



City of Chicago



O2019-3117

Office of the City Clerk

Document Tracking Sheet

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| Meeting Date: | 4/10/2019 |
| Sponsor(s): | Emanuel (Mayor) |
| Type: | Ordinance |
| Title: | Amendments to single and multi-family vacant building purchase rehabilitation programs regarding additional redevelopment project areas and increase in Tax Increment Financing (TIF) funds |
| Committee(s) Assignment: | Committee on Finance |

ORDINANCE

WHEREAS, the City of Chicago ("City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, by an ordinance adopted by the City Council on May 4, 2011, and published in the Journal of Proceedings of the City Council (the "Journal") for said date at pages 117057 to 117064, inclusive (the "Establishment Ordinance"), the City authorized the Commissioner of the Department of Planning and Development ("DPD") to develop a "Vacant Building TIF Purchase and Rehabilitation Program" ("Program") to assist in the stabilization of neighborhoods and the City's housing market by providing assistance for the purchase and rehabilitation of vacant housing; and

WHEREAS, in accordance with the Establishment Ordinance and pursuant to an ordinance adopted by the City Council of the City on March 14, 2012 and published in the Journal for said date at pages 21748 to 21775, inclusive, the City entered into an agreement on April 12, 2012 with NHS (the "NHS Program Agreement") under which NHS performs certain administrative services for the Program for single-family homes ("SFH Program") in the Chicago/Central Park redevelopment project area; and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City on July 24, 2013 and published in the Journal for said date at pages 57346 to 57350, inclusive, the City and NHS executed the First Amendment to the NHS Program Agreement to reflect that allowable closing costs under the SFH Program relate to the overall project costs of each individual project in order to enhance the successful implementation of the SFH Program; and

WHEREAS, the City now desires to further amend the NHS Program Agreement with NHS to add the 119th and Halsted, 63rd/Ashland, 79th/Vincennes, Englewood Neighborhood and Midwest redevelopment project areas to the SFH Program and allocate additional funding for the SFH Program, including, but not limited to, an increase of funding for the Chicago/Central Park area from \$1,000,000 to \$2,000,000 (the "Second NHS Amendment"); and

WHEREAS, the City's obligation to provide funds under the Second NHS Amendment will be met through (i) incremental taxes deposited in the Special Tax Allocation Funds of the Chicago/Central Park, 119th and Halsted, 63rd/Ashland, 79th/Vincennes, Englewood Neighborhood and Midwest areas, as applicable, or (ii) any other funds legally available to the City for this purpose; and

WHEREAS, the City, through DPD, in accordance with the Establishment Ordinance and an ordinance adopted by the City Council on May 28, 2014 and published in the Journal for said date at pages 80956 to 80997, inclusive, entered into an agreement (the "Chicago/Central Park MFH Program Agreement") with Community Investment Corporation, an Illinois not-for-profit corporation ("CIC") to implement the Program for multi-family homes in the Chicago/Central Park Redevelopment Project Area (the "Chicago/Central Park MFH Program"); and

WHEREAS, DPD desires to increase the amount of funds available for the Chicago/Central Park MFH Program by an additional \$1,000,000 to a total, collective amount of \$2,000,000; and

WHEREAS, the City, through DPD, in accordance with the Establishment Ordinance and an ordinance adopted by the City Council on September 14, 2016 and published in the Journal for said date at pages 30245 to 30295, inclusive, entered into an agreement (the "Midwest MFH Program Agreement") with CIC to implement the Program for multi-family homes in the Midwest Redevelopment Project Area (the "Midwest MFH Program"); and

WHEREAS, DPD desires to increase the amount of funds available for the Midwest MFH Program by an additional \$1,000,000 to a total, collective amount of \$2,000,000; and

WHEREAS, the City and CIC have determined that certain amendments to the Chicago/Central Park MFH Program Agreement (the "First Amendment to Chicago/Central Park MFH Program Agreement") and the Midwest MFH Program Agreement (the "First Amendment to Midwest MFH Program Agreement") are necessary;

WHEREAS, the City's obligation to provide funds under the First Amendment to Chicago/Central Park MFH Program Agreement and the First Amendment to Midwest MFH Program Agreement will be met through (i) incremental taxes deposited in the Special Tax Allocation Funds of the Chicago/Central Park and Midwest areas, as applicable, or (ii) any other funds legally available to the City for this purpose; now, therefore,

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

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The Commissioner of DPD (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver the Second NHS Amendment substantially in the form attached hereto as Exhibit A and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions thereof, with such changes, deletions and insertions as shall be approved by the persons executing the amendment.

SECTION 3. The Commissioner or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver the First Amendment to Chicago/Central Park MFH Program Agreement substantially in the form attached hereto as Exhibit B and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions thereof, with such changes, deletions and insertions as shall be approved by the persons executing the amendment.

SECTION 4. The Commissioner or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver the First Amendment to Midwest MFH Program Agreement substantially in the form attached hereto as Exhibit C and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions thereof, with such changes, deletions and insertions as shall be approved by the persons executing the amendment.

SECTION 5. NHS is hereby designated to administer the SFH Program, subject to the

supervision of DPD.

SECTION 6. CIC is hereby designated to administer the Chicago/Central Park MFH Program and the Midwest MFH Program, subject to the supervision of DPD.

SECTION 7. 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 8. This ordinance shall be effective as of the date of its passage and approval.

EXHIBIT A TO THE ORDINANCE

Form of
SECOND AMENDMENT
to
VACANT BUILDING TIF NEIGHBORHOOD PURCHASE AND REHABILITATION
PROGRAM AGREEMENT FOR SINGLE-FAMILY HOMES

This Second Amendment to the Vacant Building TIF Neighborhood Purchase and Rehabilitation Program Agreement for Single-Family Homes (the "Agreement") is made as of this ____ day of _____, 2019 by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Planning and Development ("DPD"), and Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation ("NHS").

WHEREAS, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City on May 4, 2011, the City authorized the Commissioner of DPD to establish a "Vacant Building TIF Purchase and Rehabilitation Program" to assist in the stabilization of neighborhoods and the City's housing market by providing assistance for the purchase and rehabilitation of vacant housing (the "Program"); and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City on March 14, 2012, the City entered into the Agreement on April 12, 2012 with NHS under which NHS performs certain administrative services for the Program in the Chicago/Central Park redevelopment project area; and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City on July 24, 2013, the City and NHS executed the First Amendment to the Agreement on _____, 2013 to reflect that allowable closing costs under the Program relate to the overall project costs of each individual project in order to enhance the successful implementation of the Program; and

WHEREAS, the City now desires to further amend the Agreement with NHS to add the 119th and Halsted, 63rd/Ashland, 79th/Vincennes, Englewood Neighborhood and Midwest redevelopment project areas to the Program and allocate additional funding for the Program, including an increase of funding for the Chicago/Central Park area from \$1,000,000 to \$2,000,000 (the "Second Amendment"); and

WHEREAS, by an ordinance adopted by the City Council of the City on _____, 2019 (the "Second Amending Ordinance"), the City Council of the City has approved the execution and delivery of this Second Amendment to the Agreement; and

WHEREAS, the City's obligation to provide funds under the Second Amendment will be met

through (i) incremental taxes deposited in the Special Tax Allocation Funds of the Chicago/Central Park, 119th and Halsted, 63rd/Ashland, 79th/Vincennes, Englewood Neighborhood and Midwest areas, as applicable, or (ii) any other funds legally available to the City for this purpose; and

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

ARTICLE I

INCORPORATION AND RECITALS

The recitals set forth above are incorporated by reference as if fully set forth herein.

ARTICLE II

REAFFIRMATION OF REPRESENTATIONS, WARRANTIES AND COVENANTS

NHS reaffirms each and every representation, warranty and covenant made in Article III of the Agreement. NHS reaffirms that it has insurance in force that conforms to the requirements of Section 4.8 of the Agreement.

ARTICLE III

AMENDMENT TO AGREEMENT

The Agreement, as previously amended, is further amended as follows:

(a) amend the text in Exhibit A thereof increasing the total amount of authorized Program Funds available for the following TIF Area, which maximum includes previously-allocated funds and additional funding authorized by the Second Amending Ordinance, as follows:

| | |
|----------------------|-------------|
| Chicago/Central Park | \$2,000,000 |
|----------------------|-------------|

(b) add the following text at the end of Exhibit A thereof:

“2. 119th and Halsted Redevelopment Project Area established pursuant to ordinances passed on February 6, 2002.

Total amount of authorized Program Funds: \$500,000

3. 63rd/Ashland Redevelopment Project Area established pursuant to ordinances passed on March 29, 2006.

Total amount of authorized Program Funds: \$1,000,000

4. 79th/Vincennes Redevelopment Project Area established pursuant to ordinances passed on September 27, 2007.

Total amount of authorized Program Funds: \$500,000

- 5. Englewood Neighborhood Redevelopment Project Area established pursuant to ordinances passed on June 27, 2001.

Total amount of authorized Program Funds: \$1,500,000

- 6. Midwest Redevelopment Project Area established pursuant to ordinances passed on May 17, 2000.

Total amount of authorized Program Funds: \$500,000"

(c) Except as set forth herein, the Agreement is not amended.

ARTICLE IV

OBLIGATION TO PROVIDE DOCUMENTS

NHS shall execute and deliver to DPD such documents as may be required by the Corporation Counsel of the City, including, but not limited to, the City's current form of Economic Disclosure Statement and an opinion of counsel in a form acceptable to the Corporation Counsel.

IN WITNESS WHEREOF, the City and NHS have executed this Second Amendment as of the date first set forth above.

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and Development

NEIGHBORHOOD HOUSING SERVICES OF CHICAGO,
INC., an Illinois not-for-profit corporation

By: _____

Its: _____

EXHIBIT B TO THE ORDINANCE

Form of
**FIRST AMENDMENT TO
VACANT BUILDING TIF PURCHASE AND REHABILITATION
PROGRAM AGREEMENT FOR MULTI-FAMILY HOMES
IN THE CHICAGO/CENTRAL PARK REDEVELOPMENT PROJECT AREA
BETWEEN THE CITY OF CHICAGO AND COMMUNITY INVESTMENT CORPORATION**

This First Amendment to Vacant Building TIF Neighborhood Purchase and Rehabilitation Program Agreement for Multi-Family Homes (the "First Amendment") is made on _____, 2019 by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Planning and Development ("DPD" or "Department"), and Community Investment Corporation, an Illinois not-for-profit corporation ("CIC").

WHEREAS, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "TIF Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, by an ordinance adopted by the City Council of the City on May 4, 2011, the City authorized the Commissioner of DPD to establish a "Vacant Building TIF Purchase and Rehabilitation Program" to assist in the stabilization of neighborhoods and the City's housing market by providing assistance for the purchase and rehabilitation of vacant housing (the "Program"); and

WHEREAS, by an ordinance adopted by the City Council of the City on May 28, 2014, the City approved the execution and delivery of an Agreement with CIC (the "Agreement") to implement the multi-family Program in the Chicago/Central Park Redevelopment Project Area; and

WHEREAS, the City and CIC executed the Agreement as of _____, 201__; and

WHEREAS, the City and CIC have determined that an amendment to the Agreement is necessary to increase the funding available for the Program in the Chicago/Central Park area from \$1,000,000 to \$2,000,000;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

ARTICLE I

INCORPORATION OF RECITALS

The recitals set forth above are incorporated by reference as if fully set forth herein.

ARTICLE II

REAFFIRMATION OF REPRESENTATIONS, WARRANTIES AND COVENANTS

CIC reaffirms each and every representation, warranty and covenant made in Article III of the Agreement. CIC reaffirms that it has insurance in force that conforms to the requirements of Section 4.11 of the Agreement.

ARTICLE III

AMENDMENTS TO THE AGREEMENT

1. The Agreement is amended, as follows:

(a) Replace the text in ARTICLE IV, Section 4.2(b) with the following:

“(b) CIC agrees that the total amount of funds available for the Program in the Eligible TIF Area shall be up to a maximum of \$2,000,000 and that there have been no representations, assurances or agreements that any other assistance shall be forthcoming from the City. CIC shall provide written notice to the City when the aggregate amount of Program Funds committed or paid, including Grants and administrative costs paid to or for the account of CIC pursuant to Section 6.5, equals 80% of the Program Funds authorized for the Eligible TIF Area and thereafter when the aggregate amount of Program Funds committed or paid, including Grants and administrative costs paid to or for the account of CIC pursuant to Section 6.5, equals 100% of the Program Funds authorized for the Eligible TIF Area. Program Funds are deemed committed for purposes of this Section when CIC has determined the amount of Program Funds to be the subject of a Grant and sent notice of final approval of an Application pursuant to Section 4.3(e) to an eligible Developer. No Grants shall be made or committed to be made by CIC hereunder when such commitment would result in the aggregate amount of Grants, together with all administrative costs related to such Grants paid to CIC pursuant to Section 6.5, exceeding the amounts authorized for the Eligible TIF Area. No Grants shall be made or committed to be made by CIC hereunder when such commitment occurs after the date of receipt of the notice from the City described in Section 6.2 hereof regarding the termination of this Agreement.”

(b) Replace the text in ARTICLE IV, Section 4.2(c) with the following:

“(c) The amount of Program Funds authorized for the Eligible TIF Area may be changed from time to time upon written notice by DPD to CIC, provided that the aggregate amount shall not exceed \$2,000,000 (or such other amount as the City may determine from time to time).”

Except as set forth herein, the Agreement is not amended.

ARTICLE IV

OBLIGATION TO PROVIDE DOCUMENTS

CIC shall execute and deliver to DPD such documents as may be required by the

Corporation Counsel of the City, including, but not limited to, the City's current form of Economic Disclosure Statement and an opinion of counsel in a form acceptable to the Corporation Counsel.

IN WITNESS WHEREOF, the City and CIC have executed this First Amendment as of the date first set forth above.

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and Development

COMMUNITY INVESTMENT CORPORATION,
an Illinois not-for-profit corporation

By: _____

Its: _____

EXHIBIT C TO THE ORDINANCE

Form of
FIRST AMENDMENT TO
VACANT BUILDING TIF PURCHASE AND REHABILITATION
PROGRAM AGREEMENT FOR MULTI-FAMILY HOMES
IN THE MIDWEST REDEVELOPMENT PROJECT AREA
BETWEEN THE CITY OF CHICAGO AND COMMUNITY INVESTMENT CORPORATION

This First Amendment to Vacant Building TIF Neighborhood Purchase and Rehabilitation Program Agreement for Multi-Family Homes (the "First Amendment") is made on _____, 2019 by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Planning and Development ("DPD" or "Department"), and Community Investment Corporation, an Illinois not-for-profit corporation ("CIC").

WHEREAS, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "TIF Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, by an ordinance adopted by the City Council of the City on May 4, 2011, the City authorized the Commissioner of DPD to establish a "Vacant Building TIF Purchase and Rehabilitation Program" to assist in the stabilization of neighborhoods and the City's housing market by providing assistance for the purchase and rehabilitation of vacant housing (the "Program"); and

WHEREAS, by an ordinance adopted by the City Council of the City on September 14, 2016 the City approved the execution and delivery of an Agreement with CIC (the "Agreement") to implement the multi-family Program in the Midwest Redevelopment Project Area; and

WHEREAS, the City and CIC executed the Agreement as of _____, 201__; and

WHEREAS, the City and CIC have determined that an amendment to the Agreement is necessary to increase the funding available for the Program in the Midwest area from \$1,000,000 to \$2,000,000;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

ARTICLE I

INCORPORATION OF RECITALS

The recitals set forth above are incorporated by reference as if fully set forth herein.

ARTICLE II

REAFFIRMATION OF REPRESENTATIONS, WARRANTIES AND COVENANTS

CIC reaffirms each and every representation, warranty and covenant made in Article III of the Agreement. CIC reaffirms that it has insurance in force that conforms to the requirements of Section 4.11 of the Agreement.

ARTICLE III

AMENDMENTS TO THE AGREEMENT

2. The Agreement is amended, as follows:

(c) Replace the text in ARTICLE IV, Section 4.2(b) with the following:

“(b) CIC agrees that the total amount of funds available for the Program in the Eligible TIF Area shall be up to a maximum of \$2,000,000 and that there have been no representations, assurances or agreements that any other assistance shall be forthcoming from the City. CIC shall provide written notice to the City when the aggregate amount of Program Funds committed or paid, including Grants and administrative costs paid to or for the account of CIC pursuant to Section 6.5, equals 80% of the Program Funds authorized for the Eligible TIF Area and thereafter when the aggregate amount of Program Funds committed or paid, including Grants and administrative costs paid to or for the account of CIC pursuant to Section 6.5, equals 100% of the Program Funds authorized for the Eligible TIF Area. Program Funds are deemed committed for purposes of this Section when CIC has determined the amount of Program Funds to be the subject of a Grant and sent notice of final approval of an Application pursuant to Section 4.3(e) to an eligible Developer. No Grants shall be made or committed to be made by CIC hereunder when such commitment would result in the aggregate amount of Grants, together with all administrative costs related to such Grants paid to CIC pursuant to Section 6.5, exceeding the amounts authorized for the Eligible TIF Area. No Grants shall be made or committed to be made by CIC hereunder when such commitment occurs after the date of receipt of the notice from the City described in Section 6.2 hereof regarding the termination of this Agreement.”

(d) Replace the text in ARTICLE IV, Section 4.2(c) with the following:

“(c) The amount of Program Funds authorized for the Eligible TIF Area may be changed from time to time upon written notice by DPD to CIC, provided that the aggregate amount shall not exceed \$2,000,000 (or such other amount as the City may determine from time to time).”

Except as set forth herein, the Agreement is not amended.

ARTICLE IV

OBLIGATION TO PROVIDE DOCUMENTS

CIC shall execute and deliver to DPD such documents as may be required by the Corporation Counsel of the City, including, but not limited to, the City's current form of Economic Disclosure Statement and an opinion of counsel in a form acceptable to the Corporation Counsel.

IN WITNESS WHEREOF, the City and CIC have executed this First Amendment as of the date first set forth above.

CITY OF CHICAGO

By: _____
Commissioner
Department of Planning and Development

COMMUNITY INVESTMENT CORPORATION,
an Illinois not-for-profit corporation

By: _____

Its: _____

FIN.

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OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

April 10, 2019

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 authorizing an allocation of TIF funds for the single- and multi-family vacant building TIF purchase rehabilitation programs.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

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

Mayor

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CHICAGO June 12, 2019

To the President and Members of the City Council:

Your Committee on Finance having had under consideration an ordinance authorizing the approval of an amendment for the Vacant Building TIF Purchase and Rehabilitation Program.

O2019-3117

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

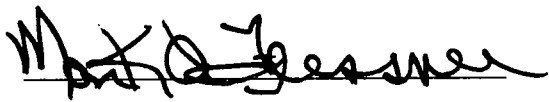
This recommendation was concurred in by _____ (a viva voce vote of members of the committee with _____ dissenting vote(s).

Respectfully submitted

(signed) Scott Wagman

Chairman

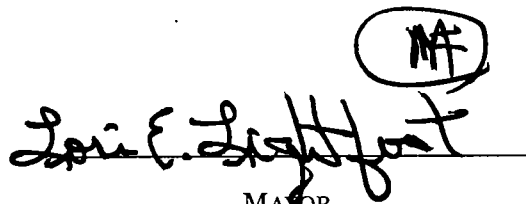
APPROVED



CORPORATION COUNSEL

DATED: 6/19/19

APPROVED



MAYOR

DATED: 6/19/19