

Cmte Housing

Amendment of Municipal Code Creating New Section Entitled
“City of Chicago Accountable Housing and Anti-Discrimination Waitlist Ordinance”

ORDINANCE

WHEREAS, it is a public purpose of the City of Chicago (City) that all people in Chicago have safe, affordable and long-term housing; and

WHEREAS, the City has determined that a shortage of affordable housing available to low- and moderate-income households is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, there is a scarcity of housing in Chicago for low-income individuals and families in need; and

WHEREAS, as a result of the shortage of affordable and accessible housing, residents of homeless shelters and other congregate settings are too often chronically homeless, including disabled individuals, families with children, seniors, and veterans; and

WHEREAS, congregate living facilities, such as homeless shelters, halfway houses, treatment centers and nursing facilities, maintain an accurate count of those sheltering in them and are uniquely situated to collect volunteered information and in some cases evaluate the needs of those in their care; and

WHEREAS, in 2019, the Department of Housing found that there is a 120,000-unit gap between existing affordable housing units and households in need of affordable housing units; and

WHEREAS, the City’s public and affordable housing investments must be marshalled to maximize access to affordable housing, and protect human life and public health; and

WHEREAS, thousands of Chicagoans are forced to remain in congregate living facilities, temporary housing, nursing homes, and in other unstable living environments simply due to lack of access to publicly-supported affordable, accessible rental housing; and

WHEREAS, the existing CHA waiting list procedures have demonstrably failed and continues to fail to match available people to available housing in anything like an acceptable amount of time i.e. the last independently-evaluated average wait time being 4.3 years; and

WHEREAS, the City of Chicago’s investments in affordable housing are critical expenditures in the City’s coordinated response to control, manage, and end chronic homelessness; and

WHEREAS, Of the 17,150 people in families with children, 11,651 (68%) were doubled-up and that 12,913 were minor children experiencing homelessness and that unaccompanied homeless youth, ages 14 through 24, totaled 13,966 individuals, of whom 12,706

(91%) doubled-up and that of the 26,206 homeless single adults (25 and older), 16,426 (63%) were doubled-up and that Chicago Public Schools (CPS) reported serving 17,773 homeless students during the 2021-22 school year; and

WHEREAS, the City has allocated public dollars toward the development and rehabilitation of federally and locally supported housing and has an Affordable Requirements Ordinance that requires the construction of affordable housing units; and

WHEREAS, the Affordable Requirements Ordinance and other housing programs with City of Chicago housing funds lack a centralized application portal to make available affordable housing accessible and known to the general public as a way to quickly fill vacancies; and

WHEREAS, minimizing vacancy and adopting swift and efficient leasing and vacant unit turn-over procedures for Chicago's affordable housing stock will stabilize and save lives; and

WHEREAS, the Chicago Housing Authority's Office of Inspector General conducted an audit of the Chicago Housing Authority's tracking and management of vacant public housing units and released a report in March 2023 finding that the CHA's vacancy rate was 14.63%, noncompliance with the Vacant Buildings Ordinance, and failure to follow HUD's vacancy standards; and

WHEREAS, the State Housing Authorities Act (310 ILCS 10/8.10) permits local governments to require a local public housing authority to report information to the local City Council for their jurisdiction; and

WHEREAS, the entire City has a duty to affirmatively further fair housing by taking meaningful action to move people from chronic homelessness to stable, affordable, quality and long-term housing and has allocated public dollars, and tasked governmental entities to match households in need of that housing to available units,

WHEREAS, recipients of federal funding, including the City and recipients of City of Chicago housing funding, are required to build accessible units, know the location of those units, and connect people with disabilities to those units, therefore,

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

SECTION 1. A new Chapter 5, Section 25 of the Municipal Code of Chicago is hereby created as follows:

5-25-010 Title and purpose: This section shall be known as the **Accountable Housing and Anti-Discrimination Waitlist Act**. The purpose and legislative intent of this Chapter is to connect vacancies in affordable housing to households in need of that housing; create transparent waiting lists that move people from chronic homelessness to stable housing to protect health; reduce the number of households forced to live in unsafe congregate living facilities due to lack of access to affordable, accessible housing; and meet the long-term and proven communal benefits of providing

stable housing for children. This chapter will help meet the City's goals of solving the issue of a collapsed waiting list process, closing the 120,000 unit affordable housing gap, protecting human life, and safeguarding public health.

5-25-020 Definitions

For purposes of this section, the following definitions shall apply:

"Affordable Requirements Ordinance" shall have the meaning ascribed in Chapters 2-44-090, 2-44-100, 2-44,105, 2-44-080, or 2-44-085 of the Municipal Code of Chicago.

"Applicant" means any individual, family, or household applying for a covered publicly funded housing unit.

"Borrower" means any person or corporation who receives City of Chicago Housing Funds pursuant to a loan agreement.

"Centralized Waitlist Online Portal" is a list maintained by the Department of Housing of available low-income housing created by City of Chicago housing funds or regulated pursuant to the Affordable Requirements Ordinance. The individual Recipients of City of Chicago housing funds shall be responsible for providing the relevant data to the Department of Housing for the Portal, as described below.

"City of Chicago housing funds" shall mean any unit covered by the Affordable Requirements Ordinance or financed through a grant or loan intended to either maintain or develop affordable housing that must be awarded by a vote of the Chicago City Council, including the Low Income Housing Tax Credit Program (LIHTC), Tax Increment Financing (TIF), Community Development Block Grant (CDBG), Low Income Housing Trust Fund (LIHTF), HOME Investment Partnership Program (HOME) Funds, Housing Opportunities for Persons with Aids (HOPWA), Multi-Family Affordability Upfront Investment (MAUI), City Bond Proceeds, or any other City grant or loan funds for the development or maintenance of affordable housing, not including temporary shelter or short-term emergency housing programs.

"Commissioner" means the Commissioner of the Department of Planning and Development or the Commissioner of the Department of Housing, as applicable, and their respective designees.

"Congregate living facility" means any form of homeless shelter, street encampment, detention center, jail, skilled nursing facility, nursing home, or other residential institution in which large groups of people share essential living space such as bedrooms, bathrooms, kitchens, and/or dining halls.

"Department" shall mean the Department of Housing or successor agency unless otherwise stated.

"Disability" shall have the same meaning as "Handicap" in the federal Fair Housing Act 42 U.S.C. 3602(h).

"Grantee" means any person or corporation who receives City of Chicago controlled housing funds pursuant to a grant agreement.

“Occupancy rate” means the number of apartments occupied by a household, regardless of how those apartments are defined or designated otherwise, divided by the total number of apartments in the development. Special use units and apartments appropriately designated as “offline” as defined in 5-25-020 shall not be included in this calculation.

“Offline apartment” means any apartment not currently made available for leasing or occupancy pending substantial rehabilitation or redevelopment, where the contracted rehabilitation-related or redevelopment-related construction will commence within the next 12 months and be completed within the next 36 months.

"Publicly-subsidized housing" shall mean rental dwelling units made affordable to very low-income, low-income, or moderate-income persons by means of restricted rents or rental assistance as identified by the appropriate local, state, or federal agency overseeing the pertinent housing program, including but not limited to public housing operating funds, project-based rental assistance, project-based voucher assistance, property rental assistance, Low-Income Housing Tax Credit, and Low-Income Housing Trust Fund assistance, and not including any short-term, temporary housing or shelter programs.

“Recipient” shall be any person, corporation, or entity that receives or has applied to receive City of Chicago Housing Funds or approvals pursuant to the Affordable Requirements Ordinance for the purpose of housing creation, redevelopment, and preservation.

“Registration setting” is any congregate setting that can report Homeless Management Information System (HMIS) including a homeless shelter, church shelter, women/battery shelter, halfway house, treatment center or nursing home.

“Registration site” is any 501(c)(3) and/or nonprofit organization that registers with the Department as a location that applicants seeking housing can apply for the low-income housing waiting lists, check their status, and update their contact information.

“Special-use units” means apartments being used for a non-residential purpose such as office space, community space, or employee housing.

“Substantial control” means holding either complete or substantial ownership in a housing asset, or being a signed party either currently or prospectively to a Management Agreement, Annual Contributions Contract, Regulatory and/or Operating Agreement, and/or Land Lease Agreement with the “applicant”, “borrower” or “grantee” for the proposed housing development for which the applicant is seeking City of Chicago funds.

“Substantial ownership” means holding a ten percent or more percentage of interest in any borrower or applicant, with ownership to be defined in accordance with the disclosure requirements for city contractors, as set forth in the provisions of Section [2-154-010](#), including those shareholders, partners, beneficiaries and principals more specifically described therein; except that where the bidder, potential contractor or contractor is an individual or sole proprietorship, substantial owner means that individual or sole proprietorship.

“Vacancy scofflaw” shall mean any party who has substantial ownership or substantial control over a publicly-subsidized housing development who violates the 97% occupancy rate and 60-day vacant unit turn-around standard established by this code over a period of 6 months or

longer, whether prior to or after the enactment of this Ordinance, whose asset management practices demonstrate consistent waste or negligence in the management of public resources

“Vacant unit turn-around time” means the period beginning on the first day for which rent is not charged following completion or termination of occupancy as a publicly-subsidized unit, and ending on the day preceding the first day for which rent is charged for such unit based on occupancy or re-occupancy as a publicly-subsidized housing unit of that or a different unit that was not previously occupied as a publicly-subsidized unit, whichever shall first occur.

5-25-030 Requirement to maintain full occupancy and swiftly re-lease any vacant affordable units across publicly-subsidized housing portfolio

Any Recipient of City of Chicago Housing Funds, along with each affiliate entity which has or will have substantial ownership or substantial control in the Recipient’s proposed development must, as a condition of eligibility to receive City of Chicago Housing Funds:

- (1) achieve and maintain a 97% occupancy rate for each publicly-subsidized housing development under its substantial ownership or substantial control; and
- (2) achieve and maintain an average vacant unit turn-around time of no more than 60 days for each publicly-subsidized housing development under its substantial ownership or substantial control; and submit a certification disclosing the occupancy rates and vacant unit turn-around time for each of the publicly-subsidized affordable housing developments in which they have ownership interest or substantial control for each completed quarter of the 12-month period preceding their application as part of their application for City of Chicago Housing Funds.

5-25-040 Requirements to Maintain a Centralized Waitlist Online Portal

- (1) The Department shall maintain a Centralized Waitlist Online Portal for applicants seeking affordable, accessible housing. Waitlists for all affordable housing maintained by Recipients shall be listed in the Portal. Applicants may apply for all waitlists for which they are qualified in the Portal.
- (2) The Centralized Waitlist Online Portal shall be maintained on one central website that allows applicants to apply for each affordable housing waitlist maintained by Recipients of City of Chicago Housing Funds and check their status on those waitlists.
- (3) The Online Portal shall cooperate with the Chicago Housing Authority's Waitlist sign-up page, so that applicants seeking affordable, accessible housing may be able to register for both sites at the same time.
- (4) The Online Portal shall have a link so that applicants may use to request their position on CHA's waitlist, pursuant to 310 ILCS § 10/25.06 of the Illinois Public Housing Authorities Act and on the waitlists maintained by Recipients of City of Chicago Housing Funds.
- (5) The Department will ensure that waitlist records are saved in two independent locations to help ensure checks and balances, accountability, and proper conduct regarding waitlist management.

- (6) The Department shall develop and maintain a centralized waitlist for all City of Chicago affordable housing units, which shall connect to the city's centralized waitlist online portal pursuant to 5-25-050. The Department shall develop and maintain a centralized waitlist for Affordable Requirements Ordinance units, which shall be centrally listed and maintained by the Department.

5-25-050 Portal Operations

- (1) The Department and Recipients shall ensure that applicants with disabilities who need accessibility features are prioritized for units with those features, and that applicants with families are paired with units that are appropriately sized for their family.
- (2) The Department shall create a universal application for applicants who sign up for waitlists through the Portal. The application shall have applicants' address, phone number, and email as well as a secondary contact to maximize the likelihood Recipients will be able to contact the applicant. The application shall also collect the reporting data described in Section 5-25-070. Recipients may use the universal application instead of, or in addition to, their own application forms.
- (3) An applicant shall receive confirmation from individual Recipients within 14 days of signing up for each individual waitlist that they are on the waitlist.
- (4) Each Recipient shall provide a contact for inquiries about the waitlist to be listed on the Centralized Waitlist Online Portal. Upon request by an applicant, a Recipient shall provide the applicant with information on that applicant's position on the waiting list and anticipated wait time within 10 business days.
- (5) When a Recipient anticipates that an applicant is approximately thirty (30) days from a unit becoming available, the Recipient shall notify the applicant through the methods described in paragraph 2 that a unit will become available soon and they should update any and all contact methods.
- (6) When an applicant is selected for a unit, the Recipient shall utilize all methods of contact (mail, phone, and email) for the applicant as well as their secondary contact, and contact at the registration site if applicable at least twice over a period of ten business days to reach the applicant.
- (7) If the Recipient does not reach the applicant utilizing the methods in paragraph 2 of this section within ten business days, the Recipient may go to the next applicant on the waitlist who is appropriate for the open unit.
- (8) An applicant shall have ten business days to accept the available unit. An applicant may reject the housing unit without cause as determined by the Recipient up to three times and maintain their position on the waiting list. If an applicant rejects three units without cause, the applicant is moved to the bottom of the waiting list. If an applicant does not respond after notice pursuant to paragraph 6, the applicant shall be offered the next unit available. If an

applicant is nonresponsive after three attempts, the applicant shall be moved to the bottom of the waiting list.

- (9) The Department shall comply with this section in maintenance of the centralized waitlist for Affordable Requirements Ordinance units.

5-25-060 Requirement to Designate and Fund Registration Sites

- (1) Applicants shall be able to receive assistance from registration sites with registering for the Centralized Waitlist Online Portal.
- (2) The Department shall create a process for registration sites to be publicly listed and advertised on various platforms. The Department shall affirmatively connect with agencies in all community areas to ensure equitable access to registration sites for all Chicagoans, including but not limited to variety of community areas, accessibility for people with disabilities, and language access. Registration sites shall be required to re-register every three (3) years. Registration sites shall notify the Department within 30 days of any change in address, phone number, or any contact information and Department shall update this information no later than 30 days after receipt.
- (3) Registration sites shall be publicly posted on the Department's website and 311 shall assist callers in finding a registration site.
- (4) The City shall provide sufficient funding to (a) create and maintain the Centralized Waitlist Online Portal, and (b) fund assistance both at the city and at the registration sites for applicants to access the Centralized Waitlist Online Portal.

5-25-070 Centralized Waitlist Online Portal Reporting Requirements

- (1) To be eligible to apply for City of Chicago Housing Funds, including HOME and federal Low-Income Housing Tax Credit dollars awarded through the Qualified Allocation Plan and/or Multi-family Loan Application process, a Recipient of city funding must send all apartment vacancies created from City of Chicago Housing Funds to the Chicago Department of Housing Centralized Waitlist Online Portal. This includes any partners or affiliates who either have an ownership interest or substantial control in the applicant's proposed development.
- (2) In sending all affordable housing vacancies to the Centralized Waitlist Online Portal, a Recipient of City of Chicago Funds must denote (1) the size of the unit and number of bedrooms; and (2) identify units that contain accessibility features for people with disabilities.
- (3) To be eligible to apply for City of Chicago housing funds, any Recipient of City of Chicago funding, including any partners or affiliates who either have an ownership interest or substantial control in the applicant's proposed development, every 120 days must provide the Department with a list of applicants they have accepted and rejected from their housing units and provide the basis for denial of any applicant.
- (4) The Report described in paragraph 3 shall include:
 - a The date the applicant was added to the waitlist;
 - b The date the applicant was removed from the waitlist or received housing;
 - c which Registration Site the applicant worked with;

- d The methods the Recipient used to contact the applicant about the available unit, if an applicant was rejected from a unit for not responding;
 - e The justification for rejecting the applicant, if the applicant was rejected;
 - f The demographics of applicants selected to move into housing or rejected from housing, including: the applicant's family size, race, disability, age, veteran status, domestic violence status, and other demographics as deemed necessary by the Department. The report shall also provide the unit's size, location, and list any accessibility features in the unit.
- (5) As a condition of receipt of any City of Chicago housing funds or zoning variance, the Chicago Housing Authority will comply with the reporting requirements contained in paragraphs (3) and (4) of this section.
- (6) The Department will compile the data reported pursuant to this section and report it to the City Council's Housing and Real Estate Committee and to Registration Sites on a quarterly basis.

5-25-080 Regulations implementing this chapter

The Commissioner of the Department of Housing is authorized to promulgate rules and regulations for the proper implementation, administration, and enforcement of this chapter. Such rules shall include but are not limited to:

- (1) The development of interagency coordination among the many organizations and city departments working on public health and housing issues who play a vital role in helping vulnerable populations relocate from unsafe congregate settings, including guidelines for registration sites.
- (2) Tenant selection and leasing requirements for Recipients of City of Chicago Housing Funds.
- (3) The protocols by which a person or entity comes to appear on a list of "Vacancy Scofflaws" that the City shall publish and maintain on its website, and the hearing or appeal process regarding removal of a person or entity from such list.
- (4) A requirement that Recipients comply with all applicable civil rights laws, including but not limited to the federal Fair Housing Act, the Violence Against Women Act, the Americans with Disabilities Act, Section 504 of the Rehabilitation Act of 1973, Illinois Human Rights Act, and the Chicago Human Rights Ordinance, and enforcement mechanisms for noncompliance.
- (5) A process for an Applicant to appeal the denial of a housing unit.
- (6) The Department's process for withholding current or future funds from Recipients who fail to abide by the requirements of this Ordinance.

The Commissioner of the Department of Housing shall develop and publish for public comment proposed regulations implementing this chapter within 60 days of enactment of this Ordinance. The public comment period shall last 30 days. The Commissioner shall finalize the regulations implementing this chapter within 60 days of the end of the public comment period.

5-25-090 Enforcement

The Commissioner is authorized to: (i) conduct investigations or hearings or other actions or proceedings, consistent with the requirement of due process of law and equal protection under the law, to accomplish the purposes of this section; (ii) delegate to a designee the commissioner's authority to conduct hearings under this section; (iii) fine not less than \$100.00 nor more than \$500.00 for each offense upon which a finding of liability is entered; and (iv) withhold City of Chicago funding or debar Recipients from receipt of future funding.

5-25-100 Conflict with Other Laws

Nothing with respect to this Ordinance is intended to conflict with any other local, state, or federal laws including, but not limited to, the Violence Against Women Act, the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act of 1973.



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