

ORDINANCE

WHEREAS, as stated in Executive Order 2017-2, the City's largest and most impactful development projects - including but not limited to mixed office, retail and residential complexes, medical and academic institutions, and sports arenas - receive planned development approval; and

WHEREAS, Executive Order 2017-2 directed the Department of Planning and Development to establish goals for projects receiving planned development approval of: (i) 26% MBE and 6% WBE participation, applicable to the total construction budget; and (ii) 50% City resident hiring applicable to the total construction work hours; and

WHEREAS, according to the July 2024 report provided by the Department of Planning and Development to the Plan Commission (the "report"), between September 2017 and June 2024, 100% of the qualifying projects approved by Plan Commission committed to meet or exceed these goals; and

WHEREAS, according to the report, between September 2017 and June 2024, at the time of permit review, proposed participation levels for approved projects decreased to 24.3% MBE Participation, 5.8% WBE Participation, and 48.2% City Resident Hiring; and

WHEREAS, according to the report, between September 2017 and June 2024, upon completion of the project and at the time of issuance of Certificate of Occupancy, final participation levels further decreased to 19.5% MBE Participation and 24.2% City Resident Hiring, but increased to 6.9% WBE Participation; and

WHEREAS, the above data is limited to those developments that completed and submitted their affidavits to the City, and does not include those developments who elected not to report their compliance with their utilization commitments; and

WHEREAS, increased transparency of MBE and WBE utilization and City resident hiring will lead to a more informed City Council and community and increase transparency in development approvals, thus bolstering future compliance with these goals; now therefore

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

SECTION 1. Chapter 2-45 of the Municipal Code of Chicago shall be amended by inserting a new section 2-45-150, as follows:

2-45-150 Utilization Commitment Database.

(a) For the purposes of this Section, the following definitions shall apply:

"City resident hiring commitment" means an aspirational goal, contractual agreement, condition to approval or disbursement, obligation to use good faith efforts, or other specific goal or agreement for Chicago residents to perform a minimum number of work hours on the applicable project.

"Commercially useful function" has the meaning ascribed in Section 2-92-670.

"Covered project" means any project subject to M.B.E. and W.B.E. utilization commitments, or City resident hiring utilization commitments that are administered, enforced, or monitored for compliance by the Department.

"Financial assistance" has the meaning ascribed in Section 2-44-085.

"M.B.E." has the meaning ascribed in Section 2-92-670.

"M.B.E. and W.B.E utilization commitment" means an aspirational goal, contractual agreement, condition to approval or disbursement, obligation to use good faith efforts, or other specific goal or agreement to utilize or award subcontracts to M.B.E.s and W.B.E.s, including but not limited to in connection with financial assistance, planned development approval, or as otherwise committed to by the owner or developer of the project.

"W.B.E." has the meaning ascribed in Section 2-92-670.

(b) The Department shall create an online database to track compliance with M.B.E. and W.B.E. utilization commitments, and City resident hiring utilization commitments that contains, at a minimum, the following information for each covered project:

- (i) the name and business address of the owner and developer of the covered project;
- (ii) the address, ward, and a brief description of the covered project;
- (iii) any applicable M.B.E. and W.B.E. utilization commitments and City resident hiring utilization commitment;
- (iv) the date any financial assistance, planned development, or discretionary City approval was granted;
- (v) the status of compliance with the applicable M.B.E. and W.B.E. utilization commitments and city resident hiring utilization commitment, including a description of any mitigating factors, good faith efforts, waivers, liquidated damages, or mitigating factors related to any noncompliance;
- (vi) the name and business address of any M.B.E. or W.B.E. subcontractor or supplier performing a commercially useful function for the covered project, including a brief description of the work performed, or product or service supplied, by each subcontractor or supplier;
- (vii) the number of work hours completed by City residents compared to the total number of work hours; and
- (viii) any other information deemed necessary or useful by the Commissioner related to compliance with the applicable M.B.E and W.B.E. utilization commitments and City resident hiring utilization commitments.

(c) The owner and developer of a covered project shall submit to the Department, via affidavit, all of the information required under subsection (b): (i) prior to Plan Commission approval, (ii) concurrently with an application for permit review; and (iii) concurrently with an application for a Certificate of Occupancy. Upon receipt, the Department shall make all such information available to the public via an online dashboard. If the Department has not timely received the final affidavit, the Department shall notify the Department of Buildings, and the Department of Buildings shall withhold any Certificate of Occupancy for the covered project until such time as the required final affidavit is submitted to the City. The Department has no duty to verify the accuracy of the information presented on the affidavit of the owner or developer of a covered project. The data collected from the owner and developer of a covered project shall be presented on the online dashboard as submitted on the affidavits.

(d) Each contract, planned development approval, or other document containing a M.B.E. and W.B.E. utilization commitment or City resident hiring utilization commitment shall incorporate terms necessary to implement and enforce this section.

SECTION 2. This ordinance shall take effect immediately upon passage and publication.



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