

SUBSTITUTE
ORDINANCE

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

SECTION 1. Section 2-44-085 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

2-44-085 2021 affordable requirements.

This section shall apply to any residential development covered under subsection (C), unless such residential development is subject to the affordable housing requirements in effect prior to the effective date of this section pursuant to the prefatory clause of Section 2-44-080.

(A) *Title and purpose.* This section shall be known and may be cited as the "2021 Affordable Requirements Ordinance" or "2021 ARO", and shall be liberally construed and applied to achieve its purpose, which is to expand access to housing for low-income and moderate-income households in all areas of the City and to preserve the long-term affordability of such housing.

(B) *Definitions.* For purposes of this section, the following definitions shall apply:

(Omitted text is unaffected by this ordinance)

"Transit-served location" has the meaning set forth in Section 17-10-0102-B.

"Veteran" means a person who has served in the United States armed forces and was discharged or separated under honorable conditions.

"Vulnerable displacement census tract" means a census tract that is vulnerable to displacement, as determined by the Commissioner based upon: (a) its location in a community area that is adjacent to a community area containing an existing displacement census tract or to an affluent zone, and (b) published data demonstrating that at least 33% of the population in the census tract is below 200% of the poverty level. The Department will publish a map of vulnerable displacement census tracts, and will update the map at least every five years but no more often than every two years.

(Omitted text is unaffected by this ordinance)

(N) *Inclusionary housing agreement.* The inclusionary housing agreement required pursuant to subsection (M)(2) shall be recorded against the residential development and, if applicable, the off-site affordable units, and shall run with the land and be binding on successors and assigns; provided, however, in the case of projects with owner-occupied units, the City shall periodically release the inclusionary housing agreement from, the market-rate units to permit the sale of such units in accordance with this section. Each inclusionary housing agreement shall:

(1) specify the number, type, location, size and phasing of construction of all affordable units and such other information as the Department requires to determine the developer's compliance with this section;

(2) specify maximum qualifying incomes and maximum affordable rents or sale prices;

(3) include provisions for income certification of potential purchasers or renters of affordable units;

(4) include provisions for compliance with subsection (AA) of this section, including minimum periods during which developers must market to and reserve affordable units for veterans and methods for the determination of the veteran status of potential purchasers or renters of affordable units;

(5) limit the rental or sale of affordable units for the affordability period;

(6) for owner-occupied projects, require the developer to sell affordable units to eligible households subject to an affordable housing covenant and agreement, as provided in subsection (O);

(7) for rental projects, require the developer to submit an annual report to the Department including the name, address, income and demographics of each household occupying an affordable rental unit, identifying the monthly rent of each affordable rental unit, and providing such additional information as the Commissioner may request;

(8) authorize a release of the affordability restrictions following foreclosure or other transfer in lieu of foreclosure if required as a condition to financing pursuant to procedures set forth in the rules;

(9) describe remedies for breach of the agreement; and

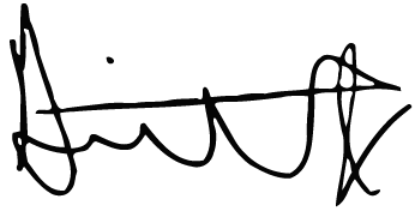
(10) include any other provisions required by the City to document and secure the obligations imposed by this section.

(Omitted text is unaffected by this ordinance)

(AA) Veteran preference. Developers of residential projects subject to the provisions of subsection (C) must give preference to veterans for at least 10% of the total number of affordable units required to be provided under this section, whether provided on-site or off-site. Where the calculation of requirements described in this subsection results in a fractional dwelling unit, the developer shall round down to the nearest whole number. The veteran preference may be achieved by setting aside 10% of the total number of affordable units for veterans for 30 days after the residential project opens for resident applications. If, after 30 days, the units remain unleased or unpurchased, the developers may open the units for lease or purchase by other income-eligible tenant applicants.

(BB) Conflict. If the provisions of this section are inconsistent with one another, the more restrictive provision will control. The more restrictive provision is the one that imposes greater affordability on development as determined by the Commissioner.

SECTION 2. After passage and publication, this ordinance shall take effect on January 1, 2025.

A handwritten signature in black ink, appearing to read 'Gilbert Villegas', written in a cursive style.

GILBERT VILLEGAS
Alderman, 36th Ward