

ORDINANCE

WHEREAS, the City of Chicago is a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois; and

WHEREAS, the City finds that there exists within Chicago a serious shortage of decent, safe, and sanitary housing available to persons of low- and moderate-income; and

WHEREAS, the City has determined that the continuance of a shortage of affordable single-family and multi-family housing is harmful to the health, prosperity, economic stability, and general welfare of the City; and

WHEREAS, pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, the City, as a constitutional home rule city, is allocated a certain amount of volume cap per calendar year in connection with the issuance of tax-exempt bonds by the City; and

WHEREAS, the City often does not utilize all its volume cap in a given year due to various constraints; and

WHEREAS, the Illinois Private Activity Bond Allocation Act, 30 ILCS 345/1 et seq., as amended, provides, among other things, that the corporate authorities of any home rule unit may reallocate all or any portion of its unused allocation of that year's volume cap to certain eligible entities; and

WHEREAS, for the purpose of constructing affordable housing, the City, from time to time, transfers a portion of that year's volume cap on an ad hoc basis to the Chicago Housing Authority or to the Illinois Housing Development Authority to support their development of affordable housing within Chicago; and

WHEREAS, it is in the best interest of the City to reduce administrative and legislative burdens associated with these transfers; now, therefore,

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

SECTION 1. Chapter 2-44 of the Municipal Code of Chicago is hereby amended by inserting a new Section 2-44-150, as follows:

2-44-150 Reallocation of volume cap.

(a) As used in this section:

"Tax-exempt obligation" means a debt obligation the interest on which is exempt from federal income tax under Section 103 of the Internal Revenue Code, codified at 26 U.S.C. § 103.

"Volume cap" has the meaning ascribed to that term in Section 3 of the Illinois Private Activity Bond Allocation Act, codified at 30 ILCS 345/3.

(b) The Commissioner is authorized to reallocate, in compliance with applicable State and federal law, to the Chicago Housing Authority and to the Illinois Housing Development

Authority one or more amounts of the City's then-available volume cap for the purpose of developing affordable or mixed-income housing within the City of Chicago.

(c) The Commissioner, with the written concurrence of the Chief Financial Officer and after considering the best interest of the City and the amount of volume cap available on the date of the reallocation, shall determine: (1) the amount of a reallocation to the Chicago Housing Authority or to the Illinois Housing Development Authority; and (2) the date on which the reallocation is effectuated.

(d) The Commissioner is authorized to charge an administrative fee of 1.5% of the amount of volume cap being reallocated. The Commissioner is authorized to waive such fee pursuant to a determination by the Commissioner that such waiver is in the best economic interest of the City. The Commissioner shall memorialize and maintain on file the justification for any waiver granted.

(e) Subject to the approval of the Corporation Counsel as to form and legality, the Commissioner is authorized to enter into one or more intergovernmental agreements, and such other supporting documents as may be necessary, with the Chicago Housing Authority or the Illinois Housing Development Authority, as applicable, for the reallocation of volume cap. Each reallocation shall be effectuated pursuant to the terms of an intergovernmental agreement, which may provide for the use or carrying forward of volume cap in accordance with applicable law, or the return of volume cap by the end of the calendar year in which it was reallocated.

(f) The Commissioner shall reallocate volume cap either:

(1) prior to the issuance of tax-exempt obligations for each respective housing development; or

(2) for reallocations of volume cap to the Illinois Housing Development Authority only, after the issuance of tax-exempt obligations for a particular housing development, provided that the Illinois Housing Development Authority has:

(A) prior to issuing the tax-exempt obligations for each such housing development: (i) identified such housing development to the Department; and (ii) obtained a written promise from the City to reimburse the Illinois Housing Development Authority for the use of the Illinois Housing Development Authority's own volume cap for such housing development; and

(B) enacted an Illinois Housing Development Authority Board of Directors resolution stating that the Illinois Housing Development Authority would not have proceeded with said housing development if it had not received the City's promise to reimburse in the same amount it planned to use for said housing development.

(g) All housing developments for which the Commissioner makes a reallocation of volume cap pursuant to this section must be located within the corporate boundaries of the City.

SECTION 2. This ordinance shall take effect upon passage and approval.