

**COMMITTEE ON FINANCE
MONTHLY RULE 45 REPORT
March and April 2020**

On March 12, 2020, at 10:15 am, the Committee on Finance held a meeting in City Hall, City Council Chambers.

The following members were present: Dowell, King, Mitchell, Sadlowski-Garza, Thompson, Cardenas, Quinn, Lopez, Moore, Curtis, O'Shea, Brookins, Tabares, Scott, Burnett, Ervin, Taliaferro, Reboyras, Austin, Villegas, Mitts, Sposato, Napolitano, Reilly, Smith, Tunney, Osterman, Silverstein, Vice Chairwoman Hairston, and Chairman Waguespack.

The following members were absent: Hopkins, Sawyer, Harris, Beale, Burke, and Mitts.

The following additional aldermen were present: LaSpata, Sigcho-Lopez, Cardona.

Chairman Waguespack began the meeting by addressing various preparations being made due to the Covid-19 pandemic.

Pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, Chairman Waguespack opened a hearing regarding multi-family housing revenue notes for the Casa Veracruz Project at 10:16 am. Chairman Waguespack read the legal notice and introduced it into the record as Exhibit 1. Chairman Waguespack opened the floor for written and oral public comment. There was none. Chairman Waguespack closed the hearing at 10:22 am and returned to the regular agenda.

The Committee addressed the following items:

1. Approval of February 2020 Rule 45 Report of the previous meeting of the Committee on Finance.

Chairman Waguespack asked if there were any changes or corrections. There were none. Vice Chairwoman Hairston moved do pass. Motion carried on a voice vote.

2. O2020-245 A communication recommending a proposed ordinance concerning the authority to issue Multi-Family Program funds to and the execution of the funding loan agreement with Casa Veracruz, LLC for acquisition and redevelopment of buildings at various locations in the City.

Chairman Waguespack introduced Barbara Taylor, Financial Planning Analyst with the Department of Housing, to describe the ordinance, which she did. Vice Chairwoman Hairston asked how much rent would be. Taylor said 50 percent of the Area Median Income, between \$662 and \$1,274 for studio to 4-bedroom units.

Ald. Cardenas thanked the Department for its work and asked about the unit mix, which Taylor provided. Ald. Cardenas asked how it is decided who lives in the apartments. Taylor explained

the management structure. Ald. Cardenas asked that someone from Casa Veracruz speak to the question. Chairman Waguespack introduced Edgar Flagg, Chief Real Estate Development Officer of The Resurrection Project to address the questions, which he did.

Ald. Moore asked how many other projects the City had done with for-profit and nonprofit partnerships. Taylor said she didn't know the exact number, but it was many. Ald. Moore asked about the bond structure, and Taylor explained it. Ald. Moore asked that the information on other similar deals be provided through the Chair, and Taylor agreed to do so. Ald. Moore asked if the deal included any ARO funds, and Taylor said it did not. Ald. Moore asked why not, and Taylor explained the difference between the various pots of money used for affordable housing. Ald. Moore asked if this was related to the INVEST South/West initiative, and Taylor said it was not.

Ald. Burnett asked for a clarification regarding the agenda, and Taylor and Chairman Waguespack provided the clarity. Ald. Burnett asked for more details regarding the project, which Flagg provided. Ald. Burnett asked if this is a pass-through transaction, and Taylor said it is. Ald. Burnett commended the development team for not converting these apartments to market rate.

Ald. Sincho-Lopez commended the proposal.

Ald. Lopez asked if aldermen of the impacted wards were included in discussions regarding the project. Flagg said yes. Ald. Lopez said he was not included. Flagg said his staff reached out, which was a requirement of the tax credit application. Ald. Lopez reiterated his recollection that he was not contacted. Taylor indicated that the Department has a letter from Ald. Lopez, with his signature, indicating that he does not support the proposal.

Chairman Waguespack opened the floor for public comment. Alma Sigala spoke in Spanish in favor of the proposal. Christina Mejorado spoke in Spanish in favor of the proposal. Alejandra Garcia spoke in Spanish in favor of the proposal. Martha Cruz spoke in Spanish in favor of the proposal.

Ald. Burnett, on a point of information, indicated that he does not speak Spanish. Chairman Waguespack indicated that a written translation could be distributed to the Committee. Renee Carmona spoke in favor of the proposal. Juanita Arroyo spoke in support of the proposal.

Ald. Tunney moved do pass. Motion carried on a voice vote.

Chairman Waguespack acknowledged state Sen. Elgie Sims's presence in the chamber.

3. O2020-1627 A communication recommending a proposed ordinance concerning the authority to restructure a loan provided to Heartland Phoenix House, LLC to finance ongoing and future rehabilitation of the building located at 1252 South Sawyer Avenue.

Chairman Waguespack invited Tamra Collins, Financial Planning Analyst with the Department of Housing, to speak regarding the ordinance, which she did. Ald. Tunney asked for clarification regarding the ordinance, which Collins provided.

Ald. Osterman asked if the alderman of the impacted ward is supportive, and Collins said he is. Ald. Osterman expressed concern regarding Heartland Alliance and asked for the Department's assistance in setting up a meeting between his office and Heartland regarding a building in his ward. Collins agreed to provide the requested assistance.

Chairman Waguespack opened the floor for public comment. George Blakemore said the City shouldn't make loans, and he chastised aldermen for not listening to him. Chairman Waguespack reminded Blakemore to confine his comments to the item on the agenda.

Ald. Sadlowski-Garza moved do pass. Motion carried on a voice vote.

4. A2020-9 Appointment of Helene D. Gayle as a member of the Chicago Community Catalyst Fund Board.
5. A2020-10 Appointment of Jessica Droste Yagan as a member of the Chicago Community Catalyst Fund Board.
6. A2020-11 Appointment of Gloria Castillo as a member of the Chicago Community Catalyst Fund Board.
7. A2020-8 Re-appointment of Juan Carlos Avila as a member of the Chicago Community Catalyst Fund Board.

Chairman Waguespack indicated that Items 4, 6, and 7 would be voted on together.

Chairman Waguespack invited Helene Gayle to present her qualifications to the Committee, which she did. Ald. Moore asked if Gayle is head of the Chicago Community Trust, and she indicated that she is. Ald. Moore asked how that will help the Board, and Gayle explained. Ald. Moore asked about how the Catalyst Fund is related to INVEST South/West, and Gayle explained.

Ald. Burnett commended Gayle's appointment, as well as the other appointees.

Chairman Waguespack indicated Item 5 would be held due to the appointee being unable to attend the meeting.

Chairman Waguespack invited Gloria Castillo to present her qualifications to the Committee, which she did. Ald. Villegas commended Castillo's appointment.

Vice Chairwoman Hairton asked how much Chicago United spent on their heat map. Castillo said she didn't know, as she was not involved in procuring the services involved. Vice Chairwoman Hairston said she supports the appointee but wants to make sure the City is not redundant in its efforts.

Ald. Tunney asked if Castillo had ever worked with employee stock ownership plans. Castillo said she hadn't personally, but her organization creates relationships that help provide that technical assistance. Ald. Tunney commended the appointee.

Chairman Waguespack invited Juan Carlos Avila to present his qualifications to the Committee, which he did.

Chairman Waguespack opened the floor for public comment. George Blakemore complained that there are only two liquor stores owned by African Americans in the city.

Ald. O'Shea moved do pass on items 4, 6, and 7. Motion carried on a voice vote.

23. O2020-801 A communication recommending a proposed ordinance to amend Chapters 3-43 and 3-44 of the Municipal Code of the City of Chicago regarding taxes on shipments of retail bottled water and alcoholic beverages from outside Chicago.

Chairman Waguespack went out of the agenda order to Item 23. Chairman Waguespack invited Comptroller Reshma Soni to explain the ordinance, which she did. Ald. Moore asked if this only applied to online sales, and Soni said it did.

Ald. Taliaferro expressed concern about the ordinance in light of Covid-19. Soni clarified that this ordinance is not a new tax but closes a loophole on an existing tax.

Chairman Waguespack opened the floor to public comment. Pat Doerr, Managing Director at the Hospitality Business Association of Chicago, expressed support for the ordinance. George Blakemore complained that he was the only one at the meeting.

Ald. Sadlowski-Garza moved do pass. Motion carried on a voice vote.

24. O2020-802 A communication recommending a proposed ordinance to amend Chapter 4-156 of the Municipal Code of the City of Chicago regarding amusement tax and admission fee at inter-track wagering location facilities.

Chairman Waguespack invited Comptroller Reshma Soni to explain the ordinance, which she did.

Ald. Dowell asked if the City would collect more taxes under the ordinance. Soni said this would preserve current collections.

Chairman Waguespack opened the floor for public comment. There was none. Ald. Dowell moved do pass. Motion carried on a voice vote.

25. O2020-803 A communication recommending a proposed ordinance to amend Section 9-100-030(b) of the Municipal Code of the City of Chicago regarding vehicle parking, standing or compliance violations.

Chairman Waguespack invited Comptroller Reshma Soni to explain the ordinance, which she did.

Ald. Scott asked how much the new enforcement tools would raise in revenue. Soni said she was not sure, but the goal was for people to comply with the law. Ald. Scott asked if only parking enforcement aides would be covered by the new enforcement tool. Soni said police would also be able to use the new tools in the ordinance.

Chairman Waguespack opened the floor for public comment. George Blakemore said he opposed the ordinance.

Ald. Tabares moved do pass. Motion carried on a voice vote.

26. O2020-800 A communication recommending a proposed ordinance to amend Section 2-32-031 of the Municipal Code of the City of Chicago to authorize the Chief Financial Officer to procure an owner-controlled insurance program (OCIP) insurance policy for construction and operations at Chicago's airports.

Chairman Waguespack invited Comptroller Reshma Soni and Chief Financial Officer Jennie Bennett to explain the ordinance, which they did.

Chairman Waguespack opened the floor for public comment. George Blakemore asked about African American insurance agents.

Ald. Taliaferro moved do pass. Motion carried on a voice vote.

8. O2020-1543 A communication recommending a proposed ordinance concerning the sale of City-owned property located at 3518 and 3520 South Halsted Street and the authority to enter into and execute a redevelopment agreement with Our Revival Chicago, LLC for the restoration of the Ramova Theater.

Chairman Waguespack returned to the regular order of business and invited Tim Jeffries, Deputy Commissioner with the Department of Planning and Development, to explain the ordinance, which he did.

Ald. Moore asked for clarification on the site's zoning. Chairman Waguespack invited Andrew Scott, attorney for the developer, to address the question. Scott said the site is zoned B3-3. Ald. Moore noted that the Department does in fact do commercial development where the City sells a City-owned lot for \$1.

Ald. Dowell asked in which TIF the development is located. Jeffries said it is in the 35th and Halsted TIF. Chairman Waguespack noted that the TIF is within the 11th and 12th wards.

Ald. Thompson thanked the Department for their work on this project and asked that his colleagues vote for it.

Chairman Waguespack opened the floor for public comment. George Blakemore said City-owned land should not be sold for \$1.

Ald. Sposato moved do pass. Motion carried on a voice vote.

10. O2020-886 A communication recommending a proposed amendment (Amendment No. 3) to the Woodlawn Tax Increment Financing Plan, which would amend the expiration date of said TIF from January 1, 2022, to December 31, 2023, as allowed under state law.
11. O2020-890 A communication recommending a proposed amendment (Amendment No. 1) to the Roosevelt/Union Tax Increment Financing Plan, which would amend the expiration date of said TIF from May 12, 2021, to December 31, 2023, as allowed under state law.
12. O2020-894 A communication recommending a proposed amendment (Amendment No. 2) to the Roosevelt/Cicero Tax Increment Financing Plan, which would amend the expiration date of said TIF from February 5, 2021, to December 31, 2022, as allowed under state law.
13. O2020-896 A communication recommending a proposed amendment (Amendment No. 1) to the Portage Park Tax Increment Financing Plan, which would amend the expiration date of said TIF from September 9, 2021, to December 31, 2022, as allowed under state law.
14. O2020-901 A communication recommending a proposed amendment (Amendment No. 3) to the Jefferson Park Business District Tax Increment Financing Plan, which would amend the expiration date of said TIF from September 9, 2021, to December 31, 2022, as allowed under state law.
15. O2020-902 A communication recommending a proposed amendment (Amendment No. 1) to the North/Cicero Tax Increment Financing Plan, which would amend the expiration date of said TIF from July 30, 2020, to December 31, 2021, as allowed under state law.

16. O2020-903 A communication recommending a proposed amendment (Amendment No. 1) to the Near North Tax Increment Financing Plan, which would amend the expiration date of said TIF from July 30, 2020, to December 31, 2021, as allowed under state law.
17. O2020-904 A communication recommending a proposed amendment (Amendment No. 2) to the Homan/Arthington Tax Increment Financing Plan, which would amend the expiration date of said TIF from February 5, 2021, to December 31, 2022, as allowed under state law.
18. O2020-905 A communication recommending a proposed amendment (Amendment No. 1) to the Clark Street and Ridge Avenue Tax Increment Financing Plan, which would amend the expiration date of said TIF from September 29, 2022, to December 31, 2023, as allowed under state law.
19. O2020-906 A communication recommending a proposed amendment (Amendment No. 1) to the 111th Street/Kedzie Avenue Business District Plan, which would amend the expiration date of said TIF from September 29, 2022, to December 31, 2023, as allowed under state law.
20. O2020-907 A communication recommending a proposed amendment (Amendment No. 1) to the 79th Street Corridor Tax Increment Financing Plan which would amend the expiration date of said TIF from July 8, 2021, to December 31, 2022, as allowed under state law.
21. O2020-908 A communication recommending a proposed amendment (Amendment No. 1) to the Clark/Montrose Tax Increment Financing Plan which would amend the expiration date of said TIF from July 7, 2022, to December 31, 2023, as allowed under state law.
22. O2020-909 A communication recommending a proposed amendment (Amendment No. 2) to the Western/Ogden Tax Increment Financing Plan which would amend the expiration date of said TIF from February 5, 2021, to December 31, 2022, as allowed under state law.

Chairman Waguespack said the Committee would address Items 10-22 all at once and would vote on the items grouped by year. Chairman Waguespack invited Tim Jeffries, Deputy Commissioner with the Department of Planning and Development, to explain the ordinances, which he did.

Vice Chairwoman Hairston asked how much money is in the Woodlawn TIF, Jeffries said \$7 million.

Ald. Bunett commended the Department and said the TIF is needed for Cabrini Green redevelopment. Ald. Burnett asked about further extensions of that TIF. Jeffries said 12 years were possible.

Ald. Moore asked for clarification on which item will be voted on when. Chairman Waguespack provided the clarification. Ald. Moore commended the Department for addressing this issue. Chairman Waguespack opened the floor for public comment. George Blakemore said he opposes the ordinances.

Ald. Sposato moved do pass on Items 15 and 16. Motion carried on a voice vote.

Vice Chairwoman Haiston moved do pass on Items 12, 13, 14, 17, 18, 20, and 22. Motion carried on a voice vote.

Ald. O'Shea moved do pass on Items 10, 11, 19, and 21. Motion carried on a voice vote.

27. Direct Introduction A communication transmitting a list of cases in which judgments or settlements were entered into for the month of February 2020.

Chairman Waguespack said the communication would be placed on file with the City Clerk.

28. Two (2) proposed orders authorizing two (2) applications for City of Chicago Charitable Solicitation (Tag Day) permits.

- A. The Nature Conservancy
March 23, 2020 - March 22, 2021
Citywide
- B. Children's Benefit League
April 17-18, 2020
Citywide

29. Direct Introduction A proposed order authorizing the payment of various small claims against the City of Chicago.

30. Direct Introduction A proposed order denying the payment of various small claims against the City of Chicago.

Chairman Waguespack noted a scrivener's error in 28A, which has been corrected in this record. Chairman Waguespack said that, unless there was an objection, Items 28-30 would be placed on the omnibus agenda at City Council. There was no objection.

9. Direct Introduction A communication recommending a proposed ordinance regarding the authority to utilize Tax Increment Financing (TIF) Funds and Corporate Funds for the implementation of the INVEST South/West program.

Chairman Waguespack returned to Item 9 and invited Jim Harbin, Deputy Commissioner with the Department of Planning and Development, to explain the ordinance, which he did.

Ald. Dowell asked if Corporate Fund money was going to pay for any part of the program. Chairman Waguespack invited Assistance Corporation Counsel Keith May to answer the question. May said that Corporate Fund funds would be used for the Main Street America component. May noted that a previous draft of the ordinance had an error, and he explained the change.

Vice Chairwoman Hairston said she appreciated the attempt to change the language but that it did not result in any actual change. Vice Chairwoman Hairston noted that the ordinance did not specify how much money would come from each TIF. Vice Chairwoman Hairston said the ordinance should be amended to reflect an equitable division of cost sharing. Vice Chairwoman Hairston asked how much money is in the Avalon TIF. Harbin said he did not know. Vice Chairwoman Hairston said that was not an acceptable answer.

Vice Chairwoman Hairston moved to recess. Motion carried on a voice vote.

The Committee on Finance stood at recess at 12:43 pm and reconvened at 12:53 pm.

Chairman Waguespack moved to the supplemental agenda.

1. Direct Introduction One proposed order authorizing the Corporation Counsel to enter into and execute a Settlement Order for the following case:
 - A. Jaywanna Palmer, as Administrator of the Estate of Romello Palmer, deceased v. City of Chicago et al., cited as 18 CV 6054.
Amount: \$500,000

Chairman Waguespack invited Renai Rodney, First Assistant Corporation Counsel, to explain Item 1A, which she did.

Ald. Reilly asked how much it would cost to try the case. Rodney said there is no outside defence counsel, but it could be 1,500 hours, plus \$500,000 for potential plaintiff's counsel fees, plus the judgment.

Chairman Waguespack opened the floor for public comment. George Blakemore commended Chairman Waguespack.

Vice Chairwoman Hairston Moved do pass. Motion carried on a voice vote with Aids. Thompson, Quinn, Lopez, and Moore asking to be recorded as voting no.

9. Direct Introduction A communication recommending a proposed ordinance regarding the authority to utilize Tax Increment Financing (TIF) Funds and Corporate Funds for the implementation of the INVEST South/West program.

Chairman Waguespack returned to Item 9 on the regular agenda and invited Jim Harbin, Deputy Commissioner with the Department of Planning and Development, and Deputy Corporation Counsel James McDonald to explain the changes made to the ordinance during the recess, which they did.

Ald. Lopez asked if the change only impacted the 79th Street TIF. McDonald said yes. Ald. Lopez requested that it apply to TIF in his ward as well.

Ald. Sadlowski-Garza asked if the ordinance provides for a staff member for each TIF district. Harbin went through the specifics of the ordinance. Ald. Sadlowski-Garza asked that a copy of Harbin's testimony be provided through the Chair, and Harbin agreed to do so. Ald. Sadlowski-Garza asked with whom the Local Initiative Support Coalition works. Chairman Waguespack invited Megan Harte, Executive Director of LISC, to address the question, which she did. Ald. Sadlowski-Garza asked how LISC completes their work. Harte said the organization works through neighborhood partners. Ald. Sadlowski-Garza asked that LISC work with aldermen to identify those local partners, and Harte said they would.

Ald. Dowell asked how much LISC keeps for administrative costs. Harte said \$10,000 per \$100,000 from each TIF district and another \$10,000 for overhead. Ald. Dowell said that she was told in a briefing that it was only 10 percent. Harte said LISC would not be able to operate if that were the case. Ald. Dowell asked for more specifics of the marketing plan. Chairman Waguespack invited Kathleen Dickhut, Deputy Commissioner with DPD, to address the question. Dickhut said Exhibit C attached to the ordinance specifies general activities, but the specifics would depend on the neighborhood. Ald. Dowell said she wanted the City to avoid a cookie cutter approach, and Harte agreed.

Ald. Reilly asked how the local organizations would use the \$80,000. Harte said they rely on the local organizations to identify best uses, but those groups would likely need staff or consultants. Reilly asked for clarification on what constituted marketing, and Dickhut provided more detail. Ald. Reilly asked how the \$100,000 number was arrived at, and Dickhut said that it is a cap on expenditures. Ald. Reilly asked how success would be measured. Dickhut said various metrics would be used, like vacancy rates and the number of business licenses. Ald. Reilly asked that those metrics be shared with the Committee through the Chair, and Dickhut agreed. Chairman Waguespack asked if Ald. Reilly would like to see an annual report, and Ald. Reilly said he would.

Ald. Lopez said he felt the ordinance was constructed to avoid talking to local aldermen and noted that many of the TIFs in the ordinance did not have much money. Ald. Lopez also said that adding another organization to the development process seemed overly complicated and expressed concerns about the administrative costs. Dickhut said that any reimbursed costs would

need to be TIF-eligible. Ald. Lopez said he would support the ordinance because the neighborhoods targeted need development.

Ald. Scott asked what happened if the entire \$100,000 is not needed. Harbin said he would check into it. Ald. Scott asked what would happen if the local organizations are not ready to do the technical work. Harte said much of their work is capacity building so those organizations can do the work.

Ald. Sadlowski-Garza defended the program and asked about travel expenses. Dickhut said the expenses were so local group members could attend Main Street America training. Ald. Sadlowski-Garza suggested trainers instead come to Chicago. Dickhut said that was a possibility. Ald. Sadlowski-Garza noted that the University of Illinois at Chicago completed a plan for Commercial Avenue in 2015.

Ald. Dowell said she understood the program as providing extra and focused attention on the identified corridors. Ald. Dowell commended the Main Street America program.

Ald. Burnett agreed with Ald. Dowell and recommended LISC look toward local delegate agencies to possibly do the work.

Ald. Lopez asked why the 63rd and Ashland TIF was not included. Dickhut said it would be included in the next round. Ald. Lopez asked when that would be. Harbin said there is not a firm timeline, but the City is looking for every opportunity for redevelopment, and some resources are available for that TIF.

Chairman Waguespack asked Vice Chairwoman Hairston and Ald. Lopez if they were pleased with the most recent changes to the ordinance, and they said they were.

Ald. Dowell moved do pass. Motion carried on a voice vote.

The Committee having no further business, on a motion by Vice Chairwoman Hairtson, the meeting was adjourned at 1:42 pm.

The Committee did not meet in April 2020.

Respectfully submitted,



Scott Waguespack
Chairman, Committee on Finance

