



# Office of the City Clerk

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## Legislation Text

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CHICAGO, November 7, 2018

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration the Final Statement of Objectives and Projected Use of Funds for the Year XLV Community Development Block Grant Funds presented herewith and the Year XLV Community Development Block Grant Ordinance, as amended, having had the same under advisement, begs leave to report and recommend that Your Honorable Body adopt the Year XLV Community Development Block Grant Ordinance, as amended, transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Carrie M. Austin Chairman

Office of Budget and Management  
CITY OF CHICAGO

November 5, 2018

TO THE HONORABLE, THE CHAIRMAN AND MEMBERS OF THE  
CITY COUNCIL COMMITTEE ON THE BUDGET AND  
GOVERNMENT OPERATIONS

Ladies and Gentlemen:

I transmit herewith the text portions of the 2019 Annual Appropriation Ordinance and the Year XLV (45) Community Development Block Grant Ordinance.

Your favorable consideration of these items will be appreciated.

Very truly yours.

11 NORTH LASALLE STREET, CHICAGO, ILLINOIS

## **THE YEAR XLV (45) COMMUNITY DEVELOPMENT BLOCK GRANT ORDINANCE**

WHEREAS, pursuant to the enactment of the Federal Housing and Community Development Act of 1974, as amended (the "Act"), the City of Chicago proposes to submit the Action Plan for Year XLV Community Development Block Grant ("CDBG") funds, unexpended funds of prior federal years and related revenues in the amount of ninety-one million, six-hundred-and-nine thousand dollars (\$91,609,000.00), plus entitlement funding for the HOME Investment Partnerships Program ("HOME"), the Emergency Solutions Grant ("ESG"), and the Housing Opportunities for Persons With AIDS Grant ("HOPWA"). Appropriation for HOME, ESG and HOPWA is being made concurrently in the Annual Appropriation Ordinance for the associated fiscal year; and

WHEREAS, it is provided in the Act and in regulations promulgated thereunder that the City provide certain assurances to the federal government; and

WHEREAS, the Mayor and the City Council of the City of Chicago are cognizant of the conditions of the Act, and are desirous of complying therewith; and

WHEREAS, the Mayor and the City Council are desirous of establishing procedures which insure fair, open and equitable administration of federal grant funds; and

WHEREAS, the City of Chicago is a home rule unit of government as defined in Article VII, Section 6 (a) of the Illinois Constitution, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the management of its finances is a matter pertaining to the government and affairs of the City; now, therefore,

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

SECTION 1. The Mayor of the City of Chicago is hereby authorized to make Year XLV submission for funds, including the Strategic Plan, which outlines the final statement of objectives and projected use of funds, in the sum of ninety-one million, six-hundred-and-nine thousand dollars (\$91,609,000.00) in CDBG funds, unexpended funds of prior years and related revenues, as set forth in this Ordinance and all understandings and assurances contained herein, pursuant to the Federal Housing and Community Development Act of 1974, as amended, and regulations issued thereunder. The City Council hereby approves the Action Plan for use of Year XLV CDBG and related funds, as submitted by the Mayor and amended, which is attached hereto and made a part of this Ordinance.

SECTION 2. The Mayor is further authorized to act in connection with the submission, to provide such assurances as are necessary and such additional information as may be required.

SECTION 3. The criteria for CDBG-funded programs previously approved by the City Council remain in effect.

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SECTION 4. Except for those funds specifically appropriated for delegate agencies, the City may reprogram up to \$50,000 appropriated for any object or purpose set forth in this Ordinance or allocations from prior block grant years, provided that no appropriation for any object or purpose shall be reduced by reprogramming below an amount sufficient to cover all obligations incurred and payable from that appropriation.

All proposed reprogramming of funds as outlined in the Strategic Plan for Program Activities, defined as Section 108 Repayment, Code Enforcement, Community Development, Public Facilities and Infrastructure Improvements, Public Services and Planning and Administration (collectively "Activities"), for the Year XLV and in the allocations for prior years shall be made by providing citizens with reasonable notice of the opportunity to comment on any proposed reprogramming of 20% or more of funds from one Activity to another, which includes the deletion or addition of any Activity.

SECTION 5. The Office of Budget and Management shall notify aldermen of projects in their respective wards contemplated under this program.

SECTION 6. The award of any grant in any Activity which is not included by specific designation in this Ordinance shall be subject to review and approval by the City Council.

SECTION 7. The approval of any loan in the amount of \$150,000 or more, funded in whole or by 25% or more with Year XLV CDBG funds or funds from prior block grant years, shall be subject to review and approval by the City Council. Within 90 days after the end of the midpoint and the end of the program year, the head of each department or agency through which loans are processed and administered shall file a report with the City Council concerning all loans of CDBG funds made by the department or agency during the preceding half of the program year. Each report shall contain the following information concerning each loan: the name and address and nature of business of the borrower; the purpose of the loan; the federal program year and loan program involved; a summary of the terms and conditions of the loan; and a copy of the borrower's economic disclosure statement, if the loan did not require City Council approval.

SECTION 8. If applicable in a given fiscal year, funding for a minimum of two rounds of Community Development Float Loan competitions will be drawn down from the Year XLV letter of credit. The amount of funding for each round will depend on the availability of funds in the letter of credit at the time of each round as well as the total amount of gap financing needed by qualifying applicants.

SECTION 9. The following sums of money set out according to the departments and agencies of City government and delegate agencies are allocated from the Community Development Block Grant to the City of Chicago for Year XLV, and are to be expended during the fiscal year beginning January 1, 2019, and ending December 31, 2019, for the objects and purposes set forth in Section 12 hereof. In furtherance thereof, and subject to the mandatory policies and procedures required by this section, authority is hereby provided to the heads of such City departments and agencies to execute subgrant agreements with such listed delegate agencies to effectuate such expenditures. Grant applications, awards of grants and subgrants,

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other expenditures of grant funds, and all other aspects of the grant process described in this section shall be carried out in adherence to City-wide policies and procedures established and administered by the Office of Budget and Management in consultation with the Department of Finance, pursuant to the Mayor's direction, and shall further be subject to the limitations of this section. These mandatory policies and procedures shall govern all city grants, including those authorized under any municipal code provision or uncodified ordinance.

Account numbers shall be interpreted in the same manner as their counterparts in the Annual Appropriation Ordinance of the City of Chicago for the Year 2019. Included in allocations for personal services in this Ordinance is an account appearing as Code No. ".0044 Fringe Benefits" for the purpose of providing City employees with health insurance, dental insurance, optical insurance, pension (employer's share), unemployment insurance, workers' compensation, tuition reimbursement, paid vacation, in-house training programs, sick leave, deferred compensation, holidays, time off with pay for family death, paid salary while on jury duty and disability payments.

SECTION 10. The appropriations set forth in this Ordinance for personal services shall be regarded as maximum amounts to be expended from such appropriations. Such expenditures shall be further limited to employment of personnel only as needed, or as may be required by law, not to exceed the specified maximum number designated in the ordinance for any office, position or title. When there is no limitation as to the maximum number that may be employed for any office or position by title, one person may be employed, or more than one person may be employed with the approval of the Budget Director, regardless of whether such title is printed in the singular or plural. The salary or wage rate fixed shall be regarded as the maximum salary or wage rates for the respective offices, positions and titles; provided that wage rates fixed on a daily or monthly basis are subject to change by the City Council in accordance with contracts approved by the City Council between the City of Chicago and recognized collective bargaining agents. The salary or wage rates fixed are on a yearly basis unless otherwise indicated.

An employee may be assigned to a title not appearing within the appropriation of the employee's department, in lieu of a specific title appearing in the appropriation, upon the written recommendation of the department head and approval of the Commissioner of Human Resources, the Budget Director and the Chairman of the City Council Committee on the Budget and Government Operations or their respective designees. Such assignment may be requested and approved when the title requested is appropriate to the function of the department, and reflects the skills, training and experience of the employee. In no event shall

the authority conferred herein be exercised in violation of the City's hiring plans, as amended.

No officer or employee shall have the right to demand continuous employment or compensation by reason of an appropriation if, upon determination of the department head, his or her services are not needed and it becomes necessary to lay him or her off on account of lack of work or lack of funds. In case of a vacancy in any office or position, the head of a department in which the vacancy occurs shall not be required to fill such office or position if, in his or her judgment and discretion, there is no necessity therefor.

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All City of Chicago employees compensated by CDBG funds shall receive the same benefits and conditions as other City employees performing similar work and compensated by other funds.

SECTION 11. Any employee who is required and authorized to use his or her personally owned automobile in the regular course of City business shall be allowed and paid at the rate established from time to time by the Internal Revenue Service for the number of miles per month use of such privately owned automobile, to a maximum amount of \$550 per month, such maximum to be adjusted upward on February 1 of each year by the percentage increase, if any, in the Transportation Expenditure Category of the Consumer Price Index for All Urban Consumers (CPI-U): U.S. City Average for the previous year, as rounded to the nearest \$5 increment. Each annual adjustment shall be based on the adjusted amount for the previous year. Provided further, the foregoing computation shall be subject to provisions contained in contracts approved by the City Council between the City and recognized collective bargaining agents. This allowance is subject to change by the City Council in accordance with contracts approved by the City Council between the City of Chicago and recognized collective bargaining agents.

SECTION 12. The objects and purposes for which allocations are made in this ordinance are classified and standardized by the following items:

- 1) Personal Services
- 2) Contractual Services
- 3) Travel
- 4) Commodities
- 5) Equipment
- 6) Permanent Improvements
- 7) Land

An appropriation in one or more of the items specified above shall be construed in accordance with the definitions and limitations specified in Section 8-2-5 of the Illinois Municipal Code of 1961, as amended, unless this ordinance otherwise provides. An allocation for a purpose other than one specified and defined in this section shall be considered a separate and distinct item of appropriation.

SECTION 13. All work to be performed by the City of Chicago pursuant to this Ordinance shall be done using the current work force of the City of Chicago and the persons on the following lists shall have preference over any new employees to be hired for positions for which such lists exist in accordance with the City's Human Resources Rules:

- a) Persons on City of Chicago layoff lists;
- b) Persons on City of Chicago reinstatement lists;
- c) Persons on City of Chicago reemployment lists; and
- d) Persons on City of Chicago promotion lists.

Provided, however, that the preferences hereinabove specified shall not apply where other methods of hiring must be utilized in order to comply with the terms of any order or decree

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of a court or administrative agency, collective bargaining agreement or Title 42 U.S.C. § 2000(e) et seq.

SECTION 14. For all funds expended under the CDBG program for the Year XLV, the Office of Budget and Management shall submit to the City Council a report on the expenditure and obligation of funds within 45 days after the end of the first half of the program year and within 90 days after the end of the program year. The report shall include an accounting for all funds expended during the preceding half year for all prior block grant years, all income generated from the current block grant year and previous grant years and a projection of income for the remaining half of the program year. The report shall also include a statement of the reasons for all unencumbered and unexpended allocations in all block grant years, as reported in the Office of Budget and Management's monthly "Notice of Grant Awards Report."

SECTION 15. Except as provided in Section 4 hereof, all unencumbered and > unexpended CDBG funds of Year XLV and all prior program years shall be reviewed by the Budget Director and the Comptroller for the purpose of preparing the Year XLVI CDBG Proposed Statement. This joint review committee shall prepare a report of funds available for reprogramming and proposed use of such funds in CDBG Year XLVI.

This report shall be submitted to the City Council and shall be subject to public comment and hearings along with the Year XLVI CDBG Draft Action Plan. Action on these funds will take place concurrently with action on the proposed Year XLVI CDBG Final Action Plan.

SECTION 16. Pursuant to Section 104(a)(2)(D) and Section 104(b)(5) of the Federal Housing and Community Development Act of 1974, as amended, the City shall provide citizens with reasonable access to records of the past use of all CDBG funds. Such information shall be available, on request, through the Office of Budget and Management and the Department of Finance.

SECTION 17. In the event that the final entitlement of the City of Chicago to Year XLV CDBG funds, as determined by the United States Department of Housing and Urban Development, does not equal the amount estimated in this Ordinance, the Budget Director shall adjust the allocation to reflect available funds. Notice of such adjustment shall be given to every affected department, agency and delegate agency as soon as possible after the adjustment has been computed.

SECTION 18. In the event that any delegate agency has not executed a contract authorized in this Ordinance by March 31, 2019, the allocation for such contract shall lapse. Provided, however, that this section shall not apply if it is determined by the Budget Director that the delay is not the fault

of the delegate agency, but has been occasioned by difficulty in processing the contract within any department of the City government.

SECTION 19. This Ordinance shall take effect upon its passage and approval, notwithstanding any provision of state law or any ordinance to the contrary.