

SUBSTITUTE
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 accordance with applicable State and federal law and the provisions of this section, 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 by means of tax-exempt bonds issued by the Chicago Housing Authority or the Illinois Housing Development Authority, respectively.

(c) After considering the best interests of the City and the amount of the City's volume cap expected to be available on the date of the reallocation, the Commissioner shall determine, from time to time, the amount of a reallocation of the City's volume cap to the Chicago Housing Authority or to the Illinois Housing Development Authority. No determination shall become effective without the written concurrences of the Chief Financial Officer and the Chair of the Committee on Finance; provided, however, that if the Chair of the Committee on Finance does not transmit a written concurrence or a written explanation of non-concurrence within ten business days after receiving the Commissioner's determination, the Chair's concurrence shall be assumed.

(d) The Commissioner is authorized to charge an administrative fee of 1.5% of the amount of the City's 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 interests of the City. The Commissioner shall memorialize and maintain on file the justification for any waiver granted.

(e) With the required concurrences under subsection (c) of this section and 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 the City's volume cap. Each intergovernmental agreement may provide for the use or carrying forward of the City's volume cap in accordance with applicable law, or the return of the City's reallocated volume cap by the end of the calendar year in which it was reallocated.

(f) The Commissioner shall reallocate the City's volume cap either:

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

(2) for reallocations of the City's 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 the City's volume cap pursuant to this section must be located within the corporate boundaries of the City.

(h) On or before March 31 of each year, the Commissioner shall submit an annual report to the Committee on Finance regarding all reallocations of the City's volume cap in the preceding calendar year.

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