

SUBSTITUTE ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government pursuant to Section 6(a), Article VII of the Constitution of the State of Illinois of 1970, and as such, may exercise any power and perform any function pertaining to its government and affairs; and;

WHEREAS, on January 11, 2006, the City Council adopted Ordinance No. ____ (C.J.P. 6799-68024) (as amended, the "Original CHT Ordinance"), which authorized the City's Department of Housing ("DOH") to create the Chicago Community Land Trust as an Illinois not-for-profit corporation, a/k/a the Chicago Housing Trust (the "CHT"); and

WHEREAS, the CHT was established to preserve the long-term affordability of housing units created through City programs; and

WHEREAS, the Original Ordinance and subsequent ordinances relating to the CHT's role and functions (collectively, the "CHT Ordinances") authorized DOH to provide City resources to the CHT in order to accomplish its mission, including, without limitation, internal staff support, office space, equipment, and supplies; and

WHEREAS, the executive director of the CHT is now and has been a DOH employee, and DOH recently hired two additional employees to support the CHT; and

WHEREAS, the CHT Ordinances authorized the Commissioner of DOH (the "Commissioner") to determine the scope of city resources to be provided to the CHT, and authorized the City Comptroller to determine the scope of finance-related services and resources to be provided to the CHT; and

WHEREAS, the CHT is governed by a fifteen (15)-member board of directors, including the commissioners of DOH and the Department of Planning and Development as *ex-officio* members and other members appointed by the Mayor with the advice and consent of the City Council; and

WHEREAS, currently, the CHT board of directors has nine (9) members; and

WHEREAS, at the time of its creation in 2006, it was anticipated that the CHT would eventually have additional revenue streams aside from city resources, but the CHT continues to rely upon City staff and resources, in part because of the reluctance of foundations and other grant-making individuals and organizations to support government-created nonprofits (since it is assumed the government will fund the nonprofit), and in part because the CHT, unlike most community land trusts, does not collect monthly fees from homeowners (in order to reduce the costs of homeownership); and

WHEREAS, due to the CHT's close alignment with DOH and its increasing role within the department, the City has determined that the CHT's functions can be as or more efficiently performed as a bureau within the department under a single governance structure, and that its continuing existence as a non-profit organization is not necessary; and

WHEREAS, it is the desire of the Mayor and the City Council to dissolve the CHT and to assume responsibility for all services provided by the CHT; now, therefore,

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

SECTION 1. The foregoing recitals are hereby adopted as the findings of the City Council.

SECTION 2. DOH is authorized and directed to take such steps as may be necessary to dissolve the CHT, and the Commissioner of DOH, the Chief Financial Officer and the Budget Director, and their designees (each, an “Authorized Party,” and collectively, the “Authorized Parties”), are jointly authorized and directed to execute one or more agreements with the Executive Director and the Board of Directors of the CHT, providing for the orderly dissolution of the CHT and the proper distribution of its assets. Such agreements shall include, without limitation, provisions governing:

- (a) disposition (by assignment, payment, termination, transfer, or otherwise) of CHT contracts, obligations, procurements, and projects;
- (b) transfer to the City all monies and funds held by or for the CHT;
- (c) transfer to the City all real and personal property and tangible and intangible assets of the CHT;
- (d) transfer to the City all accounts and other records of the CHT; and
- (e) City indemnification of the covered individuals for official acts undertaken within the scope of their duties for and on behalf of the CHT. “Covered individuals shall mean Board members, the executive director, and persons employed by the CLT between.

SECTION 3. The City shall assume responsibility for the payment of all lawful debts and obligations of the CHT and the City hereby covenants and agrees to comply with and perform all covenants, obligations and agreements of the CHT, except as may be modified between the City and said creditors and obligees.

SECTION 4. Section 2-44-080 of the Municipal Code of Chicago, known as the 2015 Affordable Requirements Ordinance or 2015 ARO, is hereby amended by deleting the language struck-through and inserting the language underscored, as follows:

2-44-080 2015 affordable requirements.

(Omitted text is unaffected by this ordinance)

(B) *Definitions.* For purposes of this section, the following definitions shall apply:

(Omitted text is unaffected by this ordinance)

~~"Chicago Community Land Trust" means the Illinois not for profit corporation established by ordinance adopted on January 11, 2006, and published at pages 67997 through 68004 in the Journal of Proceedings of the City Council of such date, as amended, and having as its primary mission the preservation of long term affordability of housing units, or any successor organization.~~

(Omitted text is unaffected by this ordinance)

(M) ~~*Chicago Community Land Trust.* The Department may delegate to the Chicago Community Land Trust the administration of this section~~ *Reserved.*

SECTION 5. Section 2-44-085 of the Municipal Code of Chicago, known as the 2021 Affordable Requirements Ordinance or 2021 ARO, is hereby amended by deleting the language struck-through and inserting the language underscored, as follows:

2-44-085 2021 affordable requirements.

(Omitted text is unaffected by this ordinance)

(B) *Definitions.* For purposes of this section, the following definitions shall apply:

(Omitted text is unaffected by this ordinance)

~~—"Chicago Community Land Trust" means the Illinois not for profit corporation established by ordinance adopted on January 11, 2006 and published at pages 67997 through 68004 in the Journal of the Proceedings of the City Council of the City of Chicago of such date, as amended, and having as its primary mission the preservation of long term affordability of dwelling units, or any successor organization.~~

(Omitted text is unaffected by this ordinance)

(O) ~~*Chicago Community Land Trust; h*~~*Homebuyer execution and recording of affordable housing covenant and agreement.* ~~The Department may delegate to the Chicago Community Land Trust the administration and monitoring of owner-occupied affordable units created under this section.~~ Concurrently with the initial sale of an affordable owner-occupied unit to an eligible household, the eligible household shall execute and record an affordable housing covenant and agreement against the unit. Each affordable housing covenant and agreement shall:

(Omitted text is unaffected by this ordinance)

(4) grant an option to purchase the unit to the City ~~or the CCLT~~ at the maximum price that could be charged to an eligible household whenever the unit is offered for resale.

SECTION 6. Section 2-44-135 of the Municipal Code of Chicago, known as the Demolition Permit Surcharge Ordinance, is hereby amended by deleting the language struck-through and inserting the language underscored, as follows:

2-44-135 Demolition permit surcharge ordinance.

(Omitted text is unaffected by this ordinance)

(b) *Definitions.* As used in this section:

(Omitted text is unaffected by this ordinance)

~~"CCLT" means the Chicago Community Land Trust, as defined in Section 2-44-080(B).~~

(Omitted text is unaffected by this ordinance)

(f) *Deposit and use of revenue.* The revenue generated by the surcharge shall be deposited in the Affordable Housing Opportunity Fund described in Section 2-44-085(I) unless such revenue is required to be deposited into another fund pursuant to federal or state law. Such revenue shall be reserved and utilized to pay the administrative costs and expenses of implementing this section and, after subtracting such costs and expenses, transferred to the Department of Housing and allocated to the CCLT. ~~The CCLT shall apply such revenue toward~~ the construction, rehabilitation, or preservation of affordable housing in direct proportion to the revenue collected in each pilot area.

SECTION 7. The Authorized Parties are hereby authorized and directed, subject to the review and approval of the City's Corporation Counsel as to form and legality, to undertake any and all such acts and execute any and all such documents or instruments as may be necessary to effectuate and accomplish the purposes of this ordinance, including, without limitation, the Purchase, Sale, Assignment and Assumption Agreement, attached hereto and incorporated herewith as **Exhibit A**. Such documents may contain terms and provisions that the Authorized Parties deem appropriate, including indemnification, releases, affidavits and other documents as may be reasonably necessary to acquire legal title to any and all real property, personal property, contracts and funds of the CHT. Notwithstanding the foregoing, the City may not sell any real property acquired from the CHT without City Council approval. The Purchase, Sale, Assignment and Assumption Agreement shall become effective upon the execution by the authorized representatives of the City and CHT.

SECTION 8. The City and CHT shall make best efforts to effectuate the winding-up of the CHT's corporate business and transfer of assets by December 31, 2025.

SECTION 9. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 10. All ordinances of the City which are inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistency.

SECTION 11. This ordinance shall take effect upon its passage and approval.