



City of Chicago



O2018-5091

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	6/27/2018
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Amendment of ordinance which established Department of Planning and Development Preservation of Existing Affordable Rentals (PEAR) Program to maintain affordable housing in appreciating neighborhoods
Committee(s) Assignment:	Committee on Finance

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 has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City on March 28, 2018 and published at pages 72208 – 72212, inclusive, of the Journal of Proceedings of the City Council for such date, the City's Department of Planning and Development ("DPD") established the Preservation of Existing Affordable Rentals Program (the "PEAR Program Ordinance") to maintain affordable housing in appreciating neighborhoods by providing funds to refinance private sector debt in exchange for affordability restrictions which ensure that rents remain affordable for low- and moderate-income families (the "PEAR Program"); and

WHEREAS, the PEAR Program Ordinance established certain program parameters as described in Exhibit A to the PEAR Program Ordinance; and

WHEREAS, DPD desires to revise the program parameters and amend Exhibit A to the PEAR Program Ordinance; 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. Exhibit A to the PEAR Program Ordinance is hereby amended by deleting the language stricken through as follows:

EXHIBIT A

Program Parameters

All defined terms which are not otherwise defined in this ordinance shall have the same meanings as provided in Section 2-45-115 of the Code.

- Affordable rental Residential Housing Projects located in appreciating neighborhoods shall be eligible as determined under the PEAR Program rules and regulations. "Residential Housing Projects" shall mean one or more buildings that collectively contain six or more Housing Units on one or more parcels or lots under common ownership or control, including contiguous parcels.

- Eligible appreciating neighborhoods shall be determined in accordance with the PEAR Program rules and regulations.
- To be eligible to participate in the PEAR Program, at least 20 percent of the on-site Housing Units in a rental Residential Housing Project must qualify as affordable housing under the eligibility criteria for the PEAR Program.
- The maximum tenant income at initial occupancy for affordable units under the PEAR Program shall be a household income of eighty percent (80%) of the Chicago Primary Metropolitan Statistical Area median income.
- Maximum rents for affordable units under the PEAR Program shall be Affordable (as defined in Section 2-45-115 of the Code) for a household whose income is at the maximum eligible income level.
- ~~Rental Residential Housing Projects which are subject to outstanding Financial Assistance or other outstanding governmental subsidies shall not be eligible to participate in the PEAR Program.~~
- Any loan made by DPD under the PEAR Program shall be for a term of not to exceed 30 years after the closing date ("Closing Date") of said loan at an interest rate not to exceed three percent per annum.
- The duration of affordability restrictions for Affordable Housing shall be for a minimum period of 30 years after the Closing Date. Such restrictions shall be documented in an affordable housing agreement which shall be recorded against the Residential Housing Project receiving a PEAR Program loan and which contains provisions similar to those provided in Section 2-45-115(L) of the Code.
- Underwriting guidelines for loans made under the PEAR Program shall be determined in accordance with the PEAR Program rules and regulations.

SECTION 3. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, 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 4. This ordinance shall be in full force and effect from and after its passage and approval.

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OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

June 27, 2018

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 an ordinance amending the PEAR housing program and authorizing an associated loan.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

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CHICAGO July 25, 2018

To the President and Members of the City Council:

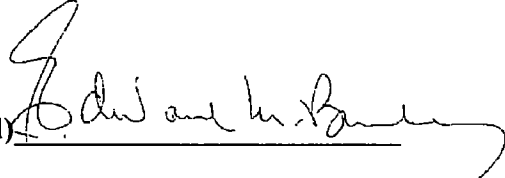
Your Committee on Finance having had under consideration an ordinance authorizing the amendment of the Preservation of Existing Affordable Rentals Program (PEAR Program).

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Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed Ordinance Transmitted Herewith.

This recommendation was concurred in by _____ (a viva voce vote of members of the committee with _____ dissenting vote(s)).

Respectfully submitted

(signed) 

Chairman

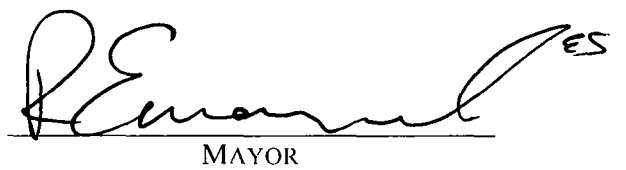
APPROVED



CORPORATION COUNSEL

DATED: 7/25/18

APPROVED



MAYOR

DATED: 7/25/18