



# City of Chicago



O2019-1427

Office of the City Clerk

## Document Tracking Sheet

<b>Meeting Date:</b>	3/13/2019
<b>Sponsor(s):</b>	Mitts (37) Cappleman (46)
<b>Type:</b>	Ordinance
<b>Title:</b>	Amendment of Public Safety Officers Home Buyer Assistance program
<b>Committee(s) Assignment:</b>	Committee on Budget and Government Operations

## 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, pursuant to an ordinance enacted on June 28, 2017 ("Prior Program Ordinance"), the City established a Public Safety Officers Home Buyer Assistance program ("PSO Program"), to be administered by the City's Department of Planning and Development ("DPD") to provide 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; and

WHEREAS, the City desires to expand the scope of the PSO Program to include non-probationary, good standing career service employees of the City who are within Bargaining Units 53 and 54 of those particular bargaining agreements entered into from time to time by the City with Laborer's Local 1001 and Laborer's Local 1092; and

WHEREAS, the name of the PSO Program will be changed to the Community Connections Home Buyer Assistance Program; and

WHEREAS, the City intends that the administration of the program be transferred from DPD to the City's Department of Housing ("DOH") as soon as the determination that the completion of the transfer of certain powers to DOH is made by the Commissioner of DOH, as set forth in Section 2-44-040(c) of the Municipal Code of Chicago; 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 Prior Program Ordinance is hereby amended by restating portions of the Prior Program Ordinance below and displaying the deletions in strikethrough and the additions in underline:

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 also wishes to establish down-payment and/or closing cost assistance to non-probationary, good standing career service employees of the City who are within Bargaining Units 53 and 54 of those particular bargaining agreements entered into from time to time by the City with Laborer's Local 1001 and Laborer's Local 1092; and

WHEREAS, the City has determined that continued housing purchase assistance to Chicago public safety officers and other classes of employees 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 Community Connections Home Buyer Assistance Program ~~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 and other employees 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.

*(Omitted text is not affected by this ordinance)*

Exhibit A

Community Connections Home Buyer Assistance Program

General Description:

The Program provides forgivable, no-interest loans to qualifying City police officers, firefighters and paramedics and other employees 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~~ or

- a non-probationary career service employee who is within Bargaining Units 53 and 54 of those particular bargaining agreements entered into from time to time by the City with Laborer's Local 1001 and Laborer's Local 1092 and who is 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

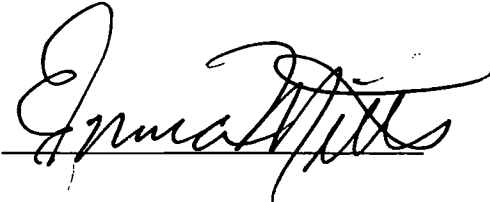
- be located within one of the census tracts shown on the attached list

[see attached]

SECTION 3. The Commissioner of DPD (the "Commissioner") and a designee of the Commissioner are each hereby authorized, subject to approval by the Corporation Counsel of the City, to enter into and execute such agreements and instruments, and perform any and all acts, as shall be necessary or advisable in connection with the implementation of the terms and program objectives of the Program and of each loan to be issued thereunder.

SECTION 4. To the extent that any current ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, conflicts 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 5. This ordinance shall be in full force and effect upon its passage and approval.



Emma Mitts  
Alderman, 37th Ward

Exhibit B  
[see attached]

COMMUNITY COMMUNITY AREA NAME	23 Humboldt Park	25 Austin	26 West Garfield Park	27 East Garfield Park	29 North Lawndale	30 South Lawndale	37 Fuller Park	44 Chatham	58 Brighton Park	61 New City	63 Gage Park	67 West Englewood	68 Englewood	71 Auburn Gresham
Census Tracts	231100	251000	260700	836800	841400	301100	835600	440300	580502	611500	835100	672000	681400	710600
Census Tracts	230600	251100	260800	271400	838700	840700	835500	440900	580700	611300	630100	670800	681200	710100
Census Tracts	836600	251300	260100	271200	292200	301702		440101	580600	843800	630400	670400	834800	710500
Census Tracts	836700	251400	260900	270500	841500	300800		440700	580400	610800	630200	671400	681000	710800
Census Tracts	842100	252201	260300	837000	843300	301803		440800	580300	611900	630500	670300	681300	711200
Census Tracts	231200	252202	260600	271300	292400	300700		440201	580200	612100		670100	681100	710700
Census Tracts	231500	251500	260400	836900	843000	301600		440202	580100	611800		671800	680900	710400
Census Tracts		251700	260200	837300	291200	301200		842400	842800	611200		670500	834600	711000
Census Tracts		251800	260500	271500	843400	300500		440102	580501	611600		671100	680500	710300
Census Tracts		251200	261000	271800	290900	840800		440600	580800	842600		670200	680600	710900
Census Tracts		251900		837100	291600	300900				842600		671900	834700	710200
Census Tracts		251600		837400	292500	301802				611700		670600		711500
Census Tracts		252102			841600	843500				612000		671200		711100
Census Tracts		252101			838600	841700				611000		671500		
Census Tracts		831400			843100	830500				610300		671600		
Census Tracts		252000				301801				611400		670700		
Census Tracts						301701				614000		671300		
Census Tracts						300600						834900		
Census Tracts												670900		