



OFFICE OF THE MAYOR  
CITY OF CHICAGO

BRANDON JOHNSON  
MAYOR

June 21, 2023

TO THE HONORABLE, THE CITY COUNCIL  
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the ceding of excess and unallocated volume cap from the City's tax-exempt private activity volume bond cap.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours.

A handwritten signature in black ink, appearing to read "BJ Johnson", with a horizontal line extending to the right.

Mayor

## ORDINANCE

WHEREAS, the City of Chicago (the "City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary housing available to persons of low- and moderate-income; and

WHEREAS, the Illinois Housing Development Authority, a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., as amended ("IHDA") has advised the City that that there exists a serious shortage of decent, safe and sanitary housing available to persons of low- and moderate-income throughout the State of Illinois; 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 (the "Code"), 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 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 volume cap; and

WHEREAS, the Department of Housing ("DOH") does not have enough administrative resources to leverage all the volume cap provided to the City and reallocating a portion of the City's unused volume cap would allow the City to partner with other funding agencies to create affordable housing; and

WHEREAS, IHDA issues tax-exempt qualified mortgage bonds, multi-family-housing revenue bonds and other tax-exempt obligations, pursuant to the Code (collectively, the "Tax-Exempt Obligations") to finance affordable housing projects within the corporate boundaries of the City; and

WHEREAS, the proceeds of the Tax-Exempt Obligations would be used to finance (a) a portion of the costs of the construction, acquisition, and rehabilitation of affordable housing, (collectively, the "Affordable Housing"); and/or (b) qualifying mortgage loans on residences which benefit low-income homebuyers purchasing homes ("Mortgage Assistance Program" and together with Affordable Housing, the "Affordable Housing Developments"); and

WHEREAS, during the period beginning on the effective date of this ordinance until December 31, 2025 (the "Reallocation Period"), the City wishes to make one or more reallocations to IHDA of the City's available volume cap totaling not to exceed \$150,000,000 (the "Reallocation Amount") to be used by IHDA in connection with IHDA's issuance of Tax-Exempt Obligations for one or more Affordable Housing Developments within the corporate boundaries of the City (each, a "Project"), pursuant to one or more intergovernmental agreements between the City and IHDA (each, an "IGA"); provided that if Tax-Exempt Obligations to be issued for a Project in connection with a specific reallocation are not issued by IHDA as of, or prior to 11:00 PM on December 31st of the year the related IGA is executed, the City's reallocation will not have been deemed to have occurred and said reallocation amount of volume cap shall revert back to the City, unless the DOH

Commissioner or the CFO at their respective sole discretion, extends such deadline to no later than 11:00 P.M. on February 1<sup>st</sup> of the succeeding year; now, therefore,

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

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The Commissioner of Housing ("DOH Commissioner"), in consultation with the Chief Financial Officer of the City ("CFO") is hereby authorized to reallocate to IHDA at the DOH Commissioner's discretion from time to time during the Reallocation Period, one or more amounts of the City's then available volume cap, provided that the Reallocation Amount shall not exceed, in the aggregate, \$150,000,000.

SECTION 3. The exact amount of the reallocation to IHDA of all or a portion of the Reallocation Amount for each Project and the date on which said reallocation is effectuated shall be determined by the DOH Commissioner in consultation with the CFO based on the best interests of the City and on the amount of volume cap available on the date of said reallocation.

SECTION 4. The DOH Commissioner and the CFO are each hereby authorized, subject to approval by the City's Corporation Counsel, to negotiate, execute and deliver one or more IGAs and such other supporting documents as may be necessary to effectuate this ordinance and to carry out and comply with the provisions of the IGAs, in such form as shall be approved by the persons executing the IGAs on behalf of the City.

SECTION 5. The City shall not charge IHDA a fee for any reallocation made during the Reallocation Period.

SECTION 6. All of the Projects for which the City makes a reallocation of volume cap under this ordinance shall be located within the corporate boundaries of the City.

SECTION 7. Each reallocation of volume cap by the City to IHDA shall be effectuated pursuant to the terms of an IGA between the City and IHDA.

SECTION 8. If Tax-Exempt Obligations to be issued for a Project in connection with a specific reallocation are not issued by IHDA as of, or prior to 11:00 PM on December 31st of the year the related IGA is executed, the City's reallocation will not have been deemed to have occurred and said reallocation amount of volume cap shall revert back to the City unless the DOH Commissioner or the CFO at their respective sole discretion, extends such deadline to no later than 11:00 P.M. on February 1<sup>st</sup> of the succeeding year.

SECTION 9. 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 10. This ordinance shall be effective as of the date of its passage and approval.