

ORDINANCE

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

WHEREAS, numerous studies and real estate analyses have shown that the City faces a housing shortage and that the City needs more affordable homes that are affordable for sale to working families; and

WHEREAS, this housing shortage negatively impacts property values, neighborhood safety, the City's tax base, the economic stability of families and neighborhoods, and the current and future competitiveness and prosperity of the City; and

WHEREAS, there is a critical need for the development of new affordable homes for homeownership in neighborhoods throughout Chicago's South and West Sides that will increase the tax base by putting vacant buildings and tax-delinquent and City-owned vacant lots back on the real estate tax rolls; and

WHEREAS, in many south and west side neighborhoods in the City, the cost to construct a new single-family home on a vacant lot or to rehabilitate a vacant building exceeds the appraised value of the newly constructed or newly rehabilitated home (the "Appraisal Gap"); and

WHEREAS, this Appraisal Gap between construction and development costs and appraised value has kept these communities locked into an unjust cycle of disinvestment and prevented the development of affordable homeownership homes for working families; and

WHEREAS, many of these communities are the same communities that were most heavily impacted by redlining policies that resulted in systemic disinvestment and depopulation in these communities; and

WHEREAS, building and creating new homes for home ownership both increases opportunities for generational wealth building and furthers the repopulation of neighborhoods that have lost hundreds of thousands of residents in the past 50 years; and

WHEREAS, United Power for Action and Justice, Inc. ("United Power") has been leading the Reclaiming Chicago Initiative, which has recently developed and sold over 75 affordable homes in the City, has over 80 more homes now under construction, has over 100 more homes in the development pipeline, and aims to build 2000 homes on the South and West sides of the City on vacant lots in a comprehensive and strategic manner ("Reclaiming Chicago Initiative"); and

WHEREAS, United Power and other charitable not-for-profits have formed Reclaiming Chicago, NFP, an Illinois not-for-profit corporation (the "NFP") that has raised over \$40,000,000 in private funds to build and rehab affordable homes at scale in South and West side neighborhoods of the City; and

WHEREAS, providing grant assistance to homebuyers to overcome this Appraisal Gap is a critical component of making homeownership accessible to working families, reversing decades of systemic inequality and disinvestment, and a critical component to rebuilding South and West side neighborhoods and the City for the benefit of working people; and

WHEREAS, pursuant to an ordinance passed on April 19, 2024, and published at pages 11493-11568 of the Journal of Proceedings of the City Council of the City of Chicago ("City Council") for such date (the "2024 Bond Ordinance"), the City Council authorized the issuance of certain general obligation bonds in one or more series, in an aggregate amount not to exceed \$1,250,000,000 for the Purposes, as defined therein (the "2024 Bonds"); and

WHEREAS, by this ordinance, the City Council has determined that it would be in the interest of the City to allocate and authorize \$25,000,000 from the 2024 Bonds as outlined herein to provide grants to working families to assist working families in overcoming the Appraisal Gap and purchasing newly constructed homes produced by the Reclaiming Chicago Initiative; and

WHEREAS, by this ordinance, the City Council has determined that it would be in the interest of the City to waive certain fees for the construction of these homes; and

WHEREAS, by this ordinance, the City Council has determined that it would in the interest of the City to allocate \$5,000,000 from the 2024 Bonds to the City's Department of Transportation ("CDOT") to fund perimeter site improvements adjacent to the new homes; now, therefore

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

SECTION 1. The above recitals, and the statements of fact and findings made therein, are incorporated herein and made a material part of this ordinance.

SECTION 2. This ordinance shall be known and may be cited as the City of Chicago Reclaiming the American Dream Fund Ordinance.

SECTION 3. The purpose of this ordinance is to authorize and utilize proceeds from the 2024 Bonds to provide grant funds that working families will utilize to purchase new construction affordable homes produced by the Reclaiming Chicago Initiative. For the purposes of this ordinance, "low- and moderate-income household" means any household earning at or below 120% of the Area Median Income for the Chicago Metropolitan Statistical Area.

SECTION 4. The City hereby establishes the City of Chicago Reclaiming the American Dream Fund. This ordinance authorizes the City to allocate \$25,000,000 in proceeds from the 2024 Bonds for the purpose of funding a grant to the NFP. The City shall enter into a grant agreement with the NFP. Pursuant to such agreement, the NFP shall administer such grant funds and provide grants to low- and moderate-income households to assist them in purchasing homes that are part of the Reclaiming Chicago Initiative. Such grants to low- and moderate-income households shall be utilized solely as downpayment assistance and as assistance to overcome the Appraisal Gap so that working families can purchase homes produced by the Reclaiming Chicago Initiative.

SECTION 5. Notwithstanding any provision of the Code to the contrary, all permits for demolition, construction, alteration, repair, renovation, rehabilitation and inspection in connection with the development of single-family homes for low- and moderate-income households by the NFP shall be issued without charge. This section shall also exempt the NFP from the payment of all permit fees, inspection fees, application fees, plan review fees, license fees, fees to cut off or reconnect water and sewer lines, fees to occupy or use the public way, and fees to install or maintain temporary driveways, canopies, barricades or other structures on the public way, in connection with any of the foregoing work.

The fee waivers authorized under this section shall not apply in connection with any monies owed by the City to any third party for any service provided by the City by such third party under the Department of Buildings' developer services program or under any other City program.

As a continuing condition to the grant of this waiver, all work requiring the submission of plans shall be done in accordance with plans submitted to and approved by the Department of Buildings or any other appropriate City department, all required permits and licenses shall be obtained, and said building, land and facilities, and all appurtenances thereto shall be constructed and maintained in compliance with the applicable provisions of this Code and any rules promulgated thereunder.

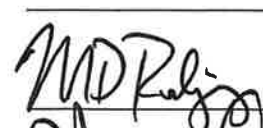
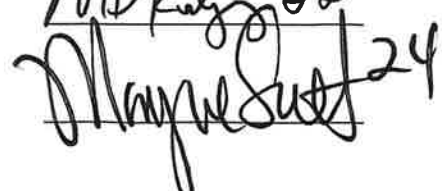
The NFP shall submit to the Office and Budget and Management ("OBM") on an annual basis, a written report summarizing the number and type of fee waivers granted to the NFP and its contractors under this ordinance, and the amount of each fee so waived. Such written report shall be submitted in the manner and form acceptable to OBM.

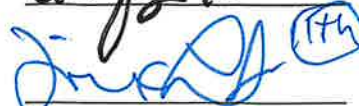
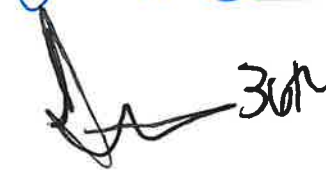
SECTION 6. The City is hereby authorized to provide an additional \$5,000,000 in proceeds from the 2024 Bonds to the Department of Transportation for the purpose of perimeter site improvements adjacent to new homes funded by this ordinance, including but not limited to new or restored parkways, sidewalks, curbs, gutters, and streetlights.

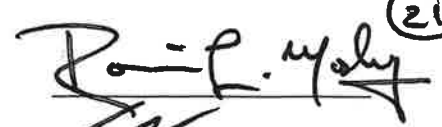
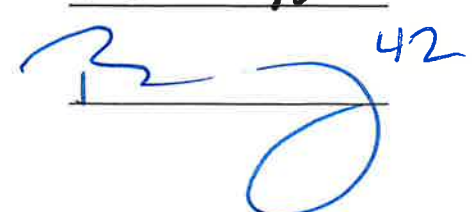
SECTION 7. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 8. This ordinance takes effect upon passage and approval.


Jeanette B. Taylor
Aldерwoman, 20th Ward

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