department of Planning and Development.
- (2) the use will not generate noise levels that would disrupt the peace and enjoyment of the surrounding areas;
- (3) the use will not be inconsistent with the quality of exterior appearance of other residential establishments;
- (4) the use complies with all other applicable city standards.

**b. Basis for Decision-Making**

The respective decisions of the Chicago Plan Commission and the Committee on Zoning, Landmarks, and Building Standards to approve or deny a Planned Use Development application must be based solely on the approval criteria set forth in this section, and all such considerations must be applied consistently with the applicant's constitutional rights, as contained in the First, Fifth and Fourteenth Amendments of the United States Constitution, and Sections 2 and 4 of Article I of the Illinois Constitution. The Chicago Plan Commission and the Committee on Zoning, Landmarks and Building Standards must approve any such application unless substantial evidence is presented that demonstrates that the application fails to meet at least one of the criteria set forth in Sec. 17a.

For purposes of this section, the phrase "substantial evidence" means more than a de minimis quantum of evidence. If substantial evidence is adduced, this section may not be construed to impose a burden of proof on any party objecting to an application other than proof by a preponderance of the evidence.

**c. Time-Frame for Decision-Making**

If the Chicago Plan Commission does not render a final decision on a Planned Unit Development Application including affordable housing in wards triggering the condition of Section 1.7 within 120 days after the application is filed, the application will be considered to be approved, provided that this limitation does not apply during any period of time during which consideration of the application has been delayed at the request of the applicant.

If the Committee on Zoning, Landmarks and Building Standards does not render a



final decision on a Planned Unit Development Application including affordable housing in wards triggering the condition of Section 1.7 within 120 days after the Plan Commission approval is granted, the application will be considered to be approved, provided that this limitation does not apply during any period of time during which consideration of the application has been delayed at the request of the applicant.

### **1.8 Conditions on the sale or swap of Public Housing Land**

Prior to the approval of a Planned Unit Development application for any parcel of land owned by CHA or any subsidiary of CHA at the time of enactment of this Ordinance, prior to City participation in any land swap of City-owned land for CHA-owned land:

- A. The Chicago Housing Authority shall present an Assisted Housing Replacement Plan to the Department of Planning and Development which meets all the criteria of Section 1.9.

The Commissioner shall not approve an Assisted Housing Replacement Plan unless it is consistent with this Chapter.

In turn, the Committee on Housing and Real Estate shall not approve any city participation in the sale or swap of land owned by CHA or any subsidiary of the CHA until such time as an Assisted Housing Replacement Plan has been approved by the Commissioner.

- B. Changes to an approved Assisted Housing Replacement Plan shall be required to undergo the same review, and be subject to the same requirements, as original approval of the Assisted Housing Replacement Plan as described in Section 1.9.
- C. The Commissioner shall publish notice in a newspaper of general circulation in the City of Chicago a notice of intent to approve an Assisted Housing Replacement Plan sixty (60) days before approving such a plan and submitting it to the Committee on Housing and Real Estate.

### **1.9 Approval of Assisted Housing Replacement Plan**

As a condition to receiving approval for city funding or financing or approval of a Planned Unit Development application, the CHA and any developer contracted by the CHA to partner with it on a CHA redevelopment must:

- A. Submit to the Department of Planning and Development an Assisted Housing Replacement Plan which:
  - (1) Identifies specific Replacement Units for each unit proposed to be demolished, disposed of, or converted by phase; or in the case of demolition that took place prior to the enactment of this Ordinance, specifies the number of Replacement Units CHA historically committed to replace in the MTW Plan of the year CHA authorized the demolition of the units.

- (2) Sets a timetable by phase for Demolition, Disposition, or Conversion, and the completion of Replacement Units in compliance with Sections 1.8.
- (3) Specifies whether the Replacement Housing Plan meets the threshold of siting no less than 20% of future replacement public housing units in opportunity communities or, if not a description of what demonstrated efforts were made to site replacement housing in opportunity communities and why those efforts failed, as well as all other relevant requirements of 1.6.
- (4) Identifies sources of potential available subsidy and financing that are sufficient to produce and operate the Replacement Units planned in Phase 1 of the redevelopment.
- (5) Provides any other relevant information as required by the Commissioner.

The Commissioner shall not approve an Assisted Housing Replacement Plan unless it is in compliance with this Ordinance.

In turn, the Committee on Housing and Real Estate shall not approve any city funding or financing, or any Planned Development Application until such time as an Assisted Housing Replacement Plan has been approved by the Commissioner.

Changes to an approved Assisted Housing Replacement Plan shall be required to undergo the same review, and be subject to the same requirements, as original approval of that plan.

The Commissioner shall publish notice in a newspaper of general circulation in the City of Chicago a notice of intent to approve an Assisted Housing Replacement Plan sixty (60) days before approving such a plan and submitting it to the Committee on Housing and Real Estate.

## **2.0 Review of Proposal for Phasing**

Proposals for projects to be constructed in phases shall be reviewed by the Department of Planning and Development under the criteria set out in Section 1.6, Section 1.8, and Section 1.9. A schedule setting forth the phasing of the total number of units in a covered project, along with a schedule setting forth the proportional phasing of the required replacement housing units, shall be presented to the Commissioner for review and approval as part of the funding and/or Planned Development Application approval process, for any development subject to the provisions of this article. If phasing is not included as part of the review process, no phasing of the replacement housing units shall be allowed.

If a covered project is approved to be constructed in phases, the requirements of Section 1.6, Section 1.8, and Section 1.9 shall be applicable to each such phase.

Replacement housing units shall be made available for occupancy on approximately the

same schedule and in a proportional manner to any market rate units in the covered project except that certificates of occupancy for the last ten percent (10%) of the market units shall be withheld until certificates of occupancy have been issued for all of the replacement housing units required. With respect to covered projects to be constructed in phases, certificates of occupancy may be issued on a phased basis consistent with the conditions of approval set forth previously in this Section.

**2.1 Relationship to Provisions of the Chicago Municipal Code.**

Nothing in this ordinance shall be construed as creating an exception to compliance with Title 13 (Building and Construction), of the Chicago Municipal Code or preventing City departments from ordering that a building be vacated as set forth in Chapters 13-8 or 13-12 of the Chicago Municipal Code.

**2.2 Enforcement.**

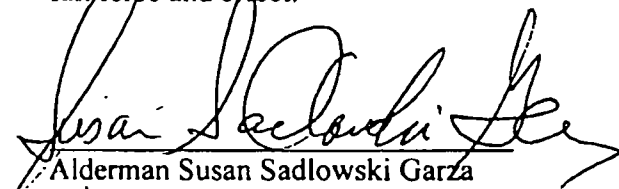
- (a) A resident of a public housing development or individual with standing on the waiting list for CHA-supported housing who has been injured by a violation of this Chapter may institute an injunction, mandamus, or other appropriate legal actions or proceedings for the enforcement of this Chapter. In addition, any resident of a public housing development or individual with standing on a waiting list for CHA-supported housing who brings legal action pursuant to this Chapter and who is adjudged to be a prevailing party is entitled to attorney's fees and court costs.
- (b) The City shall initiate an enforcement action against any party who violates or resists enforcement of this Chapter, and fine not less than \$100.00 nor more than \$500.00 for each offense upon which a finding of liability is entered. Each day a violation continues shall constitute a separate offense.
- (c) This ordinance shall be in full force and effect 60 days after its passage by the City Council and proper publication.

**2.3 Conflict with State or Federal Laws**


This Chapter shall be construed so as not to conflict with applicable federal or state laws, rules, or regulations. Nothing in this Chapter shall authorize any City agency to impose any duties or obligations in conflict with limitations on municipal authority established by state or federal laws.

**2.4 Severability Clause.**

The invalidity or unenforceability of any provisions of this Ordinance shall not affect the validity or enforceability of any other provisions of this Ordinance, which shall remain in full force and effect.

  
Alderman Susan Sadlowski Garza  
10<sup>th</sup> Ward

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Alderman Chris Taliaferro  
29<sup>th</sup> Ward

