



City of Chicago



O2021-5871

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 12/15/2021

Sponsor(s): Lightfoot (Mayor)

Type: Ordinance

Title: Amendment of ordinance sections 2-8-065, 14A-3-313, 14A-3-313.1 and 14A-3-313.6 regarding waiver of city debt for distressed residential and mixed use properties enrolled in community revitalization and re-occupancy programs

Committee(s) Assignment: Committee on Finance

FIN



OFFICE OF THE MAYOR
CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

December 15, 2021

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

Ladies and Gentlemen:

At the request of the Commissioner of the Department of Housing, I transmit herewith, together with Alderman Mitchell, an ordinance authorizing the establishment of a debt waiver program for the purpose of community revitalization.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Lori E. Lightfoot
Mayor

ORDINANCE

WHEREAS, The City of Chicago Department of Housing is committed to creating programs to support acquisition, redevelopment, rehabilitation and re-occupancy of abandoned buildings citywide; and

WHEREAS, Many buildings that have fallen into disrepair are in low- to moderate-income communities that have experienced significant disinvestment over the past two decades; and

WHEREAS, As part of the effort to reclaim and revitalize communities, the Department of Housing has created numerous programs to promote the redevelopment of distressed residential properties; and

WHEREAS, Departmental programs work to support neighborhood efforts to increase safety and security, as well as build community wealth; and

WHEREAS, Many buildings that may benefit from these programs have accrued fines, judgments, water and sewer charges, and other City debt that make redevelopment of these buildings nearly impossible; and

WHEREAS, City debt is a major obstacle to acquisition and rehabilitation, as it often drives the redevelopment costs above the after-rehabilitation value, which effectively eliminates the possibility of a home buyer obtaining mortgage financing; and

WHEREAS, Supporting local developers and removing City debt as an obstacle to the rehabilitation of distressed homes aids the Department of Housing in achieving its goals of promoting community wealth building and encouraging City revitalization; now, therefore,

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

SECTION 1. Section 2-8-065 of the Municipal Code of Chicago is hereby amended by adding the language underscored, as follows:

2-8-065 Discounted or waived fees – Restrictions.

(a) Definitions. As used in this section:

(Omitted text is unaffected by this ordinance)

(c) Exemptions. The requirements of this section shall not apply to any ordinance or amendment thereto authorizing individual fee waivers (1) for any governmental entity, as defined in subsection (a) of this section, or (2) in connection with a block party, or (3) in connection with the waiver under Section 2-120-815 of any fee charged by the City of Chicago for the issuance of any permit requiring approval of the Commission on Chicago Historical and Cultural Landmarks, or (4) in connection with the Homeowner-Initiated LSLR Program, or (5) pursuant to the authority granted to the Commissioner of Housing to support neighborhood revitalization efforts under Section 14A-3-313.6.

(Omitted text is unaffected by this ordinance)

SECTION 2. Section 14A-3-313 of the Municipal Code of Chicago is hereby amended by adding a new subsection 14A-3-313.6, as follows:

14A-3-313 NUISANCE ABATEMENT.

14A-3-313.1 Scope.

The following *buildings* and *structures* are declared to be public nuisances subject to abatement proceedings under Section 14A-3-313:

(Omitted text is unaffected by this ordinance)

14A-3-313.6 Debt Waiver.

Notwithstanding any other inconsistent or contrary provision of this Code, following consultation with the *building official*, or their designee, the Commissioner of Housing is authorized to waive any debt and release associated liens for any residential or mixed-use *building* that is included in a Department of Housing initiative or program that supports neighborhood revitalization efforts and is subject to an abatement proceeding under this Section. The Comptroller shall coordinate with the Commissioner of Housing to ensure that the approved waiver is executed.

Approval by the Commissioner of Housing for the removal of City debt must take into consideration whether the waiver will: (i) promote the redevelopment and re-occupancy of a specific vacant or abandoned building; (ii) support neighborhood development and stabilization efforts; (iii) improve the health, safety, and welfare of the surrounding community; and (iv) encourage City revitalization.

For purposes of this subsection only, "debt" means a sum of money owed to the City, including, but not limited to, (i) any water or sewer assessment, or (ii) any obligation or payment of a sum of money owed to the City pursuant to a court order or an order of the Department of Administrative Hearings. Provided, however, the term "debt" shall not include property tax debt.

SECTION 3. This ordinance shall take full force and effect upon its passage and approval.



CITY OF CHICAGO

OFFICE OF THE CITY CLERK
ANNA M. VALENCIA

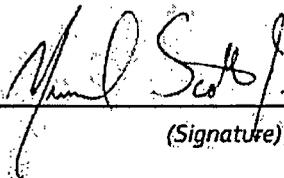
Chicago City Council Co-Sponsor Form

Document No.: O2021-5871

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Adding Co-Sponsor(s)

Please **ADD** Co-Sponsor(s) Shown Below – (Principal Sponsor's Consent Required)

Alderman Michael Scott, Jr.  24 Ward)
(Signature)

Alderman _____ Ward)
(Signature)

Date Filed: _____ Principal Sponsor: Mayor Lightfoot
(Signature)

Removing Co-Sponsor(s)

Please **REMOVE** Co-Sponsor(s) Below – (Principal Sponsor's Consent NOT Required)

Alderman _____ Ward)
(Signature)

Alderman _____ Ward)
(Signature)

Date Filed: _____

- Final Copies To Be Filed With:**
- Chairman of Committee to which legislation was referred
 - City Clerk