



City of Chicago



O2017-3906

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 5/24/2017

Sponsor(s): Emanuel (Mayor)
Brookins (21)
Cardenas (12)
Lopez (15)
Scott, Jr. (24)
Ervin (28)
Taliaferro (29)

Type: Ordinance

Title: Amendment of Municipal Code Section 2-45-115 by modifying affordable requirements pertaining to Public Safety Officers Home Buyer Assistance Program, and allocation of program fund

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

HSG-



OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

May 24, 2017

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

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith, together with Aldermen Brookins, Cardenas, Lopez, Scott, Ervin and Taliaferro, an ordinance amending the Municipal Code regarding the Home Buyers Assistance Program.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor



ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois, and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City, by prior ordinances, had established various incentive programs to provide down-payment and/or closing cost assistance to City of Chicago police officers, firefighters and paramedics, to encourage the rebuilding of designated City neighborhoods (the "Prior Programs"); and

WHEREAS, the City has determined that continued housing purchase assistance to Chicago public safety officers is necessary, essential and appropriate to encourage the rebuilding of certain City neighborhoods and to enhance other revitalization efforts already under way in those neighborhoods; and

WHEREAS, the City, building on the successes of the Prior Programs, now desires to establish a new Public Safety Officers Home Buyer Assistance Program (the "Program"), by and through its Department of Planning and Development ("DPD"), that offers forgivable, no-interest loans to qualifying City police officers, firefighters and paramedics, to assist in their purchase of primary, owner-occupied residences that are located within specific police districts and census tracts within the City; now, therefore,

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

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Program, as set forth in Exhibit A attached hereto and made a part hereof, is hereby authorized.

SECTION 3. Subject to the approval of the Corporation Counsel, and subject to the appropriation of funding, the Commissioner of DPD (the "Commissioner") and a designee of the Commissioner are each hereby authorized to execute and deliver loan agreements and mortgages to borrowers who qualify under the Program for the purpose of financing the purchase of property that qualifies under the Program, and to execute all such other agreements and instruments, including subordinations of the City mortgages to later re-financings, and to perform any and all acts as shall be necessary or advisable in connection with the Program.

SECTION 4. The Program neither imposes any additional duties to be performed, nor grants any rights to additional remuneration or benefits, by or to Chicago employees by virtue of their participation as borrowers under the Program.

SECTION 5. The Program is an Eligible Program, and employees of the City who qualify for participation in the Program are Eligible Persons, as such terms are defined in Section 2-45-130 of the Municipal Code of Chicago (the "Municipal Code").

SECTION 6. Section 2-45-115(G)(1) of the Municipal Code is hereby amended by the addition of the underlined clause:

2-45-115 2015 affordable requirements.

(Omitted text is not affected by this ordinance)

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

(Omitted text is not affected by this ordinance)

SECTION 7. The amount of \$3,000,000 is hereby appropriated for Program purposes from the Affordable Housing Opportunity Fund, as such term is defined in Section 2-45-115(G) of the Municipal Code.

SECTION 8. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 9. This ordinance shall be published by the City Clerk, by causing to be printed in special pamphlet form at least five copies hereof, which copies are to be made available in her office for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this ordinance.

SECTION 10. This ordinance shall be in full force and effect from and after its adoption, approval by the Mayor and publication as provided herein.

Exhibit A

Public Safety Officers Home Buyer Assistance Program

General Description:

The Program provides forgivable, no-interest loans to qualifying City police officers, firefighters and paramedics, to assist in their purchase of primary, owner-occupied residences that are located within specific police districts and census tracts within the City.

Eligible Participant:

Both (1) and (2) must be met:

(1) Any employee of the City who is:

- a non-probationary full-time sworn police officer in good standing for at least one year prior to the date of the Loan, or
- a non-probationary full-time sworn member of the Fire Department in good standing for at least one year prior to the date of the Loan, or
- a non-probationary full time Emergency Medical Technician/Paramedic with the Chicago Fire Department in good standing for at least one year prior to the date of the Loan; and

(2) whose household income does not exceed 150% of the median household income for the Chicago Primary Metropolitan Statistical Area.

Eligible Locations:

The Eligible Property must be located within one of the eligible police districts and census tracts, all as set forth on Exhibit B attached hereto.

Eligible Property Type:

The Property must be a residential building containing not more than two dwelling units that serves as the primary residence of record of the Eligible Participant during the Term of the Loan.

Loan underwriting terms:

- | | |
|-----------------|--|
| Loan amount: | \$30,000 per Eligible Property |
| Borrowers: | More than one Eligible Participant allowed on a given Note, but not more than one Note per Eligible Property |
| Eligible costs: | Any of the following costs, paid to others, in connection with the purchase by Eligible Participant of the Eligible Property: down payment, title insurance, credit reports, recording fees, appraisals, |

points, transfer stamps, water certification settlement fees, third party property inspection fees, first year's pre-payment of mortgage insurance, pre-paid interest and such other costs as approved by DPD

Cash out:	Not permitted for the Term
Buyer's equity:	None required.
Loan to value:	The appraised value of the Eligible Property, at the time of closing of the Loan, must exceed the sum of (i) the face value of the Note and (ii) the amount of all other loans made in connection with the Eligible Property during the Term
Other loans:	The Eligible Participant must be both the borrower on the Note and the named borrower on all other loans made in connection with the Eligible Property during the Term
Termination date:	10 years from the date of the Note
Interest:	Zero percent per annum
Mortgage:	Junior mortgage to the senior purchase mortgage, or to any replacement senior purchase mortgage undertaken during the Term of the Loan
Subordination:	Permitted, only to any replacement senior purchase mortgage undertaken during the Term of the Loan
Amount Forgiven:	\$3,000, on each anniversary of the date of the Note, provided that the Eligible Property continues to serve as the primary or principal dwelling of record of at least one Eligible Participant and the Eligible Participant continues to be an Eligible Participant as defined above

Exhibit B

Eligible Police Districts and Census Tracts

An Eligible Location must:

be located within one of these Chicago police districts:

6, 7, 9, 10, 11, 15

and

be located within one of the census tracts shown on the attached list

[see attached]

Humboldt Park	Austin	W. Garfield Park	E. Garfield Park	N. Lawndale	S. Lawndale	Chatham	Avalon Park	Brighton Park	New City	Gage Park	W. Englewood	Englewood	Auburn Gresham
2311.00	2503.00	2507.00	8368.00	8414.00	3011.00	4403.00	8343.00	5805.02	6115.00	8351.00	6720.00	6814.00	7106.00
2309.00	2510.00	2508.00	2714.00	8387.00	8407.00	4409.00		5807.00	6113.00	6301.00	6705.00	6812.00	7101.00
2305.00	2505.00	2601.00	2712.00	2922.00	3017.02	4401.01		5806.00	6108.00	6306.00	6704.00	6810.00	7105.00
2307.00	2511.00	2609.00	2705.00	8415.00	3008.00	4407.00		5804.00	6119.00	6303.00	6714.00	6810.00	7108.00
2303.00	2515.00	2603.00	8370.00	8433.00	3018.03	4408.00		5803.00	6119.00	6304.00	6703.00	6813.00	7114.00
2306.00	2514.00	2606.00	2713.00	2924.00	3007.00	4402.01		5802.00	6121.00	6309.00	6701.00	6811.00	7117.00
2302.00	2506.00	2604.00	8369.00	8430.00	3016.00	4402.02		5801.00	6118.00	6302.00	6718.00	6809.00	7107.00
2306.00	2522.01	2602.00	8373.00	2912.00	3012.00	8424.00		5805.01	6112.00	6305.00	6705.00	6805.00	7104.00
8356.00	2507.00	2635.00	2715.00	8434.00	3005.00	4401.02		5805.01	6115.00	6302.00	6711.00	6805.00	7119.00
8357.00	2522.02	2610.00	2718.00	2909.00	8408.00	4405.00		5808.00	6126.00	6305.00	6702.00	6806.00	7103.00
2304.00	2515.00		8371.00	2916.00	3009.00				6117.00	6305.00	6719.00	6806.00	7105.00
2301.00	2517.00		8374.00	2925.00	3018.02				6111.00	6305.00	6719.00	6806.00	7103.00
8421.00	2518.00		8416.00	2925.00	3018.02				6120.00	6305.00	6706.00	6806.00	7113.00
2312.00	2512.00		8385.00	8417.00	8435.00				6103.00	6305.00	6712.00	6806.00	7102.00
2315.00	2519.00		8431.00	8395.00	8395.00				6103.00	6305.00	6715.00	6806.00	7115.00
	2516.00				8395.00				6103.00	6305.00	6716.00	6806.00	7115.00
	8313.00				3018.01				6104.00	6305.00	6713.00	6806.00	7111.00
	2504.00				3017.01					6305.00	6713.00	6806.00	
	2521.02				3006.00					6305.00	6713.00	6806.00	
	2508.00									6305.00	6713.00	6806.00	
	2502.00									6305.00	6713.00	6806.00	
	2521.01									6305.00	6713.00	6806.00	
	8314.00									6305.00	6713.00	6806.00	
	2520.00									6305.00	6713.00	6806.00	