



City of Chicago



O2018-8069

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 10/31/2018

Sponsor(s): Emanuel (Mayor)

Type: Ordinance

Title: Amendment of Municipal Code Titles 2, 3, 4, 5, 7, 8, 9, 10, and 13 concerning various department functions and duties (2019 Management Ordinance)

Committee(s) Assignment: Committee on Budget and Government Operations

Budg



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

October 31, 2018

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Budget Director, I transmit herewith the Management ordinance for fiscal year 2019.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor

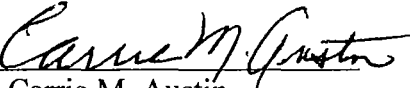
CHICAGO, November 7, 2018

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an Ordinance authorizing sundry amendments to the Municipal Code of Chicago necessary for the organization, reorganization and jurisdiction of various departments and other matters necessary for the conduct of government; and having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the Ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

1 members of the Committee with 0 dissenting vote(s).

(Signed) 
Carrie M. Austin
Chairman

M A N A G E M E N T
O R D I N A N C E

WHEREAS, The City of Chicago is a home rule unit of government as defined in Article VII, Section 6(a) of the Illinois Constitution; and

WHEREAS, As a home rule unit of government, the City of Chicago may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The management, structure, powers and functions of its departments and agencies is a matter pertaining to the government and affairs of the City of Chicago; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

This ordinance is organized into seven Articles, as follows:

| | |
|--------------|-------------------------------|
| Article I. | Department of Housing Created |
| Article II. | Food Code |
| Article III. | Non-Advertising Benches |
| Article IV. | Revenue Litigation |
| Article V. | Miscellaneous |
| Article VI. | Severability; Repealer |
| Article VII. | Effective Dates |

ARTICLE I. DEPARTMENT OF HOUSING CREATED

SECTION 1. Title 2 of the Municipal Code of Chicago is hereby amended by inserting a new Chapter 2-44, as follows:

CHAPTER 2-44
DEPARTMENT OF HOUSING

2-44-005 Definitions.

As used in this chapter, unless the context clearly indicates otherwise:

“Commissioner” means the Commissioner of Housing or the Commissioner’s designee.

“Department” means the Department of Housing.

2-44-010 Establishment – Composition.

There is hereby established an executive department of the municipal government of the City, which shall be known as the Department of Housing. The Department shall include the Commissioner of Housing, and such deputies, assistants and other employees as may be provided for in the annual appropriation ordinance.

2-44-020 Commissioner of Housing – Appointment.

There is hereby created the office of the Commissioner of Housing. The Commissioner shall be appointed by the Mayor, by and with the advice and consent of the City Council.

2-44-030 Department – Composition.

The Department shall include such divisions as may be necessary or desirable to enable the Commissioner to perform his or her duties as set forth in this chapter and elsewhere in this Code.

2-44-040 Transfer of rights, powers and duties.

(a) *Transfer of powers.* The Commissioner and Department of Housing shall assume all rights, powers, duties, obligations and responsibilities (“powers”) that were formerly exercised by the Commissioner and Department of Planning and Development and transferred to the Commissioner and Department of Housing pursuant to this Chapter 2-44, including:

- (1) All related personnel, books, records, property and funds;
- (2) The administration of any related federal, state, local or private grant or loan programs, except to the extent prohibited by the grantor or grant agreement; and
- (3) The related rights and duties under existing contracts, appropriations, grant agreements, redevelopment agreements, leases, indentures, or other agreements or ordinances.

(b) *Legal status of existing rules.* All rules issued by the Commissioner of Planning and Development in connection with such transferred powers, and in effect as of the effective date of this Chapter 2-44, shall remain in effect until amended or repealed by the Commissioner of Housing.

(c) *Transition period.* In order to facilitate an orderly, gradual and efficient transfer of the powers set forth in subsection (a) of this section, a transition period beginning on January 1, 2019 is hereby established, during which time the Department of Planning and Development and its Commissioner (“DPD Commissioner”) shall continue to exercise those powers until such time that a new Housing Commissioner is appointed and confirmed and such Housing Commissioner determines that the newly established Department of Housing is sufficiently operational to administer any specific power(s) transferred to it pursuant to this enabling Ordinance. During this transition period, the DPD Commissioner shall retain any and all powers necessary or appropriate to complete or continue the negotiation, execution or implementation of any agreement or other instrument pertaining to affordable housing or otherwise within the purview of the DPD Commissioner’s former powers initiated prior to January 1, 2019 and thereafter until such time that the Commissioner of Housing determines that the transfer of powers is complete.

2-44-050 Commissioner of Housing – Powers and duties.

- (a) The Commissioner is authorized to:
 - (1) Develop and administer programs and policies to encourage and promote the availability of adequate and affordable housing in the City;

(2) Develop and administer programs and policies to encourage and promote workforce development;

(3) Manage residential properties and liens on residential properties acquired by the City, including authority to negotiate and execute leases of units within such properties;

(4) Expend legally available funds for the purpose of assisting the Chicago Housing Authority in maintaining and improving its property, including but not limited to property repairs and rehabilitation, purchase and installation of fencing and other security measures and devices, nuisance abatement, playground construction and other site improvements; and

(5) Designate any appropriate citizen participation process and procedure that will ensure the involvement of residents in the activities of the Department. Such process shall include the solicitation of advice, guidance and assistance from residents in the areas of activity in which Department is involved.

(6) Adopt such rules as the Commissioner may deem necessary or appropriate for the proper administration and enforcement of this Chapter 2-44 and the provisions of this Code pertaining to the rights, powers, duties, obligations and responsibilities of the Department.

(b) It shall be the duty of the Commissioner to:

(1) Supervise and coordinate the formulation and execution of projects and programs affecting housing within the City of Chicago, including projects and programs relating to construction, purchasing, financing, leasing, maintenance, rehabilitation and relocation services, and resident and developer support services, and to render necessary related services, as requested, to the Mayor and to the City Council and its committees;

(2) Enter into cooperative agreements with the Chicago Housing Authority and other governmental agencies and instrumentalities, when exercising the Commissioner's powers under this section, provided that such agreements shall not authorize the use of City funds for purposes of demolition or major capital projects without City Council approval;

(3) Conduct research and demographic studies;

(4) Designate geographic areas according to their demographic and economic conditions for the purposes of housing programs, including low-income, moderate income, low-moderate income, higher income, accelerating, appreciated or appreciating areas, and including the various demographic and economic designations set forth in Sections 2-44-080, 2-44-090, and 2-44-100 of the Municipal Code;

(5) Create, maintain and expand plans for the City of Chicago; and

(6) Render necessary services, as requested, to the Mayor and to the City Council and its committees.

(c) The powers and duties in this section that are also conferred upon the Commissioner and Department of Planning and Development, including but not limited to the authority to promulgate rules governing the same subject matter, shall, to the extent feasible, be carried out in consultation and coordination with that Department in order to promote consistency, efficiency and effectiveness.

2-44-060 Workforce development – Purposes and intent.

The Department shall promote the idea that human capital development is an important aspect of housing, and may identify and implement opportunities for workforce development activities and initiatives within housing programs and projects, including pursuing workforce related grants, where available and appropriate.

2-44-065 Program applications, administration, and related fees.

The Commissioner shall have the authority to charge fees in the amount specified and provided in this section for the processing of program applications and program administration and closing costs of programs administered by the Department. Such fees shall not be refundable and shall not guarantee approval of an application or adequacy of funding. The amount of fees shall be as follows:

Application Fee for multifamily finance, including loans, grants, bonds and tax credits - \$1,500 for for-profit applicants and \$750 for nonprofit applicants

Program application fees

New Homes for Chicago and Building Neighborhoods and Affordable Homes - \$1,000

TaxSmart Mortgage Credit Certificate Program - \$375 per applicant

TaxSmart Mortgage Credit Certificate Refinance Issuance - \$100

Tax Credit Reservation Fees - an amount equal to five percent (5%) of the annual Tax Credit amount referenced in the conditional Tax Credit reservation agreement

Tax Credit Carryover Allocation Fee - \$250

Tax Exempt Bond Issuer Fee - 15 basis points of the bond amount issued at closing

Donations Tax Credit Reservation Fee – 3% of reservation amount

Compliance Monitoring Fee - \$25 per unit annually for all housing units (affordable and market rate) in a project or building

Compliance Monitoring Late Fee - \$20.00 per unit for all housing units in a project or building in addition to the Compliance Monitoring fee

2-44-070 2007 affordable housing commitment.

This section shall apply to any residential housing project for which: (1) the City Council has passed an ordinance approving a rezoning, City land sale or financial assistance, as described in subsections (b) or (c), prior to October 12, 2015; or (2) an application for rezoning, the sale of city land, or financial assistance, as described in subsections (b) or (c), was submitted prior to October 12, 2015, and an ordinance approving the proposed rezoning, City land sale or financial assistance is passed within nine months after October 12, 2015. The term "submitted" means: (i) with respect to an application for zoning approval or the sale of City land, an ordinance authorizing the rezoning or City land sale has been introduced to City Council; or

(ii) with respect to financial assistance, a complete application has been received and accepted by the Department.

(a) For purposes of this section:

“Affordable housing” means: (1) with respect to rental housing, housing that is affordable to households earning up to 60 percent of the Chicago Primary Metropolitan Statistical Area median income; and (2) with respect to owner occupied housing, housing that is affordable to households earning up to 100 percent of the Chicago Primary Metropolitan Statistical Area median income; provided that if a developer develops a lesser amount of affordable housing units pursuant to subsection (d)(2), “affordable housing” for those housing units means, with respect to owner occupied housing units, housing that is affordable to households earning up to 80 percent of the Chicago Primary Metropolitan Statistical Area median income; provided further, that when a residential housing project receives financial assistance from tax increment financing revenues pursuant to subsection (c) “affordable housing” for that project means:

(i) with respect to rental housing, one-half of the housing units required to be affordable are affordable to households earning up to 60 percent of the Chicago Primary Metropolitan Statistical Area median income, and one-half of the housing units required to be affordable are affordable to households earning up to 50 percent of the Chicago Primary Metropolitan Statistical Area median income; and

(ii) with respect to owner occupied housing, one-half of the housing units required to be affordable are affordable to households earning up to 100 percent of the Chicago Primary Metropolitan Statistical Area median income, and one-half of the housing units required to be affordable are affordable to households earning up to 80 percent of the Chicago Primary Metropolitan Statistical Area.

“The Chicago Community Land Trust” or “CLT” means the Illinois not-for-profit corporation established by ordinance adopted on January 11, 2006, and published at pages 67997 through 68004 in the *Journal of Proceedings of the City Council* of such date, and having as its primary mission the reservation of long- term affordability of housing units.

“Condominium” means a form of property established pursuant to the Illinois Condominium Property Act.

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

“Development” or “develop” means the construction or substantial rehabilitation of housing units or the conversion of any building into residential condominiums.

“Eligibility criteria” means: (1) with respect to rental housing, at the time of the first rental by that household, a household earning up to 60 percent of the Chicago Primary Metropolitan Statistical Area median income; and (2) with respect to owner occupied housing, at the time of the purchase of the unit, a household earning up to 100 percent of the Chicago Primary Metropolitan Statistical Area median income; provided that if a developer develops a lesser amount of owner occupied affordable housing units pursuant to section (d)(2), the “eligibility criteria” for those affordable housing units means, with respect to owner occupied housing units, at the time of the purchase of the unit, housing that is affordable to households earning up to 80 percent of the Chicago Primary Metropolitan Statistical Area median income; provided further

that when a residential housing project receives financial assistance from tax increment financing revenues pursuant to subsection (c), "eligibility criteria" for that project means:

(i) with respect to rental housing, at the time of the first rental by that household, one-half of the housing units required to be affordable are affordable to households earning up to 60 percent of the Chicago Primary Metropolitan Statistical Area median income, and one-half of the housing units required to be affordable are affordable to households earning up to 50 percent of the Chicago Primary Metropolitan Statistical Area median income; and

(ii) with respect to owner occupied housing at the time of purchase of the unit, one-half of the housing units required to be affordable are affordable to households earning up to 100 percent of the Chicago Primary Metropolitan Statistical Area median income, and one-half of the housing units required to be affordable are affordable to households earning up to 80 percent of the Chicago Primary Metropolitan Statistical Area.

"Financial assistance" means any assistance provided by the City through grants, direct or indirect loans, or allocation of tax credits for the development of residential housing units.

"Housing unit" means a room or suite of rooms designed, occupied or intended for occupancy as a separate living quarter with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of the occupants of the unit; provided that a "housing unit" does not include dormitories or hotels as that term is defined in Section 13-4-010 of the Code.

"Initial sale" means the first sale of an affordable housing unit by a developer.

"Planned development" has the same meaning as ascribed to that term in Section 17-17-02120 of the Zoning Code.

"Residential housing project" or "project" means one or more buildings that collectively contain ten or more housing units on one or more tax parcels or lots marketed as a single or unified project or sharing common elements, or comprising a part of a planned development or the addition of ten or more housing units to an existing building.

"Substantial rehabilitation" means the reconstruction, enlargement, installation, repair, alteration, improvement or renovation of a building, structure or portion thereof requiring a permit issued by the city; provided the cost of the substantial rehabilitation must be \$25,000.00 or more per housing unit.

"T.I.F. Guidelines" means those guidelines established pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1. et seq. ("T.I.F. Act"), and adopted by the City Council in "An Ordinance Adopting Guidelines for Use of Tax Increment Financing Revenues for Construction of Affordable Housing" passed on July 31, 2002, and published at pages 90838 – 90859 of the *Journal of the Proceedings of the City Council* of that date.

"Trust Fund" means the Chicago Low-Income Housing Trust Fund, a not-for-profit organization.

(b) (1) Subject to subsections (b)(2), (b)(3), (b)(4) and (d)(2), whenever the City: (i) approves the rezoning of a lot to permit a higher floor area ratio than would otherwise be permitted in the base district and the lot is subsequently developed with a residential housing project; (ii) approves the rezoning of a lot from a zoning district that does not allow household living uses to a zoning district that allows household living uses and the lot is subsequently

developed with a residential housing project; (iii) approves the rezoning of a lot from a zoning district that does not allow household living uses on the ground floor of a building to a zoning district that permits household living uses on the ground floor, and the ground floor is subsequently developed with a residential housing project; or (iv) sells real property to any developer on which a residential housing project is subsequently developed, the developer shall be required to establish ten percent of the housing units as affordable housing or the equivalent as provided in subsection (d); provided that the developer of any residential housing project subject to clauses (b)(1)(i), (ii) or (iii) and subject to subsection 17-4-1004-D of the Zoning Code may meet the affordable housing requirements provided in this section by complying with the affordable housing floor area bonus provided for in Section 17-4-1004; provided further, that if a developer also receives financial assistance, the developer instead shall comply with the requirements of subsection (c) of this section.

(2) In the case of existing buildings subject to the requirements of subsection (b)(1), subsection (b)(1) shall apply as follows:

(i) for an existing building that contains housing units at the time of the approval of the zoning change, only the additional floor area space that is developed with a residential housing project is subject to the affordable housing requirement;

(ii) for an existing building that contains a mixed-use occupancy with one use being residential at the time of the approval of the zoning change, only the additional floor area space approved for residential use that is developed with a residential housing project is subject to the affordable housing requirement; or

(iii) for an existing building with respect to which the developer receives financial assistance pursuant to subsection (c) or has purchased city land pursuant to clause (b)(1)(iv), the entire building is subject to the affordable housing requirement.

(3) The provisions of subsection (b)(1) shall not apply to: (i) any residential housing project located on property that was rezoned and thereby converted to a nonconforming use, if the City Council approves a change in zoning solely for the purpose of restoring the residential housing project to a conforming use; or (ii) the development of a residential housing project on a lot that has been rezoned as described in clauses (b)(1)(i), (ii) or (iii) for which a building permit is applied for 3 years or more after the date of the approval of the zoning change by the City Council.

(4) Subject to subsection (d)(2), for every planned development, the development of affordable housing shall be as follows:

(i) For every planned development that does not meet the eligibility requirements of subsection 17-4-1004-B of the Zoning Code and for which the City approves the rezoning of a lot as described in clauses (b)(1)(i), (ii) or (iii) or sells real estate to the developer, and in which a residential housing project is developed, the developer shall be required to establish ten percent of the housing units as affordable housing or the equivalent as provided in subsection (d).

(ii) For every planned development that meets the eligibility criteria of subsection 17-4-1004-B of the Zoning Code and for which the City approves the rezoning of a lot as described in clauses (b)(1)(i), (ii) or (iii) or sells real estate to the developer, and in which a residential housing project is developed, the developer shall be required to establish ten

percent as affordable housing or the equivalent as provided in subsection (d); provided that if the planned development is also subject to the requirements of Section 17-4-1004-D, the developer may elect to meet his or her affordable housing requirements provided for in this section by complying with the affordable housing floor area bonus provided for in Section 17-4-1004.

(iii) For every planned development that meets the eligibility criteria of subsection 17-4-1004-B which does not involve any rezoning of the lot as described in clauses (b)(1)(i), (ii) or (iii), or the sale of any real estate by the city, and in which a residential housing project is developed, the developer shall be required to establish ten percent of the housing units as affordable housing or the equivalent as provided in subsection (d), unless the developer participates in the affordable housing floor area density program by purchasing additional floor area pursuant to Section 17-4-1004.

(iv) For every planned development for which the developer receives financial assistance and in which a residential housing project is developed, the developer shall comply with subsection (c) of this section.

(v) This subsection (b)(4) shall not apply to any planned development for which:

(A) a planned development agreement or other agreement was specifically authorized by the City Council prior to August 20, 2007; or

(B) an amendment to a planned development agreement or other agreement is specifically authorized by the City Council after August 20, 2007; provided, however, that if such amendment authorizes the addition of floor area for the development of 10 or more housing units, the development of the additional housing units shall be subject to the affordable housing requirement of this subsection.

(c) Subject to subsection (d)(2), whenever financial assistance is provided to any developer in connection with the development of a residential housing project, the developer shall be required to establish 20 percent of the housing units as affordable housing or the equivalent as provided in subsection (d).

(d) (1) A developer subject to the provisions of subsections (b) or (c) may establish affordable housing by one or more of the following: (i) the development of affordable housing units as part of the residential housing project; (ii) payment of a fee in lieu of the development of affordable housing units; or (iii) any combination thereof. The amount of the fees described in clause (d)(1)(ii) shall be \$100,000.00 for each affordable housing unit not developed as part of the residential housing project, adjusted annually based upon the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for all Urban Consumers for the Chicago metropolitan area, or some other comparable index selected by the Commissioner in his reasonable discretion if this index no longer exists. Such fees shall be deposited into the Affordable Housing Opportunity Fund, unless required to be deposited into another fund pursuant to federal or state law.

(2) The number of affordable housing units developed in a residential housing project may be less than ten percent as required by subsection (b) or less than twenty percent as required by subsection (c), if the developer develops on-site owner occupied affordable housing units at a price that is affordable to households earning up to eighty percent

of the Chicago Primary Metropolitan Statistical Area median income, and the Commissioner determines that the development of the lessee amount of such housing units is substantially equivalent to the developer's total affordable housing requirement pursuant to this section. The development of a housing unit pursuant to this clause shall be subject to all of the other provisions of this section.

(e) A separate fund is hereby established, designated the Affordable Housing Opportunity Fund, which shall be supported by the fees collected under this section, Section 2-44-080 and Section 17-4-1004. The revenues of the Affordable Housing Opportunity Fund shall be disbursed in accordance with Section 2-44-080.

(f) The affordable housing units required by this section shall continue to be affordable housing for a period of 30 years after the time of the issuance of the certificate of occupancy (or after the first day of the initial lease if no such certificate is issued) in the case of rental housing or after the closing of the initial sale in the case of owner-occupied housing, unless:

(1) The property is foreclosed upon or condemned, or a deed in lieu of foreclosure is given;

(2) The seller of an affordable housing unit has sold the unit to a household that does not meet the eligibility criteria and has paid the recapture fees required by subsection (i) of this section; or

(3) The affordable housing unit is placed in or administered by the CLT, in which case the requirements of subsection (j) of this section shall apply.

(g) Except as provided in subsections (i) and (j) of this section, the rental or sale of an individual affordable housing unit required under this section shall be made only to a household meeting the eligibility criteria.

(h) With respect to the development of residential housing projects and planned developments assisted by the city with tax increment revenues ("T.I.F. Funds") in redevelopment project areas established pursuant to the T.I.F. Act, to the extent that the requirements of this section conflict with the T.I.F. Guidelines, the T.I.F. Guidelines shall prevail.

To the extent that redevelopment plans approved pursuant to the T.I.F. Act provide that developers who receive T.I.F. Funds for market rate housing set aside 20 percent of the units to meet "affordability criteria established by the Department of Housing", the requirements of this section shall be deemed to be the "affordability criteria established by the Department of Housing" and shall supersede all others.

(i) Prior to the issuance of a building permit, for any planned development or residential housing project subject to the affordable housing requirements of this section:

(1) the developer shall pay an amount equal to the required fee in lieu pursuant to subsection (d)(l)(ii); or

(2) the Commissioner shall cause a lien, regulatory agreement or similar instrument to be recorded, initially, prior to development, against the and comprising the planned development or residential housing project, and subsequently, in connection with the

sale or rental of any affordable housing unit, against the land on which such affordable housing unit is located to secure the requirements of this section and the recapture of the following amounts:

(i) Upon the initial sale of any housing unit required to be affordable housing under this section at a price that renders the housing unit not affordable housing, or to a household that does not meet the eligibility criteria, the developer shall pay an amount equal to the payment of fees in lieu of creating the affordable housing unit as provided in subsection (d)(1)(ii) of this section:

(ii) Upon the resale or transfer of any housing unit required to be affordable under this section at a price that renders the housing unit not affordable housing, or to a household that does not meet the eligibility criteria, the seller or transferor shall pay an amount equal to the difference, at the time of the initial sale, between the affordable housing unit's market value and its affordable housing price plus three percent per year interest from the date of the initial sale on that difference, unless the affordable housing unit is placed in or administered by the CLT, in which case the requirements of subsection (j) this section shall apply;

(iii) Upon the rental of any housing unit required to be affordable under this section at a rental price that renders the housing unit not affordable housing, or to a household that does not meet the eligibility criteria, the owner shall pay a fee of \$500.00 per unit per day for each day that the owner is in noncompliance; provided that prior to the assessment of the penalty, the owner shall have 90 days, after written notice from the Commissioner, to cure the noncompliance. If after 90 days the owner fails to cure the noncompliance, the fees shall be assessed from the first day of noncompliance. The 90-day time period to cure the noncompliance may be extended by the Commissioner for good cause;

(iv) Any fines or penalties imposed by the City for a violation of this section.

The fees collected under this subsection shall be deposited into the Affordable Housing Opportunity Fund, unless required to be deposited into another fund pursuant to federal or state law.

(j) Subject to prior notification to the alderman of the affected ward and approval of the Commissioner, affordable housing units required to be provided pursuant to this section may be placed in or administered by the CLT. The initial rental or sale of such affordable housing units shall be subject to the income eligibility and price restrictions set forth in this section, but the resale or transfer of such affordable housing units, and the amounts subject to recapture in connection with a violation of the CLT's resale and transfer restrictions, shall be governed by the terms of a restrictive covenant, long-term ground lease, or similar instrument, designed to balance the competing goals of long-term affordability and providing a fair return on the homeowner's investment.

(k) Failure to pay the required fee in lieu or develop the on-site affordable housing units required by this section shall be a violation of this section punishable by a fine in an amount equal to two times the payment of fees in lieu required in subsection (d)(1)(ii) of this section and, in the case of a residential real estate developer licensed pursuant to Section 4-6-050, the revocation of the developer's residential real estate developer license.

(I) The Commissioner is authorized to adopt such rules as the Commissioner may deem necessary for the proper administration and enforcement of this section.

2-44-080 2015 affordable requirements.

This section shall apply to any residential housing project for which the City Council has passed an ordinance approving a rezoning, city land sale, or financial assistance, as described in subsection (C), unless such residential housing project is subject to the affordable housing requirements in effect prior to the effective date of this section pursuant to the prefatory clause of Section 2-44-070.

(A) *Title and purpose.* This section shall be known and may be cited as the "2015 Affordable Requirements Ordinance" or "2015 ARO," and shall be liberally construed and applied to achieve its purpose, which is to expand access to housing for low-income and moderate-income households and to preserve the long-term affordability of such housing.

(B) *Definitions.* For purposes of this section, the following definitions shall apply:

"Affordable" means a sales price or rent less than or equal to the amount at which total monthly housing costs, as specified in the rules, would total not more than 30% of household income for a household whose income is the maximum allowable for an eligible household.

"Affordable housing" means: (1) with respect to rental housing, housing that is affordable to households earning up to sixty percent (60%) of the area median income, and (2) with respect to owner-occupied housing, housing that is affordable to households earning up to one hundred percent (100%) of the area median income. Notwithstanding the foregoing, when a residential housing project receives financial assistance from TIF Funds, "affordable housing" for that project means:

(i) with respect to rental housing, one-half of the housing units required to be affordable are affordable to households earning up to sixty percent (60%) of the area median income, and one-half of the housing units required to be affordable are affordable to households earning up to fifty percent (50%) of the area median income; and

(ii) with respect to owner-occupied housing, one-half of the housing units required to be affordable are affordable to households earning up to one hundred (100%) of the area median income, and one-half of the housing units required to be affordable are affordable to households earning up to eighty percent (80%) of the area median income.

"Affordable housing agreement" means a covenant, lien, regulatory agreement, promissory note, mortgage, deed restriction, right of first refusal, option to purchase or similar instrument, governing how the developer and subsequent owners or occupants of affordable units shall comply with this section.

"Affordable unit" means a housing unit required by this section to be affordable, whether located on-site or off-site and whether a rental unit or an owner-occupied unit.

"Area median income" means the median household income for the Chicago Primary Metropolitan Statistical Area as calculated and adjusted for household size on an annual basis by HUD.

"Authorized agency" means the Chicago Housing Authority, the Chicago Low-Income Housing Trust Fund, or another non-profit agency acceptable to the City, which administers subsidies under HUD's McKinney-Vento Homeless Assistance Grants program, or the Veterans Administration Supportive Housing program, or another housing assistance program approved by the city.

"Chicago Community Land Trust" means the Illinois not-for-profit corporation established by ordinance adopted on January 11, 2006, and published at pages 67997 through 68004 in the *Journal of Proceedings of the City Council* of such date, as amended, and having as its primary mission the preservation of long-term affordability of housing units, or any successor organization.

"Commissioner" means the Commissioner of Housing, or his or her designee.

"Common ownership or control" refers to property owned or controlled by the same person, persons, or entity, or by separate entities in which any shareholder, partner, member, or family member, as that term is defined in Section 4-284-020, of an investor of the entity owns ten percent (10%) or more of the interest in the property.

"Condominium" means a form of property established pursuant to the Illinois Condominium Property Act.

"Contiguous parcels" means any parcel of land or lot that is: (1) touching another parcel or lot at any point, (2) separated from another parcel or lot at any point only by a public or private street, road, or other right-of-way, (3) separated from another parcel or lot at any point only by a public or private utility, service, or access easement, or (4) separated from another parcel or lot only by other real property under common ownership or control which is not subject to the requirements of this section at the time of application for the City approval that triggers the obligation to comply with this section.

"Department" means the Department of Housing or any successor department, acting by or through its commissioner.

"Developer" means the owner, as that term is defined in Section 13-4-010, of the residential housing project and, if different from the owner, any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities which develops the residential housing project and, if applicable, provides off-site affordable units, together with their successors and assigns, but does not include a lender, any governmental entity or the general contractor working for any developer.

"Development" or "develop" means, for purposes of determining whether the requirements of this section are triggered, the construction or substantial rehabilitation of housing units or the conversion of any building into residential condominiums.

"Downtown districts" means the "D" zoning districts as now or hereafter designated in the Chicago Zoning Ordinance, Chapter 17-4 of the Municipal Code.

"Eligibility criteria" means: (1) with respect to rental housing, at the time of the first rental by that household, a household earning up to sixty percent (60%) of the area median income; or (2) with respect to owner-occupied housing, at the time of the purchase of the unit, a household earning up to one hundred twenty (120%) of the area median income. Notwithstanding the

foregoing, when a residential housing project receives financial assistance from TIF Funds, "eligibility criteria" for that project means:

(i) with respect to rental housing, at the time of the first rental by that household, a household earning up to sixty percent (60%) of the area median income for one-half of the affordable units, and a household earning up to fifty percent (50%) of the area median income for the other half; and

(ii) with respect to owner-occupied housing, at the time of purchase of the unit, a household earning up to one hundred (100%) of the area median income for one-half of the affordable units, and a household earning up to eighty percent (80%) of the area median income for the other half.

"Eligible household" means a household whose combined annual income, adjusted for household size, does not exceed the maximum income specified in the eligibility criteria for the applicable affordable unit.

"Financial assistance" means any assistance provided by the City through grants, direct or indirect loans, or allocation of tax credits for the development of residential housing units.

"Higher income area" means any area that is not a low-moderate income area, provided that if any portion of a higher income area is located in a downtown district, that portion of the area will be treated as a downtown district for purposes of this section.

"Housing unit" or "unit" means a room or suite of rooms designed, occupied or intended for occupancy as a separate living quarter with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of the occupants of the unit; provided that a "housing unit" does not include: (1) dormitories that are owned and operated by or on behalf of an educational institution, (2) hotels as that term is defined in Section 13-4-010 of the Municipal Code, or (3) mobile homes.

"HUD" means the United States Department of Housing and Urban Development or any successor department.

"In lieu fee" means a fee in lieu of the establishment of on-site or, if applicable, off-site affordable units, adjusted annually, beginning on January 1 of the year following the second anniversary of the effective date of this section, based upon the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for all Urban Consumers for the Chicago metropolitan area, or some other comparable index selected by the Commissioner in his or her reasonable discretion if this index no longer exists.

"Initial sale" means the first sale of an affordable unit by a developer to an eligible household or an authorized agency pursuant to subsection (Q).

"Low-moderate income area" means an area designated by the Commissioner as a low-moderate income area pursuant to published data regarding Chicago or area median income or the cost of housing or other data relating to gentrification or loss of affordable housing, such as Chicago or area median home sale prices or census tract information. The criteria for designating low-moderate income areas will be set forth in the rules. The department will publish a list of low-moderate income areas, and will update the list at least every five years. If

any portion of a low- moderate income area is located in a downtown district, that portion of the area will be treated as a downtown district for purposes of this section.

“Market-rate unit” means a housing unit in a residential housing project or, if applicable, off-site location that is not an affordable unit as defined in this section, and may sell or rent at any price.

“Off-site” means on a site different from the site of the residential housing project.

“On-site” means on the same site as the residential housing project.

“Planned development” has the same meaning ascribed to that term in Section 17-17-02120.

“Publication date” means the date this ordinance is published in the *Journal of the Proceedings of the City Council of the City of Chicago*.

“Residential housing project” means one or more buildings that collectively contain ten or more new or additional housing units on one or more parcels or lots under common ownership or control, including contiguous parcels. A “residential housing project” may be developed in one or more phases and may consist of new construction, substantial rehabilitation, or the conversion of rental housing to condominiums. In determining whether a development constitutes a residential housing project, the Department will consider all relevant factors, including whether the development is marketed as a single or unified project, shares common elements, or is a phase of a larger development. The definition of “residential housing project” shall be interpreted broadly to achieve the purposes of this section and to prevent evasion of its terms.

“Rezoning of property” means a change in the zoning of property in any of the following circumstances: (1) to permit a higher floor area ratio than would otherwise be permitted in the base district, including through transit-served location floor area premiums where the underlying base district does not change; (2) to permit a higher floor area ratio or to increase the overall number of housing units than would otherwise be permitted in an existing planned development, as specified in the Bulk Regulations and Data Table, even if the underlying base district for the planned development does not change; (3) from a zoning district that does not allow household living uses to a zoning district that allows household living uses; (4) from a zoning district that does not allow household living uses on the ground floor of a building to a zoning district that permits household living uses on the ground floor; or (5) from a downtown district to a planned development, even if the underlying base district for the property does not change.

“Substantial rehabilitation” means the reconstruction, enlargement, installation, repair, alteration, improvement or renovation of a building, structure or portion thereof requiring a permit issued by the city, provided the cost of the substantial rehabilitation must be \$75,000 or more per housing unit.

“TIF Act” means the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time.

“TIF Funds” means incremental ad valorem taxes which, pursuant to the TIF Act, have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof.

“Zoning Ordinance” means Title 17 of the Municipal Code.

(C) *Applicability; Minimum percentage of affordable units.* The requirements of this section apply in the following circumstances:

(1) *Rezoning.* Whenever the City approves the rezoning of property, and such property is subsequently developed with a residential housing project, the developer shall be required to establish no less than ten percent (10%) of the housing units in the residential housing project as affordable housing or satisfy the requirements of this section through one of the alternative methods in subsection (F); provided that if a developer also receives financial assistance, the developer instead shall comply with the requirements of subsection (G)(3). Developers shall not submit piecemeal applications for zoning approval to avoid compliance with this section. The provisions of this subsection (C)(1) shall not apply to any existing residential housing project located on property that was rezoned and thereby converted to a nonconforming use, if the City Council approves a change in zoning solely for the purpose of restoring the residential housing project to a conforming use.

(2) *City land sales.* Whenever the City sells real property to any developer and such property or any portion thereof is (a) subsequently developed with a residential housing project, or (b) incorporated into a residential housing project site in order to satisfy minimum off-street parking, minimum lot area, setback or other zoning or Municipal Code requirements or standards, the developer shall be required to establish no less than ten percent (10%) of the housing units in the residential housing project as affordable housing or satisfy the requirements of this section through one of the alternative methods in subsection (F); provided that if a developer also receives financial assistance, the developer instead shall comply with the requirements of subsection (C) (3).

(3) *Financial assistance.* Whenever the City provides financial assistance to any developer in connection with the development of a residential housing project, the developer shall be required to establish no less than twenty percent (20%) of the housing units in the residential housing project as affordable housing or satisfy the requirements of this section through one of the alternative methods in subsection (F).

(D) *Application of 2015 ARO to existing buildings.* In the case of existing buildings subject to the requirements of subsection (C), subsection (C) shall apply as follows:

(1) for an existing building that contains housing units at the time of the approval of a zoning change, only the additional housing units permitted by the rezoning are subject to the affordable housing requirement;

(2) for an existing building that contains a mixed-use occupancy with one use being residential at the time of the approval of the zoning change, only the additional housing units permitted by the rezoning are subject to the affordable housing requirement; or

(3) for an existing building with respect to which the developer has received financial assistance or has purchased city land, the entire building is subject to the affordable housing requirement.

(E) *[Reserved.]*

(F) *Methods of compliance.*

(1) *Low-moderate income areas.* In low- moderate income areas, a developer subject to the provisions of subsection (C) must provide at least 25% of the required affordable units on-site. The developer may satisfy the balance of its affordable housing obligation through: (a) the establishment of additional on-site affordable units; (b) payment of a fee in lieu of the establishment of on-site affordable units in the amount of \$50,000 per unit; or (c) any combination thereof.

(2) *Higher income areas.* In higher income areas, a developer subject to the provisions of subsection (C) must provide at least 25% of the required affordable units on-site or off-site. The developer may satisfy the balance of its affordable housing obligation through: (a) the establishment of additional on-site or off-site affordable units; (b) payment of a fee in lieu of the establishment of affordable units; or (c) any combination thereof. The amount of the in lieu fee shall be \$125,000; provided that, if the developer provides and then sells or leases at least 25% of the required affordable units in the residential housing project to an authorized agency pursuant to subsection (Q), the in-lieu fee shall be reduced to \$100,000 per unit. If the developer elects to provide affordable units off-site, the off-site affordable units must be located within a two mile radius from the residential housing project and in the same or a different higher income area or downtown district.

(3) *Downtown districts – Rental units.* In the downtown districts and in planned developments with an underlying downtown district zoning classification, a developer of rental units subject to the provisions of subsection (C) must provide at least 25% of the required affordable rental units on-site or off-site. The developer may satisfy the balance of its affordable housing obligation through: (a) the establishment of additional on-site or off-site affordable rental units; (b) payment of a fee in lieu of the establishment of affordable rental units; or (c) any combination thereof. The amount of the in lieu fee shall be \$140,000 per unit through and including the first anniversary of the publication date, and \$175,000 per unit thereafter; provided that, if the developer sells or leases at least 25% of the required affordable rental units in the residential housing project to an authorized agency pursuant to subsection (Q), the in-lieu fee shall be reduced to \$115,000 per unit through and including the first anniversary of the publication date, and \$150,000 per unit thereafter. If the developer elects to provide affordable rental units off-site, the off-site affordable rental units must be located within a two-mile radius from the residential housing project and in a downtown district or higher income area.

(4) *Downtown districts – Owner-occupied units.* In the downtown districts and in planned developments with an underlying downtown district zoning classification, a developer of owner-occupied units subject to the provisions of subsection (C) may establish affordable housing by one or more of the following: (a) the establishment of affordable owner- occupied units as part of the residential housing project; (b) the establishment of off-site affordable owner-occupied units; (c) payment of a fee in lieu of the establishment of on-site or off-site affordable owner- occupied units; or (d) any combination thereof. The amount of the in lieu fee shall be \$140,000 per unit through and including the first anniversary of the publication date, and \$175,000 per unit thereafter; provided that, if the developer sells or leases at least 25% of the required affordable units in the residential housing project to an authorized agency pursuant to subsection (Q), the in-lieu fee shall be reduced to \$115,000 per unit through and including the first anniversary of the publication date, and \$150,000 per unit thereafter; and provided further that, if the developer elects not to provide a minimum of 25% of the required affordable owner-occupied units either on-site or off-site, the in-lieu fee shall be increased to \$160,000 per unit through and including the first anniversary of the publication date, and \$225,000 per unit

thereafter. If the developer elects to provide affordable owner-occupied units off-site, the off-site affordable units may be located anywhere in the City, subject to the department's approval.

(G) *Affordable Housing Opportunity Fund.* The in-lieu fees and other fees collected under this section, Section 2-44-070, and former Section 17-4-1004 as in effect prior to October 12, 2015 shall be deposited in the Affordable Housing Opportunity Fund, unless required to be deposited into another fund pursuant to federal or state law. All annual revenues of the Affordable Housing Opportunity Fund shall be reserved and utilized exclusively to pay the administrative and monitoring costs and expenses of this section, Section 2-45-110, and former Section 17-4-1004 and, after subtracting such costs and expenses, as follows:

(1) fifty percent (50%) shall be used for the construction, rehabilitation or preservation of affordable housing or may be used in connection with such other housing programs as shall be specifically approved by the City Council for such revenues; and

(2) fifty percent (50%) shall be contributed to the Chicago Low-Income Housing Trust Fund or a successor organization.

(H) *Duration of affordability restrictions.* The affordable units required by this section shall continue to be affordable housing for a minimum period of 30 years after the initial sale or rental of the affordable unit, as follows:

(1) In the case of owner-occupied housing, the owner of the affordable unit at the expiration of the 30-year affordability period shall have the option, when the owner elects to sell, of: (a) paying an amount equal to fifty percent (50%) of the difference between the affordable unit's market value and its affordable price, as determined at the time of such sale, in which event the department will release the affordable housing agreement recorded against the unit, or (b) in lieu of paying the amount specified in (a), selling the unit to an eligible household at an affordable price, subject to an affordable housing agreement in the city's then-current form.

(2) In the case of rental housing, the affordability period is 30 years after the initial rental; provided that if the affordable unit is converted to a condominium unit within 30 years after its initial rental, such units shall be subject to the provisions of this section that apply to owner-occupied units and a new affordability period of 30 years shall begin on the date of the initial sale of such condominium unit.

(3) Notwithstanding subsection (H)(1), if the owner of the affordable unit occupies the affordable unit as his principal residence for a continuous period of 30 years, the City shall release the affordable housing agreement without further obligation on the owner's part.

(I) *Eligibility criteria.* Except for the sale or lease of affordable units to an authorized agency pursuant to subsection (Q), all affordable units required under this section shall be leased or sold only to eligible households.

(J) *Tax increment financing.*

(1) With respect to the development of residential housing projects and planned developments assisted by the city with TIF Funds in redevelopment project areas

established pursuant to the TIF Act, to the extent that the requirements of this section conflict with any TIF guidelines now or hereinafter in effect, the TIF guidelines shall prevail.

(2) To the extent that redevelopment plans approved pursuant to the TIF Act provide that developers who receive TIF Funds for market rate housing set aside twenty percent (20%) of the units to meet affordability criteria established by the department (or any successor or predecessor city department), the requirements of this section shall be deemed to be such affordability criteria and shall supersede all others.

(K) *Compliance required prior to issuance of building permit.* Prior to the issuance of a building permit for any residential housing project subject to the affordable housing requirements of this section, including, without limitation, excavation or foundation permits, the developer shall do one or both of the following, as applicable:

(1) pay an amount equal to the required fee in lieu of establishing on-site or, if applicable, off-site affordable units pursuant to subsection (F); or

(2) execute and record an affordable housing agreement against the residential housing project or off-site location to secure the requirements of this section relating to the establishment of on-site or, if applicable, off-site affordable units.

(L) *Affordable housing agreement.* The affordable housing agreement required pursuant to subsection (K) shall be recorded against the residential housing project and, if applicable, the off-site affordable units, and shall run with the land and be binding on successors and assigns; provided, however, in the case of projects with owner-occupied units, the City shall periodically release the agreement from the market-rate units to permit the sale of such units in accordance with this section. Each affordable housing agreement shall:

(1) specify the number, type, location, size and phasing of construction of all affordable units and such other information as the Department requires to determine the developer's compliance with this section; provided, however, that the Commissioner shall consult with the Commissioner of Planning and Development when the affordable requirement is triggered by a rezoning of property, as defined in Section 2-44-080(B) of the Municipal Code, a City land sale, or other financial assistance provided by the Department of Planning and Development;

(2) specify maximum qualifying incomes and maximum affordable rents or sales prices, and include resale and refinancing procedures and limitations;

(3) Include provisions for income certification of potential purchasers or renters of affordable units;

(4) limit the rental or sale of affordable units for the affordability period;

(5) for rental projects, require the developer to submit an annual report to the Department including the name, address, and income of each household occupying an affordable rental unit and identifying the monthly rent of each affordable rental unit;

(6) authorize a release of the affordability restrictions following foreclosure or other transfer in lieu of foreclosure if required as a condition to financing pursuant to procedures set forth in the rules;

(7) describe remedies for breach of the agreement; and

(8) include any other provisions required by the City to document the obligations imposed by this section.

(M) *Chicago Community Land Trust.* The Department may delegate to the Chicago Community Land Trust the administration of this section.

(N) *Enforcement provisions.*

(1) Failure by the developer to pay the required fee in lieu, or provide the on-site or off-site affordable units required by this section, or sell or rent such affordable units in accordance with the requirements of this section, shall be a violation of this section punishable by a fine in an amount equal to two times the payment of fees in lieu required in subsection (F) and, in the case of a residential real estate developer licensed pursuant to Chapter 4-40 of the Municipal Code or any successor chapter, the revocation of the developer's residential real estate developer license.

(2) Upon the rental of any affordable unit at a rental price that is not affordable, or to a household that does not meet the eligibility criteria, the owner shall pay a fee of \$500.00 per unit per day for each day that the owner is in noncompliance.

(3) In addition to any other available remedy, the City may seek an injunction or other equitable relief in court to stop any violation of this section and to recover any funds improperly obtained from any sale or rental of an affordable unit in violation of this section, plus costs and interest at the rate prescribed by law from the date a violation occurred.

(4) The City may seek such other remedies and use other enforcement powers, as allowed by law. The remedies and enforcement powers established in this section are cumulative, and the city may exercise them in any order.

(5) Any fines or penalties imposed by the city for a violation of this section, and any fees collected under this section, shall be deposited into the Affordable Housing Opportunity Fund, unless required to be deposited into another fund pursuant to federal or state law, and shall be used and disbursed in accordance with subsection (G).

(O) *Rules.* The Commissioner is authorized to adopt such rules as the Commissioner may deem necessary for the proper implementation, administration and enforcement of this section.

(P) *Hardship waiver.* The Commissioner shall have discretion, in certain limited circumstances as specified in the rules, to waive, adjust or reduce the requirements of this section, including, without limitation, the income eligibility, resale price and other affordability covenants and restrictions, for developers or owners of affordable units who have used good faith efforts to comply with such requirements. The Commissioner shall exercise his discretion in the best interests of the city and with the goal of balancing long-term affordability and private investment. The rules shall set forth criteria for granting waivers, adjustments and reductions, such as establishing a minimum time period that developers and owners must market affordable units, establishing criteria related to unusual economic or personal circumstances, and providing a maximum percentage for the increase above the maximum income limit or resale price currently allowed.

(Q) *Sale or rental to authorized agency.* Affordable units required to be provided pursuant to this section may be sold or leased to an authorized agency, subject to the following provisions:

(1) The initial sale or lease of affordable units to the authorized agency is not subject to the price restrictions set forth in this section. Instead, the developer may sell or rent affordable units to the authorized agency at any price, similar to market-rate units.

(2) The authorized agency must sign a 30-year lease or, if the unit is purchased, record a 30-year deed restriction or similar instrument guaranteeing that all affordable units will be leased to households that meet the income eligibility requirements for rental housing under this section for a minimum of 30 years, and may not sell, transfer, or otherwise dispose of the affordable units.

(3) The authorized agency must submit a report on an annual basis to the Commissioner that provides the following information and any additional information requested by the Commissioner: number of affordable units currently in the authorized agency's inventory and the monthly rental rate for each affordable unit, information concerning each tenant household's composition and gross income, affordable unit operating expenses and revenues received by the authorized agency.

(R) *Applying percentages; Fractional units.* Calculations of the number of affordable units required by this section shall be based on the total number of housing units in the residential housing project, including any density bonus units. Where the application of the percentage requirements of this section results in a fractional housing unit, the developer shall round up to the nearest whole number for any portion of 0.5 or above and round down to the nearest whole number for any portion less than 0.5.

(S) *Projects with both owner-occupied and rental units.* When a residential housing project includes both owner-occupied and rental units, the provisions of this section that apply to owner-occupied projects shall apply to that portion of the project that consists of owner-occupied units, while the provisions of this section that apply to rental projects shall apply to that portion of the project that consists of rental units; provided, however, with the Commissioner's approval, a developer may provide rental units where the developer would otherwise be required to provide owner-occupied units, in which event such units shall be subject to the provisions of this section that apply to rental projects.

(T) *Supplemental incentives for on-site affordable units in transit-served locations.* Residential housing projects in transit-served locations, as defined in Section 17-10-0102-B, that qualify for and are granted the floor area premiums set forth in Section 17-3-0403-B (for projects, in B dash 3 and C dash 3 districts) or Section 17-4-0405-C (for projects in D dash 3 districts) or the building height increases set forth in Sec. 17-3-0408-B.1 (for projects in B dash 3 and C dash 3 districts), and that provide at least 50% of the required affordable units on-site, are eligible for supplemental incentives under Section 17-3-0403-C (additional FAR increase in B dash 3 and C dash 3 districts), Section 17-3-0408-B.2 (additional building height increase in B dash 3 and C dash 3 districts), and Section 17-4-0405-D (additional FAR increase in D dash 3 districts).

(U) *Standards for affordable units.* Affordable units required to be provided pursuant to this section shall comply with the following standards, as may be detailed further in the rules:

(1) Affordable units shall be reasonably dispersed throughout the residential housing project, such that no single building or floor therein has a disproportionate percentage of affordable units.

(2) Except as permitted in subsection (S), residential housing projects which contain owner-occupied units must comply with the provisions of this section that apply to owner-occupied projects, and residential housing projects which contain rental units must comply with the provisions of this section that apply to rental projects;

(3) Affordable units shall be comparable to the market rate units in the residential housing project (or off-site location in the case of off-site affordable units) in terms of unit type, number of bedrooms per unit, quality of exterior appearance, energy efficiency, and overall quality of construction; provided, however, with the Commissioner's approval, in a residential housing project (or off-site location in the case of off-site affordable units) which contains single-family detached homes, affordable units may be attached homes rather than detached homes and lots for affordable units may be smaller than lots for market-rate units (consistent with applicable zoning), and in a residential housing project (or off-site location in the case of off-site affordable units) which contains attached multi-story housing units, affordable units may contain only one story.

(4) Affordable units may have different interior finishes and features than market-rate units in the residential housing project (or off-site location in the case of off-site affordable units), as long as they are durable, of good and new quality, and are consistent with then-current standards for new housing.

(5) Affordable units shall have access to all on-site amenities available to market rate units, including the same access to and enjoyment of common areas and facilities in the residential housing project (or off-site location in the case of off-site affordable units).

(6) Affordable units shall have functionally equivalent parking when parking is provided to the market rate units in the residential housing project (or off-site location in the case of off-site affordable units).

(7) Affordable units shall be constructed, completed, ready for occupancy, and marketed concurrently with or prior to the market rate units in the residential housing project or phase thereof. As used in this section, "concurrently" means that a proportionate share of affordable units shall be completed for each group of market rate units completed at 25%, 50%, 75% and final completion of the residential housing project. The Commissioner may approve an alternative timing plan if the Commissioner determines, in his or her sole discretion, that there is no economically feasible way to comply with the phasing requirements, in which event the developer shall post a bond or similar security in an amount equal to one and one-half times the required in lieu fee to secure the completion of such units; provided, however, that the Commissioner shall consult with the Commissioner of Planning and Development when the affordable requirement is triggered by a rezoning of property, as defined in Section 2-44-080(B) of the Municipal Code, a City land sale, or other financial assistance provided by the Department of Planning and Development.

(8) The marketing requirements and procedures for affordable units shall be contained in the rules.

(9) The rules may specify minimum household sizes for affordable units of different bedroom sizes, and may require that prospective purchasers complete homebuyer education training or fulfill other requirements.

(V) *Additional standards for off-site affordable units.* With the Commissioner's approval, a developer of a residential housing project in a downtown district or higher income area may satisfy all or part of its affordable housing obligation through the establishment of off-site affordable units, subject to the following standards, as may be detailed further in the rules:

(1) The developer may either build new affordable units, or purchase and convert existing market-rate units to affordable units. In either case, the construction or acquisition and rehabilitation budget for the off-site affordable units must equal or exceed the in lieu fee that would otherwise be due pursuant to subsection (F).

(2) Off-site affordable units must meet all of the requirements set forth in this section for on-site affordable units, except that: (a) off-site locations are not subject to (U)(1); and (b) all off-site affordable units for a residential housing project must receive certificates of occupancy prior to issuance of the first certificate of occupancy for the market-rate units in the residential housing project.

(3) The off-site location shall be appropriately zoned to allow for the proposed project. No increase in density or financial assistance from the City shall be required in order to accommodate the off-site affordable units.

(4) Developers must pay a fee of \$5,000 per unit to pay the expenses of the Department in connection with monitoring and administering compliance with the requirements of this subsection. Any fees collected under this subsection shall be deposited into the Affordable Housing Opportunity Fund and used and disbursed in accordance with subsection (G).

2-44-090 Near north/near west affordable housing pilot area.

(A) *Title.* This section shall be known and cited as the "Near North/Near West ARO Pilot Area Ordinance".

(B) *Purpose.* The purpose of this section is to establish modified affordable housing requirements for designated neighborhoods near the central business district that are experiencing gentrification or are at-risk of gentrification. The goals of these modified requirements are to mitigate the displacement impacts associated with gentrification, better protect the interests of the area's economically vulnerable residents from demographic and housing market change, and preserve the economic diversity critical to a healthy economy.

(C) *Relationship to 2015 ARO.* The requirements in this section supplement or modify the affordable housing requirements in Section 2-44-080. In the event of a conflict between these requirements and the requirements in Section 2-44-080, the requirements in this section will control; provided, however, when a residential housing project receives financial assistance from TIF Funds, the requirements set forth in Section 2-44-080 will continue to apply and will control in the event of a conflict, except with respect to the location requirements set forth herein.

(D) *Definitions.* Except as provided below, defined terms shall have the meanings given in Section 2-44-080.

“Accelerating” is a term used to describe a census tract that: (i) had low to moderate home values in 2015 (i.e., a median home value in the bottom three quintiles of all census tracts in the city), but (ii) experienced a high appreciation rate between 2010 and 2015 (i.e., appreciation rate in the top two quintiles of all census tracts in the city).

“Additional units” means the extra units required to be affordable under this section in excess of the units required to be affordable under Section 2-44-080.

“Affordable unit” means a housing unit required by this section to be affordable, whether located on-site or off-site and whether a rental unit or an owner-occupied unit.

“Adjacent” is a term used to describe a census tract that: (i) had low to moderate home values in 2015 (i.e., a median home value in the bottom three quintiles of all census tracts in the city), (ii) experienced a low to moderate appreciation rate between 2010 and 2015 (i.e., appreciation rate in the bottom three quintiles of all census tracts in the City), but (iii) touches the boundary of at least one census tract that had high home values in 2015 (i.e., a median home value in the top two quintiles of all census tracts in the city) or a high appreciation rate between 2010 and 2015 (i.e., appreciation rate in the top two quintiles of all census tracts in the city).

“Appreciated” is a term used to describe a census tract that: (i) had low to moderate home values in 2000 (i.e., a median home value in the bottom three quintiles of all census tracts in the city), and (ii) high home values in 2015 (i.e., a median home value in the top two quintiles of all census tracts in the city), and (iii) experienced a high appreciation rate between 2000 and 2015 (i.e., appreciation rate in the top two quintiles of all census tracts in the City).

“Demographic change” means a shift in the demographic conditions of an area in which at least three of the following four population changes have occurred from 2010 to 2015, relative to the citywide median: percentage of homeowners has increased; percentage of minorities (as defined in Section 2-92-670) has decreased; percentage of residents with a bachelor's degree or higher has increased; and median household income has increased.

“Early displacement” is a term used to classify census tracts that are showing early signs of gentrification. These census tracts: (i) have a vulnerable population at risk of displacement from rising housing costs, (ii) have undergone demographic change indicative of gentrification, and (iii) have adjacent, accelerated or appreciated market conditions, as determined by the Commissioner based upon published data regarding Chicago or area median income, the cost of housing, or other data indicative of gentrification or loss of affordable housing.

“First units” means the units required to be affordable under Section 2-44-080.

“Near North Zone” means a zone within the Near North/Near West Pilot Area that consists mainly of census tracts that are experiencing ongoing displacement.

“Near West Zone” means a zone within the Near North/Near West Pilot Area that consists mainly of census tracts that are experiencing early displacement or are susceptible to displacement.

“Ongoing displacement” is a term used to classify census tracts that are in the midst of gentrification. These census tracts: (i) no longer have a vulnerable population, (ii) have undergone demographic change indicative of gentrification, and (iii) have an appreciated market condition, as determined by the Commissioner based upon published data regarding Chicago or area median income, the cost of housing, or other data indicative of gentrification or loss of affordable housing.

“Susceptible to displacement” is a term used to classify census tracts that are at-risk of gentrification. These census tracts: (i) have a vulnerable population at risk of displacement from rising housing costs, (ii) have not undergone demographic change indicative of gentrification, but (iii) have accelerating or adjacent market conditions, as determined by the Commissioner based upon published data regarding Chicago or area median income, the cost of housing or other data indicative of gentrification or loss of affordable housing.

“Vulnerable population” means a population with at least three of the following four characteristics based on 2015 data: percentage of renters is higher than the citywide median; percentage of minorities (as defined in Section 2-92-670) is higher than the citywide median; percentage of residents without a bachelor's degree is higher than the citywide median; and median household income is lower than the citywide median.

(E) *Boundaries.* The Near North/Near West Pilot Area is divided into two zones: the Near North Zone and the Near West Zone. A map of the Near North/Near West Pilot Area and its two zones is published in the *Journal of the Proceedings of the City Council of the City of Chicago 2-28-18*, page 66728, and on file in the Office of the City Clerk and made a part hereof. The boundary lines of the Near North/Near West Pilot Area follow streets, and such boundary lines are to be construed as the centerlines of said streets.

(F) *Stage of Displacement.* The Near North Zone is characterized primarily by ongoing displacement. The Near West Zone is characterized primarily as either susceptible to displacement or by early displacement.

(G) *Modified ARO Requirements.* The requirements of Section 2-44-080 shall apply in the Near North/Near West Pilot Area, except as modified below:

(1) *No In Lieu Fee Option.* The option to pay a fee in lieu of the establishment of affordable units is eliminated in the Near North/Near West Pilot Area.

(2) *Required Percentage of Affordable Units.* The percentage of units required to be affordable in a residential housing project, whether rental or for sale, is increased (i) from 10 percent to 20 percent in the Near North Zone, and (ii) from 10 percent to 15 percent in the Near West Zone, except that projects receiving City financial assistance must continue to provide 20 percent of the units in the residential housing project as affordable units in accordance with Section 2-44-080.

(3) *Option to Substitute Owner-Occupied Units for Rental Units.* In the Near North/Near West Pilot Area, developers may substitute owner-occupied units for rental units where the developer would otherwise be required to provide rental units.

(4) *Specific Standards for First Units.* The following standards apply to first units only:

(i) *Substitution of rental units for owner-occupied units.* In the Near North Zone, and in the case of first units only, developers may substitute rental units for owner-occupied units where the developer would otherwise be required to provide owner-occupied units.

(ii) *Location requirements.* In the Near West Zone, first units may be located on-site or off-site (subject to the Commissioner's approval under subsection (V) of the 2015 ARO), but if located off-site must be provided within two miles of the residential housing project and either: (a) in a higher income area or downtown district, or (b) within the Near North/Near West Pilot Area, regardless of the income area in which the residential housing project is located. Notwithstanding the foregoing, when a residential housing project receives financial assistance from TIF Funds, all affordable units must be provided on-site.

(5) *Specific Standards for Additional Units.* The following standards apply to additional units only:

(i) *Income eligibility for rental projects.* Developers may lease additional units to households earning up to one hundred percent (100%) of the area median income at prices affordable to households at such income level, provided, however, the foregoing income eligibility and affordability limit may be decreased to eighty percent (80%) of the area median income if the Commissioner, in consultation with the Alderman of the ward in which the affordable units will be located, determines that there is a greater need for affordable housing at this income level in the subject location based on factors established by rule.

(ii) *Location requirements.* Additional units may be located on-site or off-site (subject to the Commissioner's approval under Subsection (V) of the 2015 ARO), but if located off-site must be provided within the Near North/Near West Pilot Area. Such off-site units may be located anywhere in the Near North/Near West Pilot Area, regardless of distance from the residential housing project or income area in which the residential housing project is located. Notwithstanding the foregoing, when a residential housing project receives financial assistance from TIF Funds, all affordable units must be provided on-site.

(H) *Pending Applications.* This section shall apply to all residential housing projects subject to the affordable housing requirements of Section 2-44-080, unless: (1) an ordinance authorizing a City land sale or financial assistance, as described in Section 2-44-080(C), has been introduced to City Council prior to November 1, 2017; or (2) an ordinance authorizing a rezoning of property, as described in Section 2-44-080(C), has been introduced to City Council and (i) in the case of projects that are subject to planned development review, the Chicago Plan Commission has adopted a resolution recommending approval of the planned development prior to November 1, 2017, or (ii) in the case of any other rezoning of property, the Committee on Zoning, Landmarks and Buildings Standards has voted to approve the rezoning prior to November 1, 2017.

(I) *Rules.* The Commissioner is authorized to adopt such rules as the Commissioner may deem necessary for the proper implementation, administration and enforcement of this section. The Commissioner shall provide an annual report to the City Council Committee on Housing and Real Estate detailing the outcomes of the pilot program.

(J) *Commissioner's Authority to Enter into Service Agreements for Marketing, Income Qualification and Other Services.* In furtherance of administering this section, the Commissioner shall have the authority to enter into service agreements with outside providers

selected by the Commissioner to market affordable housing created hereunder and pursuant to other City programs to residents of the Near North/Near West Pilot Area, assist developers of residential housing projects in the Near North/Near West Pilot Area with income qualification of tenants and purchasers of affordable units created hereunder, conduct educational programs for residents of the Near North/Near West Pilot Area regarding the purchase or lease of affordable housing, provide counseling and disseminate information regarding eligibility for affordable housing to residents of the Near North/Near West Pilot Area, and provide other services to ensure that the affordable units created hereunder are effectively marketed and provided to the target populations intended to benefit from such affordable units. Such service agreements may contain terms and conditions that the Commissioner deems appropriate, and the Commissioner shall have the authority to perform any and all acts as shall be necessary or advisable in connection with such service agreements and any renewals thereto, including the expenditure of Affordable Housing Opportunity Fund monies, or other duly appropriated funds, for such agreements.

2-44-100 Milwaukee corridor affordable housing pilot area.

(A) *Title.* This section shall be known and cited as the "Milwaukee Corridor ARO Pilot Area Ordinance".

(B) *Purpose.* The purpose of this section is to establish modified affordable housing requirements for designated neighborhoods along the Milwaukee corridor adjacent to the CTA's Blue Line that are experiencing gentrification. The goals of these modified requirements are to mitigate the displacement impacts associated with gentrification, better protect the interests of the area's economically vulnerable residents from demographic and housing market change, and preserve the economic diversity critical to a healthy economy.

(C) *Relationship to 2015 ARO.* The requirements in this section supplement or modify the affordable housing requirements in Section 2-44-080. In the event of a conflict between these requirements and the requirements in Section 2-44-080, the requirements in this section will control; provided, however, when a residential housing project receives financial assistance from TIF Funds, the requirements set forth in Section 2-44-080 will continue to apply and will control in the event of a conflict, except with respect to the location requirements set forth herein.

(D) *Definitions.* Except as provided below, defined terms shall have the meanings given in Section 2-44-080.

"Additional units" means the extra units required to be affordable under this section in excess of the units required to be affordable under Section 2-44-080.

"Affordable unit" means a housing unit required by this section to be affordable, whether located on-site or off-site and whether a rental unit or an owner-occupied unit.

"Appreciated" is a term used to describe a census tract that: (i) had low to moderate home values in 2000 (i.e., a median home value in the bottom three quintiles of all census tracts in the City), and (ii) high home values in 2015 (i.e., a median home value in the top two quintiles of all census tracts in the City), and (iii) experienced a high appreciation rate between 2000 and 2015 (i.e., appreciation rate in the top two quintiles of all census tracts in the City).

“Demographic change” means a shift in the demographic conditions of an area in which at least three of the following four population changes have occurred from 2010 to 2015, relative to the citywide median: percentage of homeowners has increased; percentage of minorities (as defined in Section 2-92-670) has decreased; percentage of residents with a bachelor's degree or higher has increased; and median household income has increased.

“Ongoing displacement” is a term used to classify census tracts that are in the midst of gentrification. These census tracts: (i) no longer have a vulnerable population, (ii) have undergone demographic change indicative of gentrification, and (iii) have an appreciated market condition, as determined by the Commissioner based upon published data regarding Chicago or area median income, the cost of housing, or other data indicative of gentrification or loss of affordable housing.

“Vulnerable population” means a population with at least three of the following four characteristics based on 2015 data: percentage of renters is higher than the citywide median; percentage of minorities (as defined in Section 2-92-670) is higher than the citywide median; percentage of residents without a bachelor's degree is higher than the citywide median; and median household income is lower than the citywide median.

(E) *Boundaries.* A map of the Milwaukee Corridor Pilot Area is published in the *Journal of the Proceeding of the City Council of the City of Chicago*, October 11, 2017, page 56919, and on file in the Office of the City Clerk and made a part hereof. The boundary lines of the Milwaukee Corridor Pilot Area follow streets, and such boundary lines are to be construed as the centerlines of said streets.

(F) *Stage of Displacement.* The Milwaukee Corridor Pilot Area is characterized primarily by ongoing displacement.

(G) *Modified ARO Requirements.* The requirements of Section 2-44-080 shall apply in the Milwaukee Corridor Pilot Area, except as modified below:

(1) *No In Lieu Fee Option.* The option to pay a fee in lieu of the establishment of affordable units is eliminated in the Milwaukee Corridor Pilot Area.

(2) *Required Percentage of Affordable Units.* The percentage of units required to be affordable in a residential housing project in the Milwaukee Corridor Pilot Area, whether rental or for sale, is increased from 10 percent to 15 percent if all of the affordable units are provided on-site or 20 percent if any affordable units are provided off-site. Notwithstanding the foregoing, whenever the City provides financial assistance, the percentage of units required to be affordable remains 20 percent in accordance with subsection (C)(3) of Section 2-44-080.

(3) *Affordability Standards and Income Eligibility Criteria for Rental Units.* Affordable rental units in the Milwaukee Corridor Pilot Area may be leased to households earning up to eighty percent (80%) of the area median income, but must be affordable to households earning up to sixty percent (60%) of the area median income.

(4) *Location Requirements.* If the developer elects to provide affordable units in an off-site location and the Commissioner approves the developer's off-site proposal under subsection (V) of Section 2-44-080, the off-site units must be located within the Milwaukee Corridor Pilot Area. Such off-site units may be located anywhere in the Milwaukee Corridor Pilot Area, regardless of distance from the residential housing project or income area in which the

residential housing project is located. Notwithstanding the foregoing, when a residential housing project receives financial assistance from TIF Funds, all affordable units must be provided on-site.

(H) *Pending Applications.* This section shall apply to all residential housing projects subject to the affordable housing requirements of Section 2-44-080, unless: (1) an ordinance authorizing a City land sale or financial assistance, as described in Section 2-44-080(C), has been introduced to City Council prior to November 1, 2017; or (2) an ordinance authorizing a rezoning of property, as described in Section 2-44-080(C), has been introduced to City Council and (i) in the case of projects that are subject to planned development review, the Chicago Plan Commission has adopted a resolution recommending approval of the planned development prior to November 1, 2017, or (ii) in the case of any other rezoning of property, the Committee on Zoning, Landmarks and Buildings Standards has voted to approve the rezoning prior to November 1, 2017.

(I) *Rules.* The Commissioner is authorized to adopt such rules as the Commissioner may deem necessary for the proper implementation, administration and enforcement of this section. The Commissioner shall provide an annual report to the City Council Committee on Housing and Real Estate detailing the outcomes of the pilot program.

(J) *Commissioner's Authority to Enter into Service Agreements for Marketing, Income Qualification and Other Services.* In furtherance of administering this section, the Commissioner shall have the authority to enter into service agreements with outside providers selected by the Commissioner to market affordable housing created hereunder and pursuant to other City programs to residents of the Milwaukee Corridor Pilot Area, assist developers of residential housing projects in the Milwaukee Corridor Pilot Area with income qualification of tenants and purchasers of affordable units created hereunder, conduct educational programs for residents of the Milwaukee Corridor Pilot Area regarding the purchase or lease of affordable housing, provide counseling and disseminate information regarding eligibility for affordable housing to residents of the Milwaukee Corridor Pilot Area, and provide other services to ensure that the affordable units created hereunder are effectively marketed and provided to the target populations intended to benefit from such affordable units. Such service agreements may contain terms and conditions that the Commissioner deems appropriate, and the Commissioner shall have the authority to perform any and all acts as shall be necessary or advisable in connection with such service agreements and any renewals thereto, including the expenditure of Affordable Housing Opportunity Fund monies, or other duly appropriated funds, for such agreements.

2-44-110 Participation by eligible persons in eligible programs.

(a) With respect to each Eligible Program (as defined in paragraph (b) below), Eligible Persons (as defined in paragraph (b) below) shall not be subject to the restrictions of Section 2-156-110, but only as that section pertains to the participation of said Eligible Persons under such Eligible Program.

(b) As used in this section:

(i) "Eligible Programs" shall mean: (1) programs administered by the Department (or by delegate agencies or other entities with funds provided, in whole or in part, by the Department) which provide various forms of economic assistance (including, but not limited to, land write-downs and financial assistance in the form of grants, loans, fee waivers

and tax credits) directly to individuals who are tenants in residential buildings in the City or are owner-occupants of one- to four-unit residential buildings in the City (including individuals who are owner-occupants of a condominium unit in the City), or which provide for the rehabilitation of one- to four-unit residential buildings in the City (including one to four condominium units, without regard to the total number of condominium units in the building); and (2) rental subsidy assistance for very low- income households (as "very low-income" may be defined by United States Department of Housing and Urban Development), provided by the Department through The Chicago Low-Income Housing Trust Fund, an Illinois not-for-profit corporation, or through another entity selected by the Commissioner, and which is paid directly to owners of residential buildings in the City.

(ii) With respect to each Eligible Program, "Eligible Persons" shall mean employees and appointed officials of the City (other than those persons described in the next succeeding sentence) who meet the eligibility requirements to participate under such Eligible Program. With respect to each Eligible Program, the following employees and appointed officials of the City shall not constitute "Eligible Persons" for such Eligible Program: any employee or appointed official who, during his/her tenure of employment or appointment, respectively, by the City (1) exercises or has exercised any contract management authority with respect to such Eligible Program, (2) is or was in a position to participate in a decision-making process with respect to such Eligible Program, or with respect to a specific project entered into pursuant to such Eligible Program, or (3) gains or has gained confidential information with regard to such Eligible Program.

(iii) If an employee or appointed official of the City qualifies as an "Eligible Person" pursuant to paragraph (ii) above, the following shall also qualify as "Eligible Persons": (1) such employee's or official's spouse or domestic partner, and (2) any entity in which such employee or official has a "financial interest" (as defined in Section 2-156-010).

(c) The Commissioner is authorized to promulgate rules and prepare forms to effectuate the purposes of this section in conformity, to the extent applicable, with subsection (c) of Section 2-44-050.

2-44-120 Federally assisted housing preservation.

(A) *Title.* This section shall be referred to as the Affordable Housing Preservation Ordinance.

(B) *Definitions.* As used in this section:

"Affordability preservation agreement" means an agreement between the owner and a purchaser: (i) in which the purchaser agrees to maintain the development in a manner that preserves the development's existing affordability restrictions, or (ii) that would qualify the development as affordable housing as defined in the Illinois Affordable Housing Act, and (iii) in which the affordability restrictions set forth in the agreement are memorialized in covenants running with the land, in a form approved by the Commissioner, enforceable by the City as a third party beneficiary. The affordability restrictions in each affordability preservation agreement shall extend for a period as shall be agreed to by the owner and the purchaser and which shall be not less than ten (10) years from the date of the sale or disposition of the development.

"Affordability restrictions" means limits on rents that owners may charge for occupancy of a rental unit in assisted housing and limits on tenant income for persons or families seeking to qualify as tenants in assisted housing.

"Assisted housing" or "assisted housing development" or "development" means a rental housing development, or a mixed-use development that includes rental housing, that receives government assistance under any of the following programs:

- (1) new construction, substantial rehabilitation, moderate rehabilitation, property disposition and loan management set-aside programs, or any other program providing project-based rental assistance, under Section 8 of the United States Housing Act of 1937, as amended;
- (2) the Below-Market-Interest-Rate Program under Section 221(d)(3) of the National Housing Act;
- (3) Section 236 of the National Housing Act;
- (4) Section 202 of the National Housing Act;
- (5) Programs for rent supplement assistance under Section 101 of the Housing and Urban Development Act of 1965, as amended;
- (6) Programs under Section 514 or 515 of the Housing Act of 1949;
- (7) Section 42 of the Internal Revenue Code.

"Bona fide offer" means an offer evidenced by a purchase contract reflecting a sales price and an earnest money deposit equal to at least 5 percent of the sales price identified in the purchase contract.

"Federally Assisted Housing Preservation Act" or "Act" or "State Act" means the Federally Assisted Housing Preservation Act, codified at 310 ILCS 60/1, et seq., as amended.

"H.U.D." means the United States Department of Housing and Urban Development.

"Just cause eviction" means any eviction for serious or repeated violations of the terms and conditions of a lease or occupancy agreement, or for violation of applicable federal, state or local laws or for other good cause.

"Non-qualified entity" means any person or entity that is not a qualified entity.

"Owner(s)" means the person, partnership, corporation, limited liability company or other legal entity that holds title to an assisted housing development.

"Prepay" or "prepay the mortgage" or "prepayment" means the payment in full or refinancing of the federally insured or federally held mortgage indebtedness prior to its original maturity date, or the voluntary cancellation of mortgage insurance, on an assisted housing development described in paragraph (2), (3) or (4) of the definition of "assisted housing" set forth in this subsection, that would have the effect of removing the affordability restrictions applicable to the assisted housing development under the programs described in paragraph (2), (3) or (4) of the definition of "assisted housing" set forth in this subsection.

“Qualified entity” means any person or entity deemed to be a qualified entity by the Commissioner pursuant to subsection (I) of this section.

“Substantial deviation” means any substitution of parties to a contingent sales agreement; any change in sales price of greater than 2 percent; any change in the terms of any owner financing; any change in the allocation of escrow or other fees or costs amongst the parties to the agreement; or any other substantive change to the terms of sale that alters the relative financial position of the parties to the agreement.

“Terminate” or “terminate participation in the federal program” or “termination” means:

(1) the expiration or early termination of an assisted housing development's participation in a federal subsidy program for assisted housing described in paragraph (1) of the definition of “assisted housing” set forth in this subsection; or

(2) the expiration or early termination of an assisted housing development's affordability restrictions described in Section 42(g) of the Internal Revenue Code for assisted housing described in paragraph (7) of the definition of “assisted housing” set forth in this subsection, when that event results in an increase in tenant rents, a change in the form of subsidy from project-based to tenant-based, or a change in the use of the assisted housing development to a use other than rental housing.

(C) *Notification to Department – Required when.* If the owner of an assisted housing development intends to prepay the mortgage, or to terminate participation in the federal program, or to sell or otherwise dispose of an assisted housing development, such owner shall so notify the Department. Such notification shall be given to the Department on the same date that the owner provides or is required to provide such notification to all tenants of the development under the Federally Assisted Housing Preservation Act. Provided, however, that if an owner is not required under Section 8 of the Act to provide notice to tenants of the owner's intent to prepay the mortgage, or to terminate participation in the federal program or to sell or otherwise dispose of the development, the owner shall provide notice to the Department in accordance with the requirements of subsection (F) of this section.

The notice required by this subsection shall be delivered in person or mailed to the Commissioner by certified mail, return receipt requested, on a form provided by the department, and shall contain the following information: (1) the name, address and telephone number of each owner of the development; (2) the address of the development; (3) the nature of the subsidy maintaining the affordability of the development; (4) whether the owner is exempt under Section 8 of the Federally Assisted Housing Preservation Act from providing a notice of intent to tenants, and if exempt, the basis for the exemption; (5) a description of the development, including the number of units comprising the development and the number of bedrooms within each unit; (6) the date on which the owner intends to prepay, terminate, sell or otherwise dispose of the development; (7) a complete and detailed list of all existing affordability restrictions applicable to the development and the units to which these restrictions apply; (8) the development's current rent roll, including each unit number and the monthly rent charged for each unit; (9) the number and location of vacant units in the development; (10) a statement of the development's vacancy rate during the preceding 12 months; (11) a statement of the development's current income and operating expenses; (12) itemized lists of the development's capital expenditures in each of the two preceding calendar years; (13) the amount of project reserves; (14) copies of all financial and physical inspection reports filed with federal, state or local agencies; (15) if the owner intends to sell or otherwise dispose of the development, the

owner's asking price for the development; (16) a complete and detailed list of all affordability restrictions, if any, applicable to the planned disposition of the development; and (17) any other information that the Commissioner may require.

(D) *Unlawful act – Exceptions.* If, after an owner notifies or is required to notify under the Federally Assisted Housing Preservation Act the tenants of an assisted housing development of the owner's intent to prepay the mortgage, or to terminate participation in the federal program or to sell or otherwise dispose of the development, and the tenants of such development (1) do not exercise their right under the Act to form a tenant association, or (2) fail to provide notice to the owner pursuant to Sections 4 or 6 of the Act, or (3) fail to meet any of the requirements of Section 7 of the Act, then it shall be unlawful for the owner to sell or otherwise dispose of the development to any qualified entity or non-qualified entity except in conformity with the requirements of subsection (E) of this section. Provided, however, that this prohibition on the sale or disposal of the development to a non-qualified entity shall not apply if the owner enters into an affordability preservation agreement, as defined in subsection (B) of this section, with a non-qualified entity.

(E) *Contingent sales agreement – Right of first refusal – Required when.* An owner may negotiate with any non-qualified entity that is interested in purchasing an assisted housing development. Provided, however, that any agreement of sale executed between the owner and such non-qualified entity shall be contingent upon the right of first refusal of a qualified entity, unless the owner enters into an affordability preservation agreement, as defined in subsection (B) of this section, with a non-qualified entity.

The contingent sales agreement required by this subsection shall contain the essential terms of the sale, including, at a minimum, the right of first refusal of a qualified entity; the sales price; the terms of seller financing, if any, including the amount, the interest rate and the amortization rate thereof; the terms of assumable financing, if any, including the amount, the interest rate and the amortization rate thereof; and, if applicable, any proposed improvements to the property to be made by the owner in connection with the sale.

Upon execution of such contingent sales agreement, the owner shall provide the Commissioner with a copy of the agreement, which shall be a public record. Upon receipt of the contingent sales agreement, the Commissioner shall immediately make a copy of such agreement available to all qualified entities for their review and consideration. Such qualified entities shall have a period of 120 days, measured from the date of receipt by the Commissioner of a contingent sales agreement meeting the requirements of this subsection, to make a bona fide offer to the owner to purchase the affordable housing development from the owner on terms that are economically substantially identical to the terms of the contingent sales agreement submitted by the owner pursuant to the requirements of this subsection.

If, within the 120-day period provided for in this subsection, a qualified entity makes a bona fide offer to the owner to purchase the affordable housing development from the owner on terms that are economically substantially identical to the terms of the contingent sales agreement and agrees to close on the sale within 120 days from the date the parties sign the contract to purchase the development, the owner shall sell the affordable housing development to the qualified entity upon those terms. If more than one qualified entity submits an offer to purchase the affordable housing development, the owner shall select from among such offers and shall sell the development pursuant to the terms of the selected offer. The owner shall enter into an affordability preservation agreement with the qualified entity purchasing the affordable

housing development. Nothing in this subsection shall be construed to require any owner to extend any form of owner financing to a qualified entity.

If, within the 120-day period provided for in this subsection, a qualified entity fails to make a bona fide offer to the owner to purchase the affordable housing development from the owner on terms that are economically substantially identical to the terms of the contingent sales agreement, or fails to agree to close on the sale within 120 days from the date the parties sign the contract to purchase the development, or fails to close on the sale within 120 days of such date, the owner may sell the development to the non-qualified entity identified in the contingent sales agreement submitted by the owner in accordance with the requirements of this subsection. Provided, however, that any substantial deviation in the terms of sale from those set forth in such contingent sales agreement or the failure of the non-qualified entity identified in such contingent sales agreement to close on the sale of the development shall require the owner to resubmit any new terms of sale to the Commissioner for distribution to all qualified entities in conformity with the requirements of this subsection.

(F) *Duties of owners exempt from compliance with the State Act.* Except as otherwise provided in subsection (G) of this section, if an owner is not required under Section 8 of the Federally Assisted Housing Preservation Act to provide notice to tenants of the owner's intent to prepay the mortgage, or to terminate participation in the federal program, or to sell or otherwise dispose of the assisted housing development, such owner shall provide such notice to the Department, not less than 12 months before the prepayment, termination, sale or disposal occurs, in conformity with the applicable requirements of subsection (C) of this section. It shall be unlawful for such owner to sell an affordable housing development to any qualified entity or non-qualified entity except in accordance with the requirements of subsection (E) of this section. Provided, however, that this prohibition on the sale or disposal of the development to a nonqualified entity shall not apply if the owner enters into an affordability preservation agreement, as defined in subsection (B) of this section, with a non-qualified entity.

(G) *Exceptions.* Notwithstanding any other provision of this section, the requirements of this section shall not apply to: (1) any sale or other disposition of assisted housing in a manner pursuant to which the development, after the sale or other disposition, continues to be assisted housing as defined in subsection (B) of this section; or (2) any government taking of an assisted housing development by eminent domain or negotiated purchase; or (3) any forced sale of a development to an entity not affiliated with the owner pursuant to a foreclosure; or (4) any other involuntary sale, transfer or other disposition of assisted housing which occurs without the consent (whether direct, indirect, express or implied) of the owner of such assisted housing.

(H) *Duties of owner relative to existing tenancies.* To the extent allowed by H.U.D., an owner shall: (1) maintain in good standing any available H.U.D. Section 8 contract, executed pursuant to the United States Housing Act of 1937, as amended, during the notice period set forth in subsection (C) of this section and during both of the 120-day periods identified in subsection (E) of this section; and (2) refrain from taking any action, other than notifying H.U.D. of the owner's intention to prepay the mortgage, or to terminate participation in the federal program or to sell or otherwise dispose of the development, that would preclude a qualified entity or other potential purchaser of the development from succeeding to the contract or negotiating with the owner for purchase of the development during the time periods set forth in item (1) of this subsection. No owner shall disturb any tenancy, other than for a just cause eviction, during the time periods set forth in item (1) of this subsection.

(I) *Duties of the Commissioner – Qualified entities – Eligibility criteria.* The Commissioner shall establish and maintain a list of qualified entities who are interested in and capable of maintaining an assisted housing development in a manner that preserves the development's existing affordability restrictions or qualifies the housing development as affordable housing within the meaning of the Illinois Affordable Housing Act. No entity shall be deemed to be a qualified entity by the Commissioner, unless such entity is capable of demonstrating compliance with the following eligibility criteria:

- (1) a history of providing safe and sanitary affordable housing services;
- (2) sufficient capacity to provide additional affordable housing services in the City, demonstrated through the adequacy of current fiscal and administrative resources;
- (3) a history of encouraging and facilitating resident participation while providing affordable housing services;
- (4) a history of sound fiscal management of affordable housing services; and
- (5) adoption of; and compliance with, standards of financial accountability that conform to applicable state and/or federal law.

The Commissioner shall: (i) ensure that all notices and contingent sales agreements received by the Department from owners pursuant to the requirements of this section are posted on the City of Chicago website without delay; (ii) periodically notify owners of assisted housing developments of the owner's duties and obligations under this section; and (iii) remove from the list of qualified entities any entity that fails to continue to meet the eligibility criteria set forth in items (1) through (5) of this subsection.

(J) *Rules.* The Commissioner shall have the authority to promulgate rules necessary to implement the requirements of this section.

(K) *Penalties.* Any person who violates this section shall be fined not less than \$200.00 nor more than \$1,500.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply.

(L) *Private right of action.* Any aggrieved person, including but not limited to any tenant or tenant association, may enforce the provisions of this section by means of a civil action in which the court may provide injunctive relief or award treble damages and the plaintiff's court costs and reasonable attorney fees.

(M) *Remedies cumulative.* The penalties and remedies provided in this section shall be in addition to any other penalty or remedy provided by law.

2-44-130 Condominium conversion of subsidized rental property.

(A) If the owner of a property containing subsidized housing records a declaration pursuant to the requirements of the Condominium Property Act, codified at 765 ILCS 605/1, et seq., as amended, such owner shall so notify the Department. Such notification shall be given to the Department on the same date that the owner records or is required to record the declaration. The notice required by this section shall be delivered in person or mailed to the Commissioner by certified mail, return receipt requested, on a form provided by the Department, and shall contain the following information: (1) whether the property owner has notified the

tenants of the property identified in the declaration that a declaration has been filed, and, if so, the date the tenants were so notified; (2) the estimated time frame of conversion; (3) whether the owner has a relocation plan for tenants, and, if so, the nature of the plan; and (4) whether federal funds are being used for the conversion, and, if so, the nature of the federal funds, including any affordability restrictions on the use of such funds. Upon receipt of the notice, the Commissioner shall immediately make a copy of such notice available to any entity designated as a qualified entity pursuant to Section 2-44-120 of this Code. Any person who violates this section shall be fined not less than \$500.00 nor more than \$1,500.00 for each offense. Each day that a violation continues shall constitute a separate and distinct offense.

(B) As used in this section:

“Declaration” means the declaration referred to in the Condominium Property Act.

“Subsidized housing” means any housing or unit of housing subject to a Section 8 contract with the United States Department of Housing and Urban Development entered into pursuant to Section 8 of the United States Housing Act of 1937, as amended.

SECTION 2. Section 2-45-010 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-010 Establishment – Composition.

There is hereby established an executive department of the municipal government of the city, which shall be known as the ~~department of planning and development~~ Department of Planning and Development. The ~~department~~ Department shall include the ~~commissioner of planning and development~~ Commissioner of Planning and Development, and such deputies, assistants and other employees as may be provided by annual appropriation ordinance.

SECTION 3. Section 2-45-020 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-020 Definitions.

As used in the chapter, unless the context requires otherwise:

~~“commissioner” means the commissioner of planning and development, and~~
~~“department” means the department of planning and development.~~

“Commissioner” means the Commissioner of Planning and Development.

“Department” means the Department of Planning and Development.

SECTION 4. Section 2-45-030 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-030 Commissioner of ~~planning and development~~ Planning and Development – Appointment.

There is hereby created the office of the ~~commissioner of planning and development~~ Commissioner of Planning and Development. The ~~commissioner~~ Commissioner shall be appointed by the ~~mayor~~ Mayor, by and with the advice and consent of the ~~city council~~ City Council.

SECTION 5. Section 2-45-040 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-040 Commissioner of ~~planning and development~~ Planning and Development – Powers and duties.

(a) The ~~commissioner~~ Commissioner has the authority to develop and administer programs and policies to encourage and promote the retention and expansion of existing commercial and industrial businesses within the city, and the attraction of new businesses to the city, and to encourage and promote workforce development and the availability of adequate and affordable housing in the city.

It shall be the duty of the ~~commissioner~~ Commissioner to post the Tax Increment Financing (T.I.F.) documents required by Section 2-45-155 on the department's website.

The ~~commissioner~~ Commissioner has the authority to administer workforce development programs that will: (1) include a citywide service delivery system which responds to employer needs; and (2) cultivate public and private relationships that increase employment opportunities for Chicagoans and prepare Chicagoans for the global workplace.

~~It shall be the duty of the commissioner to supervise and coordinate the formulation and execution of projects and programs affecting housing within the city of Chicago, including projects and programs relating to construction, purchasing, financing, leasing, maintenance, rehabilitation and relocation services, and to render necessary related service, as requested, to the mayor, the city council and its committees. The commissioner shall also have authority to manage residential properties acquired by the city, including authority to negotiate and execute leases of units within such properties. The commissioner~~ Commissioner shall also have authority to expend legally available funds for the purpose of assisting the Chicago Housing Authority in maintaining and improving its property, including but not limited to, property repairs and rehabilitation, purchase and installation of fencing and other security measures and devices, nuisance abatement, playground construction and other site improvements. The ~~commissioner~~ Commissioner may enter into cooperative agreements with the Chicago Housing Authority when performing his powers under this section. Such agreements shall not authorize the use of city funds for purposes of demolition or major capital projects.

The department Department may act as agent for the city City in the management, demolition, site preparation and disposition of any property acquired pursuant to Chapter 2-124 or otherwise and may, subject to such approval of the ~~city council~~ City Council as the code Code requires, sell surplus land pursuant to Chapters 2-158 and 2-159 of this Code.

It shall be the duty of the ~~commissioner~~ Commissioner to: (1) to supervise and coordinate the formulation and execution of projects and programs affecting the present and future physical and social environment of the city City to the extent they relate to zoning and

land use planning, including industrial development and growth, development of the city's City's central and outlying business areas, development of culture and art, redevelopment, employment opportunities, ~~housing~~, public transportation, streets and expressways, parks and recreation, airports and harbors, water and sewers, libraries, education, the environment, health and the preservation of historical areas and landmarks; (2) to keep and permanently maintain on File for public inspection a bound copy of the Chicago Historic Resources Survey published in 1996; (3) upon receipt by the landmarks division, to post any application for a demolition permit submitted pursuant to Section 13-32-230(b) on the City of Chicago website for a period of at least 120 days after the application is approved or denied by the department of buildings Department of Buildings; (4) to conduct research and demographic studies; (5) to create, maintain and expand plans for the City of Chicago; (6) to review and recommend necessary amendments to the Chicago Zoning Ordinance; (7) to exercise the powers and duties of the commissioner Commissioner as provided in the Chicago Zoning Ordinance; and (8) to render necessary services, as requested, to the mayor Mayor; and to the city council City Council and its committees; and (9) adopt such rules as the Commissioner may deem necessary or appropriate for the proper administration and enforcement of this Chapter 2-45 and the provisions of this Code pertaining to the rights, powers, duties, obligations and responsibilities of the Department.

(b) The powers and duties in this section that are also conferred upon the Commissioner and Department of Housing, including but not limited to the authority to promulgate rules governing the same subject matter, shall, to the extent feasible, be carried out in consultation and coordination with that Department in order to promote consistency, efficiency and effectiveness.

SECTION 6. Section 2-45-045 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows;

2-45-045 Department – Composition – Zoning Administrator.

The ~~department~~ Department shall include such divisions as may be necessary or desirable to enable the performance of the duties of the ~~commissioner~~ Commissioner as set forth in this chapter. The ~~department~~ Department shall furnish services necessary and proper to the functioning of the Chicago ~~plan commission, the capital improvements advisory committee~~ Plan Commission, the Capital Improvements Advisory Committee and such other offices and agencies as are appropriate. There is created within the ~~department~~ Department the ~~office of zoning administrator~~ Office of the Zoning Administrator who shall have the powers and duties prescribed for that ~~office~~ Office in the Chicago Zoning Ordinance and other provisions of this Code.

SECTION 7. Section 2-45-047 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-047 Proposals affecting zoning or land use planning.

Prior to approval or passage by the ~~city council~~ City Council, all proposals affecting the zoning or planning of the city City shall be referred in writing by the departments, ~~city council~~

City Council committees or agencies originating or having charge or jurisdiction of such proposals, to the ~~commissioner~~ Commissioner and the ~~plan commission~~ Plan Commission for study, recommendation and report.

SECTION 8. Section 2-45-050 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-050 Transfer of rights, powers and duties.

The ~~commissioner~~ Commissioner and the ~~department~~ Department shall, respectively, assume all rights, powers, duties, obligations and responsibilities of the following: (1) the former ~~commissioner and department of community development~~ Commissioner and Department of Community Development, and (2) the former ~~commissioner and department of zoning and land use planning~~ Commissioner and Department of Zoning and Land Use Planning, including the rights, powers, duties and obligations of the former ~~commissioner~~ Commissioner serving ex officio as ~~zoning administrator~~ Zoning Administrator. All such personnel, books, records, property and funds relating to such powers transferred from such former departments are transferred to the ~~department~~ Department. The ~~commissioner~~ Commissioner shall succeed such former commissioners in the administration of any federal, state, local or private grant or loan programs relating to such transferred powers. The ~~commissioner~~ Commissioner shall succeed to the rights and duties of such former commissioners under existing contracts, grant agreements, redevelopment agreements, leases, indentures or other agreements or ordinances. All rules ~~or regulations~~ issued by the former commissioners relating to such transferred powers in effect as of the effective date of this chapter shall remain in effect until amended or repealed by the ~~commissioner~~ Commissioner.

SECTION 9. Section 2-45-055 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-055 Planned developments.

The ~~commissioner~~ Commissioner is authorized to administer and review planned development ordinances, including any provisions of the Chicago Zoning Ordinance applicable to such ordinances and shall consult with the Commissioner of Housing with respect to any planned development that includes affordable units required under Sections 2-44-070, 2-44-080, 2-44-090, and 2-44-100 of the Municipal Code.

SECTION 10. Section 2-45-060 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-060 Formulation and execution of programs.

In the performance of his duties, the ~~commissioner~~ Commissioner may consult with such units and agencies of local, state and federal government, and with such community organizations, labor and business organizations, professional and technical organizations and

other groups and agencies as may provide assistance to the ~~department~~ Department in the formulation and execution of the programs herein described.

SECTION 11. Section 2-45-070 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-070 Divisions of the department.

The ~~department~~ Department shall include such divisions as may be necessary or desirable to enable the ~~commissioner~~ Commissioner to perform his duties ~~as herein set forth~~. The ~~department~~ Department shall furnish services necessary and proper to the functioning of the ~~community development commission~~ Community Development Commission, the Chicago Plan Commission, the Commission on Chicago Landmarks and such other offices and agencies as are appropriate.

SECTION 12. Section 2-45-080 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-080 Assistance from residents.

The ~~commissioner~~ Commissioner shall have the authority to designate any appropriate citizen participation process and procedure ~~which~~ that will ensure the involvement of residents in the activities of the ~~department~~ Department. ~~The~~ Such process shall include the solicitation of advice, guidance and assistance from residents in the areas of activity in which ~~the~~ the ~~department~~ Department is involved.

SECTION 13. Section 2-45-090 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-090 Workforce development – purpose Purpose and intent.

The ~~department~~ Department shall promote the idea that genuine neighborhood revitalization requires strong human capital development and job growth. The ~~department~~ Department will align services for essential employer physical needs with services supporting employee human capital development, working with both simultaneously to grow and diversify the Chicago economy.

The ~~department~~ Department shall identify opportunities for a workforce development component, activities and initiatives within economic development projects and programs, such as within agreements between the City and Chicago businesses as part of redevelopment or planned development agreements. This component may include working with the ~~department of family and support services~~ Department of Family and Support Services for the leveraging of

funds through the Workforce Investment Act or successor federal Acts to provide worker training and recruitment activities to the business community.

SECTION 14. Section 2-45-100 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-100 Program applications, administration and closing costs – Fees.

The ~~commissioner~~ Commissioner shall have the authority to charge fees in the amount specified and as provided in this section for the processing of program applications and administration and closing costs: (1) of programs administered by the ~~department~~ Department, and (2) relating to the sale of city-owned property. Such fees shall be made payable to the ~~department of finance~~ Department of Finance. The fees shall be nonrefundable and shall not guarantee approval of an application or adequacy of funding. The amount of such fees shall be as follows:

(Omitted text is unaffected by this ordinance)

The ~~commissioner~~ Commissioner may also specify that certain project and land sale-related out-of-pocket expenses, such as recording and filing fees, title search fees, appraisal fees and credit report charges, shall be the responsibility of the applicant or purchaser, ~~as the case may be~~ applicable.

SECTION 15. Section 2-45-100 of the Municipal Code of Chicago is hereby repealed in its entirety.

SECTION 16. Section 2-45-115 of the Municipal Code of Chicago is hereby repealed in its entirety.

SECTION 17. Section 2-45-117 of the Municipal Code of Chicago is hereby repealed in its entirety.

SECTION 18. Section 2-45-119 of the Municipal Code of Chicago is hereby repealed in its entirety.

SECTION 19. Section 2-45-120 of the Municipal Code of Chicago is hereby repealed in its entirety.

SECTION 20. Section 2-45-130 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-130 Participation by eligible persons in eligible programs.

(Omitted text is unaffected by this ordinance)

(b) As used in this section:

(i) "Eligible Programs" shall mean (1) programs administered by the ~~department~~ Department (or by delegate agencies or other entities with funds provided, in whole or in part, by the ~~department~~ Department), which provide various forms of economic assistance (including, but not limited to, land write-downs and financial assistance in the form of grants, loans, fee waivers and tax credits) directly to individuals who are tenants in residential buildings in the City or are owner-occupants of one- to four-unit residential buildings in the City (including individuals who are owner-occupants of a condominium unit in the City), or which provide for the rehabilitation of one- to four-unit residential buildings in the City (including one to four condominium units, without regard to the total number of condominium units in the building); and (2) rental subsidy assistance for very low- income households (as "very low-income" may be defined by United States Department of Housing and Urban Development), provided by the department through The Chicago Low-Income Housing Trust Fund, an Illinois not-for-profit corporation, or through another entity selected by the ~~commissioner~~ Commissioner, and which is paid directly to owners of residential buildings in the City.

(ii) With respect to each Eligible Program, "Eligible Persons" shall mean employees and appointed officials of the City (other than those persons described in the next succeeding sentence) who meet the eligibility requirements to participate under such Eligible Program. With respect to each Eligible Program, the following employees and appointed officials of the City shall not constitute "Eligible Persons" for such Eligible Program: any employee or appointed official who, during his/her tenure of employment or appointment, respectively, by the City (1) exercises or has exercised any contract management authority with respect to such Eligible Program, (2) is or was in a position to participate in a decision-making process with respect to such Eligible Program, or with respect to a specific project entered into pursuant to such Eligible Program, or (3) gains or has gained confidential information with regard to such Eligible Program.

(iii) If an employee or appointed official of the City qualifies as an "Eligible Person" pursuant to paragraph (ii) above, the following shall also qualify as "Eligible Persons": (1) such employee's or official's spouse or domestic partner, and (2) any entity in which such employee or official has a "financial interest" (as defined in Section 2-156-010).

(c) The ~~commissioner~~ Commissioner is authorized to promulgate rules and ~~regulations~~ and prepare forms to effectuate the purposes of this section in conformity, to the extent applicable, with subsection (b) of Section 2-45-040.

SECTION 21. Section 2-45-140 of the Municipal Code of Chicago is hereby repealed in its entirety.

SECTION 22. Section 2-45-150 of the Municipal Code of Chicago is hereby repealed in its entirety.

SECTION 23. Section 2-45-155 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-45-155 Tax increment financing (T.I.F.) Sunshine ordinance.

The following T.I.F.-related documents for each active T.I.F. district shall be made publicly available on the ~~department's~~ Department's website:

(Omitted text is unaffected by this ordinance)

All such ordinances as described in (1) and (2) above shall be made available on the City of Chicago website within seven business days of their publication in the ~~Journal of the Proceedings of the City Council of the City of Chicago~~ Journal of the Proceedings of the City Council of the City of Chicago. All such documents as described in (3), (4) and (5) above shall be made available on the ~~department's~~ Department's website within fourteen business days of their completion in final form.

(Omitted text is unaffected by this ordinance)

SECTION 24. Section 2-51-050 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-51-050 Commissioner of fleet and facility management – Powers and duties.

The ~~commissioner of fleet and facility management~~ Commissioner of Fleet and Facility Management shall have the following duties and responsibilities:

a. To operate, manage and maintain: (1) all public buildings and public grounds owned or occupied by the city, subject to lease provisions, except (i) airport properties; or (ii) the public way and public transit rights of way; or (iii) properties managed by the ~~department of planning and development~~ Department of Planning and Development or Department of Housing; or (iv) property within any redevelopment or project area designated by the community development commission pursuant to the provisions of Chapter 2-124 of this Code; or (v) the sale of surplus land pursuant to Chapters 2-158 and 2-159 of this Code, and except as may otherwise be provided by this Code; and (2) the Chicago Riverwalk as defined in Section 2-32-1300(a);

(Omitted text is unaffected by this ordinance)

d. Subject to approval of the city council, to negotiate to purchase, sell, lease or let real estate and to purchase, sell, lease or let real estate on behalf of the city; provided, however, that this provision shall not apply to (i) airport developments; or (ii) street or public transit improvements; or (iii) properties managed by the ~~department of planning and development~~ Department of Planning and Development or Department of Housing; or (iv) property within any redevelopment or project area designated by the community development commission pursuant to the provisions of Chapter 2-124 of this Code; or (v) the sale of surplus land pursuant to Chapters 2-158 and 2-159 of this Code.

(Omitted text is unaffected by this ordinance)

SECTION 25. Section 2-92-325 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-92-325 Predatory lenders.

(Omitted text is unaffected by this ordinance)

(d) ~~The chief financial officer~~ Chief Financial Officer or the ~~city comptroller~~ City Comptroller, together with the ~~chief procurement officer~~ Chief Procurement Officer, Commissioner of Housing and the ~~commissioner of planning and development~~ Commissioner of Planning and Development, may suspend the ineligibility of a financial institution in order to allow execution of a contract with the financial institution upon written application by the head of a ~~city~~ City agency or department affected by the proposed contract, setting forth facts sufficient in the judgment of the ~~chief procurement officer~~ Chief Procurement Officer to establish:

(i) that the public health, safety or welfare of the ~~city~~ City requires the goods or services of the financial institution; and

(ii) that the ~~city~~ City is unable to acquire the goods or services at comparable price and quality, and in sufficient quantity from other sources.

SECTION 26. Section 2-92-440 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-92-440 Award goal – Implementation.

In order to achieve the goal stated in Section 2-92-430 of this chapter, the chief procurement officer shall undertake, in addition to the other measures provided herein, the following measures:

(Omitted text is unaffected by this ordinance)

(j) Working, ~~as applicable,~~ with the ~~department of planning and development~~ Department of Planning and Development or Department of Housing, review the bonding and insurance requirements applicable to MBEs and WBEs;

(Omitted text is unaffected by this ordinance)

SECTION 27. Section 2-120-380 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-120-380 Membership, organization and meetings.

The Chicago plan commission shall be composed of ~~22~~ 23 members: ten members who are lay citizens, to be appointed by the mayor with the approval of the city council, and ex officio the mayor, the commissioner of planning and development, the commissioner of housing, the zoning administrator, the commissioner of transportation, the chairman of the city council committee on zoning, landmarks and building standards, the chairman of the city council committee on finance, the chairman of the city council committee on housing and real estate, the chairman of the city council committee on pedestrian and traffic safety, the chairman of the city council committee on special events, cultural affairs and recreation, the chairman of the city council committee on economic, capital and technology development, the general superintendent and chief executive officer of the Chicago Park District and the chairman of the board of the Chicago Transit Authority. The mayor shall designate a chairman and vice-chairman from among the appointed members. The appointed members shall hold no other public office except where such public office is nonsalaried and no fees or emoluments are derived therefrom.

(Omitted text is unaffected by this ordinance)

SECTION 28. Section 2-124-030 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-124-030 Commission – Powers and duties.

(Omitted text is unaffected by this ordinance)

Nothing in this chapter shall limit the power of the corporate authorities to exercise the foregoing powers notwithstanding any action or failure to act pursuant to this chapter, and nothing in this chapter shall limit the authority of the ~~commissioner of planning and development~~ Commissioner of Planning and Development to exercise powers pursuant to Chapter 2-45 or to limit the authority of the Commissioner of Housing to exercise powers pursuant to Chapter 2-44 of this Code.

(Omitted text is unaffected by this ordinance)

(b) The commission shall have and exercise the following powers with respect to the development and redevelopment of any area:

(Omitted text is unaffected by this ordinance)

(3) Approve such agreements and undertakings in connection with the disposition of any interest in land which will bind the purchaser to redevelop the area in accordance with the redevelopment plan and the objectives contained therein. The commission may approve proposals negotiated with any person by the commissioner of planning and development or his or her designee, or by the commissioner of housing or his or her designee, for the purchase, lease or other transfer of any real property acquired pursuant to this chapter and shall consider all redevelopment and rehabilitation proposals submitted to it and the financial and legal ability of the persons making such proposals to carry them out.

(Omitted text is unaffected by this ordinance)

SECTION 29. Section 2-156-110 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-156-110 Interest in city business.

(Omitted text is unaffected by this ordinance)

(e) As used in this section, the terms "Eligible Persons" and "Eligible Programs" have the meanings provided in Section 2-44-110 and Section 2-45-130 and shall be determined, as applicable, by the Department of Housing or Department of Planning and Development ~~department of planning and development.~~

SECTION 30. Section 5-12-170 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

5-12-170 Summary of ordinance attached to rental agreement.

The ~~commissioner~~ Commissioner of the ~~department of planning and development~~ Housing shall prepare a summary of this chapter, describing the respective rights, obligations and remedies of landlords and tenants hereunder, and shall make such summary available for public inspection and copying. The commissioner shall also, after the city comptroller has announced the rate of interest on security deposits on the first business day of the year, prepare a separate summary describing the respective rights, obligations and remedies of landlords and tenants with respect to security deposits, including the new interest rate as well as the rate for each of the prior two years. The commissioner shall also distribute the new rate of security deposit interest, as well as the rate for each of the prior two years, through public service announcements to all radio and television outlets broadcasting in the city. A copy of such summary shall be attached to each written rental agreement when any such agreement is initially offered to any tenant or prospective tenant by or on behalf of a landlord and whether

such agreement is for a new rental or a renewal thereof. Where there is an oral agreement, the landlord shall give to the tenant a copy of the summary.

(Omitted text is unaffected by this ordinance)

SECTION 31. Section 5-15-030 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

5-15-030 Preservation fees.

Any preservation fee remitted pursuant to this chapter shall be calculated by the Commissioner of ~~Planning and Development~~ Housing. The formula for determining such fees may be adjusted annually based upon the United States Bureau of Labor Statistics's Consumer Price Index for all Urban Consumers for the Chicago metropolitan area, or, if this index no longer exists, some other comparable index, selected by the Commissioner of ~~Planning and Development~~ Housing in his reasonable discretion.

SECTION 32. Section 5-15-040 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

5-15-040 SRO Improvement and Stabilization Program.

(a) The Commissioner of ~~Planning and Development~~ Housing is authorized and instructed to establish an SRO Improvement and Stabilization Program to incentivize the preservation of well-maintained SRO units. All preservation fees collected pursuant to this chapter shall be utilized solely for purposes related to the operation of the SRO Improvement and Stabilization Program.

(Omitted text is unaffected by this ordinance)

(c) As part of the SRO Improvement and Stabilization Program, the Commissioner of ~~Planning and Development~~ Housing shall investigate the possibility of securing incentives that are outside the authority of the City to provide, including, but not limited to, property tax credits from Cook County for owners of SROs who maintain affordable housing.

SECTION 33. Section 5-15-050 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

5-15-050 Sales and transfers of SROs.

(a) Unless exempt pursuant to subsection 5-15-050(b), before selling or otherwise transferring ownership of an SRO, the owner shall meet the requirements described in either subsection 5-15-050(a)(1) or subsection 5-15-050(a)(2).

(1) (A) The owner may choose to:

(i) provide to the Department of ~~Planning and Development~~ Housing by first class mail, and to the residents of the SRO by hand delivery and first class mail, at least 180 days' notice of the proposed sale or transfer of the property;

(Omitted text is unaffected by this ordinance)

SECTION 34. Section 5-15-060 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

5-15-060 Anti-displacement and relocation requirements.

(a) *Long-term residents.* Each resident of an SRO that is scheduled to be demolished, converted, or sold or otherwise transferred, who has resided at the property for at least 32 consecutive days immediately preceding the date the owner initiates, as applicable, either the demolition or conversion, or the sales process described in Section 5-15-050(a), shall be considered a long-term resident. Each owner of an SRO who intends to convert, demolish, or sell or otherwise transfer the property in a manner that will result in the displacement of residents shall submit a list of all long-term residents to the Commissioner of ~~Planning and Development~~ Housing and, where applicable, to the purchaser of the property.

(Omitted text is unaffected by this ordinance)

(1) In situations where conversion or construction renders the SRO temporarily uninhabitable, the owner shall arrange for comparable temporary accommodations, as defined by the Commissioner of ~~Planning and Development~~ Housing, for each resident who is invited and intends to return to the property, as well as all reasonable moving and related expenses, not to exceed one month's rent (or the amount of rent the resident has paid over the most recent 30 days, if rent is not paid on a monthly basis).

(Omitted text is unaffected by this ordinance)

SECTION 35. Section 5-15-110 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

5-15-110 Rules and regulations.

The Commissioner of ~~Planning and Development~~ Housing is authorized to adopt such rules and regulations as the Commissioner may deem necessary for the proper administration and enforcement of this chapter.

SECTION 36. Section 5-24-010 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

5-24-010 Definitions.

For purposes of this section, the following words and phrases shall have the following meanings:

(Omitted text is unaffected by this ordinance)

“Commissioner” means the commissioner of ~~planning and development~~ Planning and Development or the Commissioner of Housing, as applicable, and their respective designees.

(Omitted text is unaffected by this ordinance)

SECTION 37. Section 17-17-0264 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through, as follows:

17-17-0264 Government-Subsidized (Dwelling Unit). A *dwelling unit* that is financed in whole or in part with federal, state or local ~~(Chicago Department of Planning and Development)~~ financial assistance.

ARTICLE II. FOOD CODE

SECTION 1. Chapter 4-8 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-8-010 Definitions.

The following definitions shall apply in the interpretation and the enforcement of this chapter and chapters 7-38, 7-40, and 7-42 of this Code, unless the context clearly indicates that another meaning is intended. The listing of items as examples in any definition is intended to be illustrative and not exhaustive.

(Omitted text is unaffected by this ordinance)

“Core item” shall have the meaning ascribed to that term by the ~~2013 edition of the FDA Food Code, PB2013-110462, ISBN 978-1-935239-02-4.~~

(Omitted text is unaffected by this ordinance)

“Easily cleanable” shall have the meaning ascribed to that term by the ~~2013 edition of the FDA Food Code, PB2013-110462, ISBN 978-1-935239-02-4.~~

(Omitted text is unaffected by this ordinance)

"Equipment" shall have the meaning ascribed to that term by the ~~2013 edition of the FDA Food Code, PB2013-110462, ISBN 978-1-935239-02-4.~~

"FDA" means the U.S. Food and Drug Administration.

"FDA Food Code" means the most current version of the FDA Food Code, as adopted at 77 Ill. Adm. Code 750.5.

(Omitted text is unaffected by this ordinance)

"Food" shall have the meaning ascribed to that term by the ~~2013 edition of the FDA Food Code, PB2013-110462, ISBN 978-1-935239-02-4.~~

"Food-contact surfaces" shall have the meaning ascribed to that term by the ~~2013 edition of the FDA Food Code, PB2013-110462, ISBN 978-1-935239-02-4.~~

(Omitted text is unaffected by this ordinance)

"Food safety operations" or "food safety requirements" means all practices involving sanitation; food storage; food preparation; use of ~~potentially-hazardous-time/temperature control for safety~~ foods; food service; food handling by personnel; manual cleaning and sanitizing of multi-use eating and drinking utensils and equipment; plumbing and toilet and lavatory facilities; storage of garbage and rubbish; insect and vermin control; poisonous compounds; cleaning operations; outdoor maintenance; dressing rooms, lockers and other storage areas provided for use by shared kitchen users; and any other subject matter determined by the Department of Health to be relevant to food safety.

(Omitted text is unaffected by this ordinance)

"Priority item" shall have the meaning ascribed to that term by the ~~2013 edition of the FDA Food Code, PB2013-110462, ISBN 978-1-935239-02-4.~~

"Priority foundation item" shall have the meaning ascribed to that term by the ~~2013 edition of the FDA Food Code, PB2013-110462, ISBN 978-1-935239-02-4.~~

(Omitted text is unaffected by this ordinance)

"Time/temperature control for safety food" shall have the meaning ascribed to that term by the ~~2013 edition of the FDA Food Code, PB2013-110462, ISBN 978-1-935239-02-4.~~

(Omitted text is unaffected by this ordinance)

"Utensils" shall have the meaning ascribed to that term by the FDA Food Code; means ~~any kitchenware, tableware, glassware, cutlery, containers or other equipment with which food and drink comes in contact during storage, preparation, transportation or serving.~~

(Omitted text is unaffected by this ordinance)

4-8-048 Applicants – Operating under supervision of outside health department.

(Omitted text is unaffected by this ordinance)

(b) Applicants for a mobile food vendor license to engage in a mobile food dispenser, mobile prepared food vendor, mobile frozen desserts vendor, or mobile food preparer business who are located outside of the jurisdiction of the department of health may obtain a license from the City of Chicago; provided, that the vehicle does comply with the applicable requirements of this Code and (i) the mobile food dispenser, prepared food vendor or mobile frozen desserts vendor applicant does dispense foods which are prepared and wrapped in a commissary which conducts its operations under the supervision of a state or local health authority; or (ii) the mobile food preparer applicant prepares food in compliance with rules of board of the Department of Health and the applicant conducts its operations under the supervision of a state or local health authority; provided that the ordinances regulating mobile food dispensers, prepared food vendors, mobile frozen desserts vendors and mobile food preparers are substantially equivalent to this chapter. The applicant shall, in addition to the application, provide inspection reports and a copy of their business license from the state or local health authority in the jurisdiction where the food source or commissary is located, indicating compliance with such provisions. If such documentation is not available, approval shall be granted by the department of health, if the department determines that applicable health standards are satisfied. The Department of Health may require food to be submitted for laboratory testing.

SECTION 2. Chapter 7-38 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

7-38-005 Food requirements.

All food shall be obtained from approved sources as defined by the rules of the Department of Health. All food shall be protected from contamination and the elements while being stored, prepared, displayed or sold at a food establishment and during transportation to or between such establishments or vending machine locations, and so shall all food equipment, containers, utensils, food-contact surfaces and devices and vehicles, in accordance with the provisions of this chapter, Chapters 4-8, 7-40 and 7-42 of this Code and the rules of the Department of Health.

7-38-012 Food handling and service sanitation certificates.

All food establishments shall employ and have present on the premises at all times that time/temperature control for safety food is being prepared, held for service, or served, a person in charge who holds a Department of Health food service sanitation certificate. Certification shall be achieved by successfully completing a Department approved food safety course and monitored examination offered by a Department approved provider and payment of a \$45.00 certificate fee to the Department of Health. Each certificate shall expire five years from the date that the individual successfully completes the examination. Every such original and valid food service sanitation certificate shall be posted conspicuously in that part of the retail food establishment to which the public has access. A food service sanitation certificate may be suspended or revoked by the Department of Health when an establishment under the control of

the certificate holder has a record of repeated violations this Code or the rules and of the Department of Health.

7-38-025 Equipment standards.

All equipment and utensils shall be so designed and of such material and workmanship as to be smooth, easily cleanable, and durable, kept in good repair, and in all other ways compliant in compliance with the rules of the Department of Health.

7-38-030 Compliance with city rules

(Omitted text is unaffected by this ordinance)

(d) All food establishments, including mobile food vendors, shall comply with all applicable rules of the Department of Health.

7-38-132 Sinks, water storage tanks and other plumbing requirements.

All mobile food dispenser vehicles that engage in a final preparation step as defined in the rules of the Department of Health shall be equipped with a handwashing sink and an adequate supply of running hot and cold water. The water storage tank shall be self-draining and cleaned and flushed not less than twice in each six-month period. Liquid waste from the handwashing sink shall be piped in fixed piping to a liquid waste retention tank 50 percent larger than the water storage tank. The liquid waste retention tank shall be located in a separate area from food storage or food-contact surfaces. The connection between the piping from the sink and the liquid waste retention container shall be tight-fitting and comply with the plumbing sections of this Code and the rules of the Department of Health. The liquid waste retention tank shall be emptied daily or more often if necessary, and only into a sanitary drainage facility in a manner and place approved by the department of health.

(Omitted text is unaffected by this ordinance)

7-38-134 Mobile food preparers – Operational requirements.

(Omitted text is unaffected by this ordinance)

(5) all mobile food trucks must have a person in charge present who is a City of Chicago certified food service manager present when food is being prepared or served as required in Section 7-38-012. All other employees who handle food or food equipment shall have food handler training as required by the State of Illinois.

(Omitted text is unaffected by this ordinance)

7-38-138 Servicing a mobile food truck.

(a) The commissary linked to a mobile food preparer must have a servicing area approved by the Department of Health. The servicing area shall comply with the following requirements:

(1) the servicing area shall include at least an overhead protection for any supplying, cleaning, or servicing operation. The servicing area must have a location for the flushing and drainage of liquid waste in accordance with the rules of the Department of Health ~~which is separate from the location for water servicing and for the loading and unloading of food and related supplies;~~

(Omitted text is unaffected by this ordinance)

7-38-140 Mobile desserts vendor.

Except as otherwise provided in this section, a mobile desserts vendor, including a mobile frozen desserts vendor, shall comply with all applicable requirements of this Code, including the requirements set forth in Article II, Parts A and B of this Chapter, and the rules and regulations of the ~~department of health~~ Department of Health pertaining to mobile units handling frozen desserts. A mobile desserts vendor is not required to comply with the following requirements:

(Omitted text is unaffected by this ordinance)

ARTICLE III. NON-ADVERTISING BENCHES

SECTION 1. Chapter 10-28 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

10-28-010 Permission required.

(a) For purposes of Sections 10-28-010 through 10-28-020, the following definitions apply:

"City digital sign" has the same meaning ascribed to that term in Section 17-17-0234.5.

"Commissioner" means the ~~commissioner of business affairs and consumer protection~~ Commissioner of Business Affairs and Consumer Protection.

"Department" means the ~~department of business affairs and consumer protection~~ Department of Business Affairs and Consumer Protection.

(Omitted text is unaffected by this ordinance)

(b) Unless otherwise authorized by this ~~Code code~~, it shall be unlawful for any person to construct, install, or maintain any of the following on, under, or above the public way without a public way use permit authorized by ordinance passed by the ~~city council~~ City Council:

(Omitted text is unaffected by this ordinance)

(10) a bench that does not contain advertisements, slogans, or messages; or

(1011) or any other structure or device, except for a City digital sign, that is on, over, or under the public way.

(Omitted text is unaffected by this ordinance)

(f) Provided, however, no ordinance authorizing such public way use shall be required to construct or maintain (i) parking meters and signs by a person, or the person's designee, acting pursuant to a concession agreement approved by the ~~city council~~ City Council governing the operation, maintenance, improvement, installation and removal of and the collection of fees from, certain designated parking meters, or (ii) ~~city~~ City digital signs by a person, or the person's designee, acting pursuant to a coordinated ~~city~~ City digital sign program agreement approved by the ~~city council~~ City Council governing the operation, maintenance, improvement, installation and removal of such ~~city~~ City digital signs.

(g) No permit shall be issued for the maintenance of any canopy or marquee attached to any building which extends over any boulevard, street or other public way taken over from the Chicago Park District by the City of Chicago by virtue of an act entitled "~~an act in relation to an exchange of certain functions, property and personnel among cities and park districts having coextensive geographic areas and population in excess of 500,000~~", approved July 5, 1957, effective January 1, 1959 the Chicago Park and City Exchange of Functions Act, 70 ILCS 1545/0.01, et seq.; and provided that the ~~building commissioner~~ Building Commissioner may issue a permit for the construction and temporary use of a canvas canopy or awning for a particular event requiring its use over such boulevards, streets, and public ways.

(h) Any person violating any of the provisions of this section shall be fined not less than \$25.00 nor more than \$200.00 for each offense. A separate and distinct offense shall be held to have been committed each day any person continues to violate this section or fails or refuses to cause the removal of such unauthorized structure within such time as may be fixed by the ~~commissioner of business affairs and consumer protection~~ Commissioner, not exceeding 30 days, after notice in writing for such removal has been served upon the owner or person maintaining any such public way use. In addition to any penalty provided herein, after such notice by the ~~commissioner~~ Commissioner, the person, at his or her own expense, shall restore the public way, including any space underneath the surface of any public way, under the supervision and to the satisfaction of the ~~commissioner of transportation~~ Commissioner of Transportation. If the person fails to restore the public way, or fails to restore the public way, including any sidewalk space, to the satisfaction of the ~~commissioner of transportation~~ Commissioner of Transportation, the ~~city~~ City may restore the public way and charge the cost to the person.

(i) Notwithstanding subsection (h) of this section, the ~~commissioner~~ Commissioner is hereby authorized to order any item or thing whatsoever which may encumber or obstruct any public way, public landing, wharf or pier to be removed. If such item or thing shall not be removed within six hours after notice to the owner or person in charge to remove the same, or if the owner cannot be readily found for the purpose of such notice, the ~~commissioner of transportation~~ Commissioner of Transportation, the ~~executive director of emergency management and communications~~ Executive Director of Emergency Management and Communications or the ~~commissioner of streets and sanitation~~ Commissioner of Streets and Sanitation shall cause the item to be removed to some suitable place, to be designated by the

said department head. The owner of any item removed shall be subject to a penalty of not more than \$10.00, in addition to the costs of such removal.

Any item removed in accordance with this section, if of sufficient value to more than pay the expenses thereof, shall be advertised by the ~~commissioner~~ Commissioner for sale for ten days in a newspaper of general circulation and, after expiration of that time, shall be sold by the ~~department~~ Department to the highest bidder; provided where there is no bidder for any such article, the ~~commissioner~~ Commissioner shall dispose of such article in the most cost-efficient manner; provided further that the owner may reclaim such article if ~~he or she~~ the owner notifies the ~~commissioner~~ Commissioner in writing and pays the penalty and costs to remove such article prior to the expiration of the time for sale of such item. The proceeds of such sale shall be paid into the ~~city~~ City treasury and the balance, if any, after deducting the penalty and costs, shall be paid to any person furnishing satisfactory proof of ownership.

(j) The issuance of a public way use permit does not authorize or permit the installation, erection, maintenance or enlargement of a sign without a valid sign permit issued by the ~~department of buildings~~ Department of Buildings.

(k) The ~~commissioner~~ Commissioner may promulgate rules and regulations for the administration and enforcement of public way use permits. Any person violating any such rule or regulation shall be subject to the fines prescribed in this section.

ARTICLE XI. ADVERTISING BENCHES ON PUBLIC WAYS (10-28-640 et seq.)

10-28-640 Definitions.

For the purpose of this article:

"Advertising bench" means a long seat for the accommodation of two or more people which is so designed as to permit the placement of any advertisement, slogan, or message.

"Bench" means a long seat for the accommodation of two or more people.

"Commissioner" means the ~~commissioner of transportation~~ Commissioner of Transportation of the City of Chicago or his the Commissioner's designee.

"Department" means the ~~department of transportation~~ Department of Transportation of the City of Chicago.

(Omitted text is unaffected by this ordinance)

10-28-670 Location.

Each advertising bench must be situated adjacent to that portion of the roadway that is reserved for use as a Chicago Transit Authority bus stop. No more than one advertising bench may be situated at any such location. All Advertising benches are expressly prohibited in the following places:

(a) In any alley or fire lane;

(b) At any location where placement of a bench would impede the free and orderly flow of pedestrian traffic or would impede access to the public way or public transportation by disabled persons; and

(c) At any location:

- (1) Where the remaining width of the sidewalk would be less than four feet,
- (2) Within 30 inches of any curblin,
- (3) Within 50 feet of the property line of property is zoned R3 or lower or on which a designated landmark building is located,
- (4) Within five feet of any loading zone, driveway, fire lane or alley,
- (5) Within 15 feet of any fire hydrant or standpipe,
- (6) Within three feet of any pedestrian crosswalk,
- (7) In line with and within 20 feet of any doorway or entranceway to any private property or in a position that would otherwise interfere with or impede exit from or entrance to private property,
- (8) On median strips in the roadway.

(d) Further, advertising benches are prohibited:

- (9 1) Within any bus shelter,
- (10 2) Within three feet of a posted Chicago Transit Authority bus stop sign,
- (11 3) Within any area designated an historic district pursuant to this Code; within a public park; or within any other area designated by ordinance adopted prior to advertising for bids as an advertising bench "restricted zone".

10-28-680 Standards and specifications.

(Omitted text is unaffected by this ordinance)

(b) The appropriate commissioner may permit advertising benches that do not comply with all of the requirements of subsection (a) when ~~he~~ the commissioner finds that the design of and materials used for the benches are safe and appropriate.

(Omitted text is unaffected by this ordinance)

10-28-710 Benches without advertising – Benches prohibited when.

(a) Any governmental or private entity or other person, other than the City of Chicago or its agencies, which seeks to place or maintain on the public way any bench which

does not contain advertisements, slogans or messages, shall apply to the Department of Business Affairs and Consumer Protection for a public way use permit in accordance with Article I of Chapter 10-28 for each such bench. ~~The commissioner shall waive all application and permit fees, and all bond, license and insurance requirements. It shall be a condition for the issuance of any such permit that the entity or other person hold the City of Chicago harmless, and defend and indemnify the city for any loss or expense in connection with any such benches placed, including any expense to remove or repaint any benches in violation of this section or in connection with the defense of any claim against the city arising from the presence of the bench upon the public way. No bench placed pursuant to this section may contain any advertisement, slogan or message, and any bench so placed which subsequently exhibits any advertisement, slogan or message is in violation of this ordinance. Any bench installed pursuant to this subsection shall comply with the provisions of Sections 10-28-670 and 10-28-680.~~

(b) Nothing in this Code prohibits the City ~~city~~ from placing a bench on the public way whenever it determines that the convenience and comfort of the public will be served by such bench.

~~(c) Whenever an entity or other person, including the City of Chicago, has lawfully placed benches at a particular site or location pursuant to subsection (a) or (b), no other benches shall be permitted. If the commissioner has already issued a permit to a contractor for a location at which the entity or other person seeks to place a bench, the contractor may maintain a bench at that location only for a period of not more than 90 days after the contractor is notified of such fact by the commissioner.~~

ARTICLE IV. REVENUE LITIGATION

SECTION 1. Chapter 3-4 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

3-4-330 Right to protest tax determination and assessment.

(Omitted text is unaffected by this ordinance)

C. If a written protest is not filed within the 35-day period, then the tax determination and assessment shall become a final assessment without further notice and without the necessity of a final assessment being issued; provided, however, that a person who fails to file a written protest within the 35-day period may nevertheless obtain a hearing, as though the person had timely filed a protest, if, within 30 days after the Department issues to the person a written notice that the 35-day period has expired, the person (1) pays under protest the tax stated in the tax determination and assessment, together with the related interest, or \$10,000, whichever is less, and (2) files a written protest, including therein a request that the amount paid under protest be returned.

(Omitted text is unaffected by this ordinance)

F. If a protest is filed and the protest is later withdrawn, then the Department of Administrative Hearings shall retain jurisdiction, and, upon motion of the Department, the administrative law officer shall enter a decision finding that the assessment at issue is a final assessment, and that the final assessment may be enforced pursuant to Section 3-4-345 of this Code. The protesting party shall be given written notice of the decision and final assessment.

G. If a protest is filed and the protest is later stricken or dismissed, then the Department of Administrative Hearings shall retain jurisdiction, and, upon motion of the Department, the case shall be treated as an action to enforce payment under Section 3-4-335 of this Code. In such a case, the Department shall not be required to perform the steps set forth in subsections 3-4-335(A) or (B).

3-4-335 Action to enforce payment.

A. If a person fails to pay an assessment that has become final pursuant to Section 3-4-330(C), then the department may institute an action in the ~~department of administrative hearings~~ Department of Administrative Hearings to obtain a determination that the assessee has violated the ordinance that gave rise to the assessment and that the assessment is a debt due and owing to the city that may be enforced pursuant to Section 3-4-345 of this Code.

(Omitted text is unaffected by this ordinance)

C. If the assessee elects to contest the action, the assessee must file a written request with the ~~department of administrative hearings~~ Department of Administrative Hearings to schedule a hearing within 30 days of the date of the notice required by subsection B. of this section, or within 30 days of the date of the order striking or dismissing a protest as referenced in Section 3-4-330(G), where applicable. If the assessee fails to file a written request for a hearing within the 30-day period, the assessee shall be deemed to have waived the opportunity for a hearing and an administrative law officer of the ~~department of administrative hearings~~ Department of Administrative Hearings shall enter a ~~default order in favor of the city~~ decision finding that the assessment at issue is a final assessment, and that the final assessment may be enforced pursuant to Section 3-4-345 of this Code. The protesting party shall be given written notice of the decision and final assessment.

D. At any hearing held pursuant to subsection C of this section, the department shall present a copy of the final assessment. The respondent's defenses shall be limited to whether and to what extent the final assessment has been paid, whether the respondent is in fact the assessee and whether the respondent was afforded proper notice of the assessment before it became final. The respondent shall not be entitled to raise any defenses related to the respondent's liability for the unpaid tax which gave rise to the final assessment. ~~The language added to this subsection (d) by this amendatory ordinance of 1999, effective January 1, 2000, is intended to clarify rather than change existing law.~~

E. After the conclusion of a hearing held pursuant to subsection C of this section, the administrative law officer shall make a final determination as to whether the respondent has violated the ordinance giving rise to the final assessment and whether the respondent has a debt due and owing the city.

1. If the administrative law officer finds that the respondent was not afforded proper notice of the assessment, then the administrative law officer shall afford the respondent 35 days to file a protest of the assessment with the Department of Administrative Hearings.
 - a. If the respondent files a timely protest, then the administrative law officer shall schedule and conduct a hearing consistent with Section 3-4-340 of this Code.
 - b. If the respondent fails to file a timely protest, then the administrative law officer shall prepare a final decision finding that the assessment at issue is a final assessment, and that the final assessment may be enforced pursuant to Section 3-4-345 of this Code. The respondent shall be given written notice of the decision and final assessment.

2. If the administrative law officer finds that the respondent was afforded proper notice of the assessment, but was not afforded proper notice of the respondent's right to file a protest within an additional 30 days in accordance with the requirements of Section 3-4-330(C), then the administrative law officer shall afford the respondent 30 days to file a protest in accordance with the requirements of Section 3-4-330(C).
 - a. If the respondent files a timely protest in accordance with the requirements of Section 3-4-330(C), then the administrative law officer shall schedule and conduct a hearing consistent with Section 3-4-340 of this Code.
 - b. If the respondent fails to file a timely protest in accordance with the requirements of Section 3-4-330(C), then the administrative law officer shall prepare a final decision finding that the assessment at issue is a final assessment, and that the final assessment may be enforced pursuant to Section 3-4-345 of this Code. The respondent shall be given written notice of the decision and final assessment.

(Omitted text is unaffected by this ordinance)

ARTICLE V. MISCELLANEOUS

SECTION 1. Section 2-51-050 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-51-050 Commissioner of fleet and facility management – Powers and duties.

The ~~commissioner of fleet and facility management~~ Commissioner of Fleet and Facility Management shall have the following duties and responsibilities:

(Omitted text is unaffected by this ordinance)

- q. To enter into contracts for the sale and purchase of natural gas, renewable energy, renewable energy credits and carbon emission credits, subsequent to competitive

solicitation, and containing such terms as are useful, customary and appropriate for such transactions in the industry, including but not limited to the following provisions: supplying a bond, letter of credit or other performance-related security to the vendor, indemnifying the vendor, addressing the sale of natural gas back into the market at a loss, and addressing damages for the City's late payment, early termination or failure to perform; and to execute any ancillary documents necessary to affect any transactions contemplated by such contracts. Any such contracts shall be subject to the availability of funds duly appropriated for such contracts and to review and approval by the City's chief financial officer;

(Omitted text is unaffected by this ordinance)

SECTION 2. Section 2-68-030 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-68-030 Chief information officer – Powers and duties.

The chief information officer shall have the following duties and responsibilities:

(Omitted text is unaffected by this ordinance)

(i) to enter into agreements with the Illinois Secretary of State in order to access, use or share data useful or necessary to the carrying out of City functions. The chief information officer may enter into such agreements, which may include provisions providing indemnification, directly or through a designee, which may include a designee of another city department if the information at issue directly impacts that other department. The chief information officer or his designee is further authorized to execute such other instruments and to perform such acts, including the expenditure of funds subject to appropriation therefor, as shall be necessary or advisable in connection with the implementation of such agreements, including any renewals thereto; and

(j) to enter into agreements regarding: (i) access to, or use or sharing of city or third-party data, (ii) cooperative development and ownership of intellectual property, or (iii) incorporating city data or other intellectual property into cooperative work created pursuant to an agreement authorized under this paragraph (j). Any agreement authorized under this paragraph (j) shall not include the expenditure of city funds, but may include provisions providing indemnification. The chief information officer shall provide a quarterly written report to the chairman of the committee on the budget and government operations summarizing, and attaching the text of, any agreements entered into pursuant to this subsection (j) for the preceding calendar quarter; and

k. to enter into agreements to make city applications available for download on digital application distribution platforms. The chief information officer may enter into such agreements, which may include terms as are useful, customary and appropriate for such agreements in the industry, including but not limited to indemnification of such platforms. Notwithstanding any other provision of the Municipal Code to the contrary, any contracts entered into pursuant to this section shall be solely on such terms and conditions as are acceptable to the chief information officer. Such agreements shall be subject to approval of the corporation counsel as to form and legality.

SECTION 3. Section 2-92-644 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

2-92-644 Emergency procurements.

When bona fide ~~operating~~ emergencies arise, or when the chief procurement officer determines that expedited procurement is necessary to address a credible, identifiable, and imminent threat to public health, public safety, or City property or operations, the chief procurement officer is authorized to enter into contracts with ~~more than one~~ or more vendors for the provision of any particular good, work or service to address that emergency or threat. The purchasing authorizations conferred in 65 ILCS 5/8-10-5 shall apply, but the dollar limit provided for under 65 ILCS 5/8-10-5 for emergency contracts awarded by the chief procurement officer to meet bona fide operating emergencies in that section is increased to ~~\$250,000.00~~ \$500,000.00 for each such contract. A report of all emergency contracts awarded by the chief procurement officer pursuant to this section will be placed on file each quarter with the city council committee on the budget and government operations.

SECTION 4. Chapter 3-42 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

3-42-020 Tax imposed.

(Omitted text unaffected by this ordinance)

(d) It shall be unlawful for any ~~retail tobacco dealer~~ business licensed under Title 4 to purchase or receive cigarettes from any person unless the package containing the cigarettes bears an unmutilated tax stamp affixed and canceled as required by this chapter or by the rules and regulations promulgated by the comptroller. Possession by ~~a retail tobacco dealer~~ business licensed under Title 4 of cigarettes having no tax stamp affixed and canceled shall give rise to the prima facie presumption that the cigarettes are possessed in violation of the provisions of this chapter.

(Omitted text unaffected by this ordinance)

3-42-025 Violations of other laws.

It shall be unlawful for any ~~retail tobacco dealer~~ business licensed under Title 4 to purchase or receive cigarettes from any person unless the package containing the cigarettes bears an unmutilated tax stamp affixed and canceled as required by Section 74-435 of the Cook County Code of Ordinances, as amended. Such unlawful conduct shall be a violation of this section. The penalty schedule for violating this section is set forth in Section 74-435 of the Cook County Code of Ordinances, as amended, and is incorporated by reference into this section. Violation of this section shall be deemed a separate and distinct offense from other tax stamp violations of this chapter.

SECTION 5. Section 4-276-470 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

4-276-470 Deceptive practices – Prohibited.

It shall be a violation of this section for any person:

(Omitted text unaffected by this ordinance)

(13) to sell or offer for sale outdated:

(a) merchandise, perishable food and over-the-counter medications; or

(b) shelf-stable products, unless such shelf-stable products are both physically separated from merchandise that is not outdated and clearly designated as outdated;

(Omitted text unaffected by this ordinance)

SECTION 6. Section 8-4-025 of the Municipal Code of Chicago is hereby repealed in its entirety.

SECTION 7. Chapter 8-4 of the Municipal Code of Chicago is hereby amended by inserting a new Section 8-4-026, as follows:

8-4-026 Threats or intimidation in public places.

(a) *Definitions.* As used in this section:

“Assault” has the meaning ascribed to that term in Section 12-1 of the Illinois Criminal Code, codified at 720 ILCS 5/12-1.

“Intimidate” has the meaning ascribed to the term “intimidation” in Section 12-6 of the Illinois Criminal Code, codified at 720 ILCS 5/12-6.

“Public place” means any public way, parkway, plaza or any other exterior location held, maintained or controlled by the City for the use of the general public.

(b) *Unlawful conduct – Prohibited.* No person shall assault or intimidate any other person in any public place.

(c) *Penalty for violation.* Any person who violates this section shall be subject to a fine of \$50.00 for a first or second offense within any 12-month period, and a fine of \$100.00 for a third or subsequent offense within any 12-month period. In addition to or instead of the fine set forth herein, any person who violates this section may be required to perform community service pursuant to Section 1-4-020.

SECTION 8. Section 8-4-087 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

8-4-087 Chronic illegal activity premises.

(a) *Definitions.* As used in this section, unless the context indicates otherwise:

(Omitted text is unaffected by this ordinance)

"Illegal activity" means any of the following activities, behaviors or conduct:

(Omitted text is unaffected by this ordinance)

4. ~~Aggressive panhandling within the meaning of Section 8-4-025 or any comparable federal, state or local law~~ Threats or intimidation in public places within the meaning of Section 8-4-026 or any comparable federal, state or local law;

(Omitted text is unaffected by this ordinance)

SECTION 9. Section 9-112-380 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

9-112-380 Revocation of license – Grounds.

Grounds for revocation of a license shall include, but not be limited to, the following grounds:

(Omitted text is unaffected by this ordinance)

(8) If licensee operates or permits to be operated more than one vehicle bearing the same taxicab vehicle license number; or

(9) If licensee is found liable of three or more moving violations within a 12-month period; or

(10) In the case of a corporate licensee, if any officer or director shall be convicted of a felony, unless the licensee shall sever its relationship with any such officer or director immediately upon such conviction.

(Omitted text is unaffected by this ordinance)

SECTION 10. Section 10-36-400 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

10-36-400 Small unmanned aircraft.

(Omitted text is unaffected by this ordinance)

(c) Construction of Section.

(1) Operations Authorized by the FAA – Exception. ~~Notwithstanding the prohibitions set forth in this section, nothing~~ Nothing in this section shall be construed to prohibit, limit or otherwise restrict any person who is authorized by the Federal Aviation Administration to operate a small unmanned aircraft in city air space, pursuant to Section 333 of the FAA Modernization and Reform Act of 2012, or a certificate of waiver, certificate of authorization or airworthiness certificate under Section 44704 of Title 49 of the United States Code, or other Federal Aviation Administration grant of authority for a specific flight operation(s), a license issued pursuant to 14 C.F.R. Part 107, or any similar authorization, from conducting such operations. Such operations shall be conducted in accordance with the requirements of the license or other authority authorization granted by the Federal Aviation Administration and in accordance with applicable municipal requirements.

(Omitted text is unaffected by this ordinance)

SECTION 11. Section 13-32-350 of the Municipal Code of Chicago is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

13-32-350 Permit and cost-related fees – when inapplicable to work by the City of Chicago.

The fees imposed by this Article II shall not apply to permits issued to the City of Chicago or any City department or agency established under Title II of this Code or to its contractors for work undertaken for public or governmental use. The cost-related fee items identified in section 13-32-302(a)(1)-(12), inclusive, shall not apply to the Department of Fleet and Facility Management, or its contractors, for work undertaken for public or governmental use.

ARTICLE VI. SEVERABILITY; REPEALER

SECTION 1. The provisions of this Ordinance are declared to be separate and severable. The invalidity of any provision of this Ordinance, or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of this Ordinance, or the validity of its application to other persons or circumstances.

SECTION 2. All ordinances, resolutions, motions or orders inconsistent with this Ordinance are hereby repealed to the extent of such conflict.

ARTICLE VII. EFFECTIVE DATE

Following passage and approval, this ordinance shall take effect on January 1, 2019.