

ORDINANCE

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

SECTION 1. Section 2-44-140 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and inserting the language underscored, as follows:

2-44-140 Debt waiver.

Notwithstanding any other inconsistent or contrary provision of this Code, following consultation with the Commissioner of Buildings, the Commissioner of Housing is authorized to waive any debt and release associated liens for any residential or mixed-use building, or any vacant lot regardless of zoning classification, that is included in a Department of Housing initiative or program that supports neighborhood revitalization efforts, ~~and is subject to an abatement proceeding under Section 14A-3-313.~~ The Comptroller and Corporation Counsel shall coordinate with the Commissioner of Housing to ensure that the approved waiver is executed.

Approval by the Commissioner of Housing for the removal of City debt shall take into consideration whether the waiver will: (i) (1) promote the redevelopment and re-occupancy of a specific vacant or abandoned building property; (ii) (2) support neighborhood development and stabilization efforts; (iii) (3) improve the health, safety, and welfare of the surrounding community; and (iv) (4) encourage City revitalization.

For purposes of this subsection only, "debt" means a sum of money owed to the City, including, but not limited to, ~~(i) to:~~ (1) any water or sewer assessment, or (ii) assessment; (2) any obligation or payment of a sum of money owed to the City pursuant to a court order or an order of the Department of Administrative Hearings; or (3) any demolition lien. Provided, however, the term "debt" shall not include property tax debt.

SECTION 2. Chapter 2-45 of the Municipal Code of Chicago is hereby amended by inserting a new Section 2-45-110, as follows:

2-45-110 Debt lien transfer or demolition lien assignment.

(a) For purposes of this section only, "debt" means a sum of money owed to the City, including but not limited to: (1) any water or sewer assessment; (2) any obligation or payment of a sum of money owed to the City pursuant to a court order or an order of the Department of Administrative Hearings; or (3) any demolition lien. Provided, however, the term "debt" shall not include property tax debt.

(b) Notwithstanding any other inconsistent or contrary provision of this Code, and in accordance with this section, the Commissioner is authorized to transfer any debt for any nonresidential building, or any vacant lot regardless of zoning classification, that: (1) is included in a Department initiative or program that (A) supports neighborhood revitalization efforts, or (B) is located in a low-moderate income area, as that term is defined in Section 2-44-085; (2) will be developed or redeveloped, pursuant to Department-approved plans, for (A) housing, or (B) improvements that facilitate uses such as retail, social services, cultural activities, or open space, including but not limited to a use that complements an existing, adjacent use; (3) has

been vacant for an amount of time set forth by rule, not less than two years; and (4) is transferred to an unrelated and unaffiliated new owner.

(c) The Commissioner shall review each debt lien application in coordination with the Corporation Counsel, Comptroller, Budget Director, and alderman of the ward in which the relevant real property is located. Following this review, the Commissioner shall determine whether to approve the debt lien application. If the Commissioner determines that the applicant does not meet the applicable requirements of this section, the Commissioner shall deny the application and shall notify the applicant in writing of the denial.

(d) After a debt lien application has been approved pursuant to subsection (c) of this section, the property shall be transferred by a date approved by the City and the new owner shall execute and record with the Office of the Cook County Clerk an agreement in a form approved by the Corporation Counsel. The agreement shall run with the land and be binding on successors and assignees until released by the City pursuant to the terms of the agreement. The seller shall receive net sales proceeds in an amount not to exceed \$1 after closing costs. The agreement shall provide the City with rights and remedies in the event of the new owner's failure to comply with this subsection (d). In addition, the new owner shall execute a personal guaranty, in a form approved by the Corporation Counsel, guaranteeing the new owner's obligations under the agreement. The personal guaranty shall not be recorded but shall be enforceable by the City against the guarantor in accordance with its terms.

(f) Each quarter, the Commissioner shall submit to the Chairman of the City Council Committee on Finance a report regarding all debt lien applications approved pursuant to this section during the applicable quarter, including but not limited to the amount of debt transferred.

(g) Notwithstanding any other inconsistent or contrary provision of this Code, the Corporation Counsel is authorized to assign to a third party: (1) any successful or pending bid submitted by the City during a foreclosure sale, supplementary proceeding, or similar proceeding for the purpose of allowing that third party to acquire the real property that was bid on at that proceeding; and (2) any debt for the purpose of allowing that third party to credit bid that debt to acquire real property through a foreclosure sale, supplementary proceeding, or similar proceeding.

(h) Before making any assignment under subsection (g) of this section, the Corporation Counsel shall consult with the Commissioner and the alderman of the ward in which the relevant real property is located and offer the opportunity to provide input regarding the proposed assignment.

(i) In addition to the requirements set forth elsewhere in this section, approval for a debt lien transfer or a demolition lien assignment shall take into consideration whether the debt lien transfer or demolition lien assignment will: (1) promote the redevelopment and re-occupancy of a specific vacant or abandoned building or lot; (2) support neighborhood development and stabilization efforts; (3) improve the health, safety, and welfare of the surrounding community; and (4) encourage City revitalization.

(j) The Commissioner is authorized to promulgate rules for the proper administration and enforcement of this section.

(k) The Commissioner, the Corporation Counsel, and the Comptroller shall coordinate to ensure that an approved debt lien transfer is made effective, and the Corporation Counsel shall ensure that an approved demolition lien assignment is made effective.

SECTION 3. Section 14A-3-313.6 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, as follows:

14A-3-313.6 City liens or indebtedness.

See Sections 2-44-140 and 2-45-110 of the *Municipal Code*.

SECTION 4. This ordinance shall take effect upon passage and approval.