



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Text

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Amendment of Municipal Code Creating New Section Entitled "City of Chicago Accountable Housing and Transparency Ordinance"

ORDINANCE

WHEREAS, it is a public purpose of the City of Chicago (City) that all people in Chicago have safe, affordable, accessible, and long-term housing; and

WHEREAS, The City has determined that a shortage of affordable, accessible housing available to low- and moderate-income households is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, there is a scarcity of housing in Chicago for low-income individuals and families in need; and

WHEREAS, experts believe that there is a 120,000-unit gap between existing affordable housing units and those who need affordable housing units; and

WHEREAS, the City's publicly supported affordable housing investments must be marshalled to maximize access to affordable, accessible housing, and protect human life; and

WHEREAS, thousands of Chicagoans are forced to remain in congregate living facilities simply due to lack of access to publicly-supported affordable, accessible rental housing; and

WHEREAS, the existing decentralized waiting list procedures in city-supported affordable housing programs have demonstrably failed and continues to fail to match available people to available housing in anything like an acceptable amount of time i.e. the last independently evaluated average wait time being 4.3 years; and

WHEREAS, the City's investments in affordable housing are critical expenditures in the City's coordinated response to control, manage, and end chronic homelessness; and

WHEREAS, Of the 17,150 homeless families with children in Chicago 11,651 (68%) were doubled-up and 12,913 were minor children experiencing homelessness.. In addition, unaccompanied homeless youth, ages 14 through 24, totaled 13,966 individuals, of whom 12,706 (91%) were doubled

-up; of the 26,206 homeless single adults (25 and older), 16,426 (63%) were doubled-up; and that Chicago Public Schools (CPS) reported serving 10,836 homeless students during the 2020-21 school year; and

WHEREAS, the City has both allocated public dollars toward the development and • rehabilitation of federally and locally supported affordable, accessible housing and created an Affordable Requirements Ordinance to fund affordable housing development and create requirements for certain affordable housing units to address the housing crisis; and

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WHEREAS, a centralized waitlist to make newly available affordable housing known to the general public as a way to quickly fill vacancies is essential towards achieving the City's fair housing goals; and

WHEREAS, minimizing vacancies and adopting swift and efficient leasing and vacant unit turn-over procedures for Chicago's affordable housing stock will stabilize and save lives;

WHEREAS, the entire City has a duty to affirmatively further fair housing by taking meaningful action to move people from chronic homelessness to stable, affordable, accessible, quality, and long-term housing and has allocated public dollars, and tasked governmental entities to match individuals in need of that housing to available units, therefore,

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

SECTION 1. A new Chapter 5, Section 25 of the Municipal Code of Chicago is hereby created as follows:

5-25-010 Title and purpose: This section shall be known as the Accountable Housing and Transparency Ordinance (AHTO). The purpose and legislative intent of this Chapter is to connect vacancies in affordable housing programs to individuals in need of that housing, create a transparent waiting list that moves people from chronic homelessness to stable housing to protect health, reduce the number of individuals forced to live in unsafe congregate living facilities due to lack of access to affordable, accessible housing, and to meet the long-term and proven communal benefits of providing stable housing for children. This chapter will help meet the City's goals of solving the issues caused by a decentralized waiting list process, closing the 120,000-unit affordable housing gap, protecting human life, and safeguarding the public health.

5-25-020 Definitions

For purposes of this section, the following definitions shall apply:

"Applicant" means any person, corporation, or entity who seeks to enter into a loan or grant agreement with the city to receive City of Chicago funds used for the purpose of housing creation, redevelopment, and preservation.

"Borrower" means any person or corporation who receives City of Chicago housing funds pursuant to a

loan agreement.

"Centralized Waitlist" is a list the Department of Housing shall maintain for all housing in receipt of City of Chicago housing funds, and affordable requirements ordinance units

"City of Chicago Affordable Housing Units" shall mean any unit covered by the Affordable Requirements Ordinance or financed through a grant or loan intended to either maintain or develop affordable housing that must be awarded by a vote of the Chicago City Council, including the Low Income Housing Tax Credit Program (LIHTC), Tax Increment Financing

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(TIF), Community Development Block Grant (CDBG), Low Income Housing Trust Fund (LIHTF), HOME Investment Partnership Program (HOME) Funds, Emergency Shelter Grants (ESG), Housing Opportunities for Persons with Aids (HOPWA), Multi-Family Affordability Upfront Investment (MAUI), City Bond Proceeds, or any other City grant or loan funds for the development or maintenance of affordable housing.

"Commissioner" means the Commissioner of Planning and Development or the Commissioner of Housing, or successor agencies, as applicable, and their respective designees.

"Congregate living facility" means any form of homeless shelter, street encampment, detention center, jail, skilled nursing facility, nursing home, or other residential institution in which large groups of people share essential living space such as bedrooms, bathrooms, kitchens, and/or dining halls.

"Department" shall mean the Department of Housing or successor agency unless otherwise noted.

"Displaced Persons" low-income persons or groups of persons who have been forced or obliged to leave their homes or habitual residence, in particular as a result of real estate speculation, the demolition or acquisition of their residence

"Grantee" means any person or corporation who receives City of Chicago Affordable Housing Units pursuant to a grant agreement.

"Occupancy rate" means the number of apartments occupied by an individual or set of individuals, regardless of how those apartments are defined or designated otherwise, divided by the total number of apartments in the development. Special use units and apartments appropriately designated as "offline" as defined in 5-25-020 shall not be included in this calculation.

"Offline apartment" means any apartment not currently made available for leasing or occupancy pending substantial rehabilitation or redevelopment, where the contracted rehabilitation-related or redevelopment-related construction will commence within the next 12 months and be completed within the next 36 months.

"Disability" shall have the same meaning as "Handicap" in the federal Fair Housing Act 42 U.S.C. 3602 (h).

"Publicly-subsidized apartment" shall mean a rental dwelling unit that is made affordable to very low-income, low-income, or moderate-income persons by means of restricted rents or rental assistance as identified by the appropriate local, state, or federal agency overseeing the pertinent housing program, including but not limited to public housing operating funds, project-based section 8 assistance, project-based voucher assistance, property rental assistance, Low-Income Housing Tax Credit, Affordable Requirements Ordinance, and Low-Income Housing Trust Fund assistance.

"Registration site" is any Section 501(c)(3) or state registered not-for-profit entity that registers with the Department of Housing as a registration site.

"Senior" is defined as any person who is 55 years of age or older.

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"Special use units" means apartments being used for a non-residential purpose such as office space, community space, or employee housing.

"Substantial control" means holding either complete or substantial ownership in a housing asset, or being a signed party either currently or prospectively to a Management Agreement, Annual Contributions Contract, Regulatory and/or Operating Agreement, and/or Land Lease Agreement with the "applicant", "borrower" or "grantee" for the proposed housing development for which the applicant is seeking City of Chicago funds.

"Substantial ownership" means holding a ten percent or more percentage of interest in any borrower or applicant, with ownership to be defined in accordance with the disclosure requirements for city contractors, as set forth in the provisions of Section 2-154-010, including those shareholders, partners, beneficiaries and principals more specifically described therein; except that where the bidder, potential contractor or contractor is an individual or sole proprietorship, substantial owner means that individual or sole proprietorship.

"Vacancy scofflaw" shall mean any party who has substantial ownership or substantial control over a publicly-subsidized housing development who violates the 97% occupancy rate and 60-day vacant unit turn-around standard established by this code over a period of 6 months or longer, whether prior to or after the enactment of this Ordinance, whose asset management practices demonstrate consistent waste or negligence in the management of public resources

"Vacant unit turn-around time" means the period beginning on the first day for which rent is not charged following completion or termination of occupancy as a publicly-subsidized unit, and ending on the day preceding the first day for which rent is charged for such unit based on occupancy or re-occupancy as a publicly-subsidized housing unit of that or a different unit that was not previously occupied as a publicly-subsidized unit, whichever shall first occur.

5-25-030 Requirement to maintain full occupancy and swiftly re-lease any vacant affordable units across City affordable housing units

Any applicant seeking approval for City of Chicago Affordable Housing Units, along with each affiliate entity which has or will have substantial ownership or substantial control in the applicant's proposed development must, as a condition of eligibility to receive City of Chicago funds:

- 1) achieve and maintain a 97% occupancy rate for each publicly-subsidized housing development under its substantial ownership or substantial control; and
- 2) achieve and maintain an average vacant unit turn-around time of no more than 60 days for each publicly-subsidized housing development under its substantial ownership or substantial control; and
- 3) submit a certification disclosing the occupancy rates and vacant unit turn-around time for each of the publicly-subsidized affordable housing developments in which they have ownership interest or substantial control for each completed quarter of the 12-month period preceding their application as part of their application for City of Chicago funds.

5-25-040 Requirement to Maintain a Centralized Waitlist

- 1) The Department shall maintain a Centralized Waitlist of individuals seeking affordable, accessible housing.
- 2) The Centralized Waitlist shall be maintained in one central portal that allows applicants to sign up for the waitlist and check their status on the waitlist.
- 3) The Online Portal for the Department of Housing Centralized Waitlist shall have a link to the Chicago Housing Authority's Waitlist sign-up page, so that individuals seeking affordable, accessible housing may be able to register for both sites at the same time.
- 4) The Online Portal for the Department of Housing Centralized Waitlist shall have a link that individuals may use to request their position on CHA's waitlist, pursuant to 310 ILCS 10/25.06 of the Illinois Public Housing Authorities Act.
- 5) The Department will ensure that waitlist records are saved in two independent locations to help ensure checks and balances, accountability, and proper conduct regarding waitlist management.
- 6) The Department shall develop centralized leasing for all City of Chicago affordable housing units, which shall connect to the city's centralized waitlist pursuant to 5-25-050.

5-25-050 Waitlist Operations

- 1) The Department shall ensure that individuals with disabilities who need accessibility features are prioritized for units with those features, and that individuals with families are paired with units that are appropriately sized for their family.
- 2) Displaced people shall be given priority on the city's waitlist for units within the area they were displaced from.
- 3) When individuals seeking housing register for the waitlist, the Department shall request the address, phone number, and email of the individual as well as a secondary contact to maximize the likelihood that the Department will be able to contact the individual. If an individual signs up for the waitlist through a registration site, the name of the site shall also be recorded for the purposes of contacting the individual.
- 4) When an individual is selected for a unit, the Department shall utilize all methods of contact (mail, phone, and email) for the individual as well as their secondary contact, and contact at the registration site if applicable at least twice over a period of two weeks to reach the individual.
- 5) If the Department of Housing does not reach the individual utilizing the methods in paragraph 3 of this section within 2 weeks the Department may go to the next individual on the waitlist who is appropriate for the open unit.

- 6) If an individual is skipped in the manner described in paragraph 4, they will remain

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in the same position on the waitlist, and Department must attempt to contact them the next time a unit becomes available in the manner described in paragraph 3. If an individual does not respond after 3 instances of being selected for a unit, the individual will remain on the list, but will move to the bottom of the list.

5-25-060 Requirement to Designate and Fund Registration Sites

- 1) Individuals shall be able to receive assistance from registration sites with registering for the centralized waitlist.
- 2) The Department shall create an application process for registration sites to be publicly listed and advertised on various platforms. The Department shall affirmatively connect with agencies in all community areas to ensure equitable access to registration sites for all Chicagoans, including but not limited to variety of community areas, accessibility for people with disabilities, and language access. Registration sites shall be required to re-register every three (3) years. Registration sites shall notify the Department within 30 days of any change in address, phone number, or any contact information and Department shall update this information no later than 30 days after receipt.
- 3) Individuals shall be able to connect to the registration sites by calling the 311 system.
- 4) The City shall provide sufficient funding to (1) create and maintain the centralized waitlist, and (2) fund assistance both at the city and at the registration sites for individuals to sign up for the Centralized Waitlist.

5-25-070 Centralized Waitlist Reporting Requirements

- 1) To be eligible to apply for City of Chicago funds for affordable housing development, specifically HOME and federal Low-Income Housing Tax Credit dollars awarded through the Qualified Allocation Plan and/or Multi-family Loan Application process, an applicant for or recipient of city funding must send all City of Chicago Affordable Housing apartment vacancies to the Chicago Department of Housing Centralized Waitlist Online Portal. This includes any partners or affiliates who either have an ownership interest or substantial control in the applicant's proposed development.
- 2) In sending all affordable housing vacancies to the Chicago Department of Housing Centralized Waitlist Online Portal, an applicant for or recipient of city funding must denote (1) the size of the unit and number of bedrooms; and (2) identify units that contain accessibility features for people with disabilities.
- 3) To be eligible to apply for City of Chicago funds, any applicant for or recipient of city funding, including any partners or affiliates who either have an ownership interest or substantial control in the applicant's proposed development, every 120 days must provide the Department with a list of people that they have moved from the Centralized Waitlist into housing units and state the reason for denial of any applicant.
 - (4) The Department will report the number of people on the Centralized Waitlist and

demographic information regarding of those who have been housed from the list to the City Council's Housing and Real Estate Committee on a quarterly basis. This report shall include the individual's family size, race, disability, age, and whether the individual is a displaced individual. The report shall also provide the unit's size, location, and whether the unit has any accessibility features. (5) The Department will provide those same lists to all Registration sites and settings.

5-25-050 Regulations implementing this chapter

The Commissioner of the Department of Housing is authorized to promulgate rules regulations for the proper implementation, administration, and enforcement of this chapter. Such rules shall include but are not limited to:

- 1) the development of interagency coordination among the many organizations and city departments working on public health and housing issues who must play a vital role in helping vulnerable populations relocate from unsafe congregate settings, including guidelines for site registration sites.
- 2) tenant selection and leasing required of applicants for City of Chicago housing funds established in 5-25-040.
- 3) the protocols by which a person or entity comes to appear on a list of "Vacancy Scofflaws" that the City shall publish and maintain on its website, and the hearing or appeal process regarding removal of a person or entity from such list.

The Commissioner of the Department of Housing shall develop and publish for public comment proposed regulations implementing this chapter within 60 days of enactment of this Ordinance. The public comment period shall last no more than 30 days. The Commissioner shall finalize the regulations implementing this chapter within 60 days of the end of the public comment period.

5-25-060 Powers of the Housing Commissioner under this Chapter

The Commissioner is authorized to: (i) conduct investigations or hearings or other actions or proceedings, consistent with the requirement of due process of law and equal protection under the law, to accomplish the purposes of this section; and (ii) delegate to a designee the commissioner's authority to conduct hearings under this section.

5-25-070 Conflict with Other Laws

Nothing with respect to this Ordinance is intended to conflict with any other local, state, or federal laws including, but not limited to, the Violence Against Women Act, the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act of 1973.