



# Office of the City Clerk

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## Legislation Text

File #: SO2019-1427, Version: 1

### SUBSTITUTE 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-^PriGr-PrGgr-ams^; 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-buildif^Gn^be-suGeesses-of^he-^Gr-^^gfamsr now desires to establish a Community Connections Home Buyer Assistance Program new-P^liG-^fe4y^ffiGem-44Gme-Buye^ (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, and such additional police districts and census tracts as shall be designated by the Commissioner.

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, or as may be designated by the Commissioner.

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, prepaid interest and such other costs as approved by DPD

Not permitted for the Term

Buyer's equity:

Loan to value:

Other loans:

Termination date:

Interest:

Mortgage:

Subordination: Amount Forgiven:

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

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

10 years from the date of the Note

Zero percent per annum

Junior mortgage to the senior purchase mortgage, or to any replacement senior purchase mortgage undertaken during the Term of the Loan

Permitted, only to any replacement senior purchase mortgage undertaken during the Term of the Loan

\$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.



