

ORDINANCE

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

SECTION 1. Section 16-14-020 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

16-14-020 Definitions.

For purposes of this chapter, the following definitions shall apply:

(Omitted text is unaffected by this ordinance)

"Group I Award" means, with respect to an individual development project funded under this chapter, a grant in an aggregate amount of \$250,000.00 or less, excluding any Pre-Development Award with respect to such project.

(Omitted text is unaffected by this ordinance)

"Group II Award" means, with respect to an individual development project funded under this chapter, a grant in an aggregate amount ~~in excess of \$250,000.00~~ exceeding \$250,000.00 and less than \$5,000,000.00, including any Local Residency Bonus, but excluding any Pre-Development Award, with respect to such project.

"Local Residency Bonus" means a funding bonus of up to 25 percent of the total project cost of a development project where the primary residence(s) of the owner or owners are located within the Qualified Investment Area. For Group II Awards, the Local Residency Bonus may not exceed a total of \$500,000.00.

"Pre-Development Award" means a grant in an aggregate amount of \$150,000.00 or less for costs described in subsection (d) of Section 16-14-070 that is awarded to support the development of an individual development project for which the applicant has applied for a Group I Award or Group II Award.

"Qualified Investment Area" means any area in the City designated by the Commissioner as a low-moderate income area pursuant to data on areas of concentrated disadvantage published by the United States Census Bureau.

~~"Training costs~~ Small Business Development Costs" means the costs of business incubation, mentoring, and training within the meaning of subsection (ee) of Section 16-14-060.

SECTION 2. Section 16-14-030 of the Municipal Code of Chicago is hereby amended by adding the language underscored, as follows:

16-14-030 Neighborhood Opportunity Fund.

A separate fund is hereby established and designated the Neighborhood Opportunity Fund into which 80% of the funds collected from any downtown floor area bonus under Sec. 17-4-1000 of this Code will be deposited. The revenues of the Neighborhood Opportunity Fund,

including without limitation any amounts repaid, returned, or recaptured under a Group I Award or Group II Award, shall be reserved and utilized exclusively in accordance with this chapter.

SECTION 3. Section 16-14-040 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

16-14-040 Purpose.

The purpose of the Neighborhood Opportunity Fund is:

(Omitted text is unaffected by this ordinance)

(b) to strengthen neighborhood commercial corridors in Qualified Investment Areas; and

(c) to address the decline of private investment in Qualified Investment Areas that damages the City's overall economic competitiveness, impedes the sustainable and equitable development of the City as a whole, contributes to inequality and poverty, and has a detrimental effect on the City's quality of life.

SECTION 4. Section 16-14-050 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

16-14-050 Qualified Investment Areas.

The Neighborhood Opportunity Fund shall be used for projects located in or directly benefiting Qualified Investment Areas. The Commissioner shall publish a map of Qualified Investment Areas and update the map at least once every five years. The eligibility of any prospective project seeking funding under this chapter shall be based upon the map of Qualified Investment Areas which was current at the time of the project's initial application to the Department.

SECTION 5. Section 16-14-060 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

16-14-060 Authorized uses.

The following uses are authorized uses of the Neighborhood Opportunity Fund:

(Omitted text is unaffected by this ordinance)

(b) industrial or manufacturing projects that process raw materials or parts into physical goods and which complement and revitalize the areas in which they are located;

(~~b~~c) cultural establishments that provide, on a permanent or short-term (pop-up) basis, recreational and educational opportunities which complement and revitalize the areas in which they are located; and

(d) mixed-use projects consisting of one or more non-residential uses, plus at least 10 or more residential units; and

(~~ee~~) incubation, mentoring, and training of small businesses that otherwise qualify as authorized uses under subsections (a) ~~or through~~ (bd) of this section.

SECTION 6. Section 16-14-070 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

16-14-070 Eligible costs.

The Neighborhood Opportunity Fund may be used for the following costs when such costs are necessary or desirable for, or in support of, one or more authorized uses:

(a) costs to acquire, rehabilitate, or demolish substandard, obsolete, or vacant buildings, ~~including planning and design costs~~ not to exceed 50 percent of total project costs;

(b) costs to ~~plan, design, and construct~~ new buildings, not to exceed 50 percent of total project costs ~~for a Group I Award or 30% of total project costs for a Group II Award;~~

(c) costs to plan, design, and construct public infrastructure directly related to ~~projects~~ project costs allowed under subsections (a) and (b) of this section;

(d) planning and design costs including, but not limited to, architecture, engineering, zoning, design, and feasibility study expenses, directly related to project costs allowed under subsections (a) and (b) of this section;

(~~de~~) financing costs related to ~~projects~~ project costs allowed under subsections (a), (b), (c), ~~and or~~ (ed) of this section;

(ef) costs of job support used to recruit, hire, train, and retain job seekers who reside in ~~Qualified Investment Areas~~ for identified jobs created by projects funded under subsections (a), (b), or (c) ~~of this section~~ by Group I Awards or Group II Awards;

(fg) ~~training costs~~ Small Business Development Costs, provided that such ~~training~~ business support services costs shall not exceed 5% percent of the Neighborhood Opportunity Fund; and

(gh) administrative, reporting, and monitoring costs and expenses of the Neighborhood Opportunity Fund, provided such costs and expenses may not exceed 5% percent of the Neighborhood Opportunity Fund.

SECTION 7. Section 16-14-080 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and by deleting the language struck through, as follows:

16-14-080 Administration.

(a) The Department shall administer the Neighborhood Opportunity Fund and all projects funded under this chapter. Each Group II Award shall require City Council approval. The Department may disburse Pre-Development Awards and Group I Awards through procedures established by rule, subject to the Group I Program Funding Limit; provided, that at the request of the Department, such grants may be disbursed by the Commissioner of Business Affairs and Consumer Protection. The selection of projects will be informed by community-based planning processes, ~~such as Chicago Neighborhoods Now~~. Priority will be given to commercial projects that:

(Omitted text is unaffected by this ordinance)

(vi) commit to hiring from ~~a~~Qualified i~~nvestment a~~reas; and

(Omitted text is unaffected by this ordinance)

(d) Subject to the availability of duly appropriated funds, the Group I Program Funding Limit shall be ~~\$35,500,000.00~~75,000,000.00 as of the effective date of this amendatory ordinance of ~~2020~~2024, unless such amount is increased or decreased by appropriate action of the City Council.

SECTION 8. This ordinance shall be in full force and effect following due passage and approval.