



Office of the City Clerk

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

Legislation Text

File #: O2018-5090, Version: 1

ORDINANCE

WHEREAS, the City of Chicago (the "City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low and moderate income; 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 Section 2-45-115(G)(1) of the Municipal Code of Chicago (the "Code"), certain funds derived from payments to the City pursuant to Sections 2-45-110 and 2-45-115 of the Code (the "AHOF Funds") may 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

WHEREAS, to achieve the goals of creating and preserving affordable rental housing in appreciating neighborhoods, and encouraging developers to work with the Chicago Housing Authority, the City's Department of Planning and Development ("DPD") has established the Opportunity Investment Fund Program, pursuant to which the City will grant AHOF Funds to CIC Government Investor, LLC, an Illinois limited liability company (the "Government Investor"), whose sole member is Community Investment Corporation, an Illinois not-for-profit corporation ("CIC"), and the Government Investor will manage grants from the City to the CIC Opportunity Investment Fund (the "Fund"); and

WHEREAS, the Fund will make low-cost mezzanine loans to multifamily rental property owners after such owners have maximized private mortgage debt in exchange for affordability restrictions which ensure that rents remain affordable for low- and moderate-income families pursuant to program parameters as further described on Exhibit A hereto and hereby incorporated herein (the "Opportunity Investment Fund Program"); and

WHEREAS, DPD recommends to the City Council that the Opportunity Investment Fund Program be specifically approved by the City Council as a housing program for which the use of AHOF Funds is authorized; and

WHEREAS, DPD has preliminarily reviewed and approved the grant of up to \$5,000,000 of AHOF Funds to the Government Investor (the "Grant"); 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") is hereby authorized to promulgate rules and regulations for the Opportunity Investment Fund Program.

SECTION 3. Other than the Grant authorized in Section 4 hereof, any additional grant of AHOF Funds under the Opportunity Investment Fund Program shall be subject to City Council approval.

SECTION 4. The Commissioner and a designee of the Commissioner (collectively, the "Authorized Officer¹") are each hereby authorized, subject to approval by the Corporation Counsel, 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 Grant and the Opportunity Investment Fund Program. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the Grant to the Government Investor.

SECTION 5. To the extent that any ordinance, resolution, rule, order or provision of the 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 6. This ordinance shall be effective as of the date of its passage and approval.

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 Opportunity Investment Fund 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 Opportunity Investment Fund Program rules and regulations.
- To be eligible to participate in the Opportunity Investment Fund 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 Opportunity Investment Fund Program.
- The maximum tenant income at initial occupancy for affordable units under the Opportunity Investment Fund Program shall be a household income of fifty percent (50%) of the Chicago Primary Metropolitan Statistical Area median income.
- Maximum rents for affordable units under the Opportunity Investment Fund 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.
- The duration of affordability restrictions for Affordable Housing shall be for a minimum period of 15 years after the date of closing. Such restrictions shall be documented in an affordable housing agreement which shall be recorded against the Residential Housing Project receiving an Opportunity Investment Fund 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 Opportunity Investment Fund Program shall be determined in accordance with the Opportunity Investment Fund Program rules and regulations.

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 ordinance authorizing an allocation of five million dollars in ARO funds for Opportunity Investment Fund loans.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

CHICAGO July 25, 2018 V^

To the President and Members of the City Council:

Your Committee on Finance having had under consideration an ordinance authorizing the establishment of the Opportunity Investment Fund Program, the approval of grant funding of this Program and the approval of rule-making authority for the Department of Planning and Development for this Program.

02018-5090

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^iva voce vote J)
of members of the committee with dissenting vote(s)7**

Respectfully submitted

(signed)

Chairman

Approved