



Office of the City Clerk

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Legislation Text

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OFFICE OF THE MAYOR

CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

February 23, 2022

TO IMF; HONORABLE, THE CITY COUNCIL OF
THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Housing, I transmit herewith an ordinance increasing the cap for the software contract with Unqork Inc.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours.

ORDINANCE

WHEREAS, in accordance with the provisions of Article VI Section 6(a) of the Constitution of the State of Illinois (the "State Constitution"), the City of Chicago (the "City") as a home rule unit of government may exercise any power and perform any function relating to its government and affairs; and

WHEREAS, the City through its Department of Housing ("DOM") was previously awarded federal COVID-19 grant funds in the amount of \$79,856,000 by the United States Department of the Treasury (the "Treasury") for the Emergency Rental Assistance Program ("ERAP," consisting of the \$79,856,000 "ERAP1" and "ERAP2" as defined below), which grant funds may have been subject to recapture by the Treasury if 65% was not used by September 30, 2021; and

WHEREAS, an ordinance adopted at the Mar. 24, 2021 City Council meeting and appearing in the Journal of Council Proceedings for such date at pp. 28604-28610 ("March Ordinance"), authorized DOH to enter into a contract with Unqork, Inc., a Delaware corporation, to provide DOH with subscription-based access to its proprietary software for ERAP application intake and management for an amount not to exceed \$600,000 for a one-year term, renewable for an optional, maximum additional one-year term if ERAP were extended (the "ERAP Software Contract"); and

WHEREAS, pursuant to the authority granted, DOH entered into the ERAP Software Contract with Unqork, Inc. to receive its proprietary software for ERAP application intake and management, on the terms and within the limits specified in the March Ordinance; and

WHEREAS, a second tranche of ERAP funding ("ERAP2") passed the United States Congress in March 2021, and provided the City with just over \$102 million in additional direct rental assistance funds; and

WHEREAS, ERAP1 allows 10% of funds to be used for administration and "housing stabilization services," and ERAP2 allows 15% of funds to be used for administration; and

WHEREAS, 50% of ERAP2 funds must be spent by March 31, 2022; and

WHEREAS, similar claw back and redistribution statutory requirements apply to this second tranche of ERAP funds as for ERAP 1 as described above and in the March Ordinance; and

WHEREAS, the \$600,000 compensation cap in the March Ordinance was requested by DOH to cover the cost of software for ERAP1 without consideration of ERAP2, which has increased volume and cost; and

WHEREAS, given the higher volume of applications and awards, the fact that ERAP2 funds will increase software needs, and that Unqork, Inc. will have to make adjustments and provide additional customization, DOH requests authorization to raise the not to exceed amount of compensation to \$1,200,000 for the full two-year term of the ERAP Software Contract (the full year and the year extension); and

WHEREAS, the requested \$1,200,000 compensation cap still remains well below the federal statutory cap for administrative expenses (approximately \$23,000,000 for ERAP 1 and ERAP 2 combined); now therefore,

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

SECTION 1. Incorporation of recitals; definitions. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein. All terms not otherwise defined herein shall have the meanings set forth in the March Ordinance.

SECTION 2. The Commissioner of Housing or her designee (each, an "Authorized Officer") is authorized to amend the ERAP Software Contract such that the not to exceed compensation is increased to \$1,200,000.00. Each Authorized Officer, for and on behalf of the City shall be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the City under and pursuant to this ordinance and is

hereby further authorized, empowered and directed for and on behalf of the City, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this ordinance or to evidence said authority.

SECTION 3. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago (the "Municipal 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. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to render voidable at the option of the City any document, instrument or agreement authorized under this ordinance or to impair the validity of this ordinance or the instruments authorized by this ordinance; provided further that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

SECTION 4. This ordinance shall be in full force and effect upon its passage and approval.