

**COMMITTEE ON FINANCE
MONTHLY RULE 45 REPORT
March 2021**

On March 22, 2021, at 10:02 am, the Committee on Finance held a remote meeting pursuant to applicable law.

The following members were present: Hopkins, Dowell, King, Sawyer, Mitchell, Harris, Beale, Sadlowski-Garza, Thompson, Cardenas, Quinn, Burke, 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 member was absent: None.

The following additional aldermen were present: LaSpata, Sigcho-Lopez, Cardona, Ramirez-Rosa, Nugent, and Hadden.

Chairman Waguespack opened the meeting with a statement regarding the impracticability of meeting in person. Chairman Waguespack took a roll call to establish a quorum, as reflected above.

Chairman Waguespack opened the floor for public comment. Traolch O'Sullivan spoke in support of Item 4 on the agenda. Juan Luna spoke in support of Item 4 on the agenda. Bevin Brennan spoke against Item 4 on the agenda. Paul Colgan spoke against Item 4 on the agenda.

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

On Item 1, Ald. Dowell moved do pass by the roll call taken to establish quorum. Motion carried on a voice vote.

Chairman Waguespack went out of order from the agenda to Item 4.

4. O2021-746 A communication recommending the approval of a proposed amendment to Municipal Code Chapter 2-44, by adding new subsection 2-44-135, imposing a building demolition surcharge tax pilot program until April 1, 2022, in the Pilsen and 606 Trail neighborhoods.

Chairman Waguespack invited Daniel Hertz, Director of Policy with the Department of Housing, to speak regarding the ordinance, which he did.

Ald. Sposato asked for clarification of what was covered by the ordinance, and Hertz provided it. Ald. Sposato questioned the legality of the ordinance. Weston Hanscom, Deputy Corporation Counsel with the Department of Law, explained the legality of the ordinance. Ald. Thompson expressed gratitude for the opinion of the Department of Law.

Ald. Dowell asked about demolition costs under the ordinance, as well as existing demolition costs, and Hertz provided the information. Grant Ulrich, Managing Deputy Commissioner with the Department of Buildings, provided the current demolition costs.

Ald. Napolitano asked if the ordinance prohibited demolition. Hertz said it imposes a surcharge in certain areas but does not prohibit demolition.

Ald. Osterman asked what the surcharge would fund. Hertz said it would go to the Chicago Community Land Trust. Ald. Osterman expressed support for the ordinance.

Ald. Sposato asked a hypothetical on how this ordinance might impact long-term homeowners, and Hertz said the ordinance is an attempt to balance the needs of affordability and wealth-building. Ald. Sposato expressed his belief that the ordinance imposes a penalty on long-term homeowners. Hanscom reiterated his belief the ordinance is legal. Ald. Sposato expressed concern the City is inviting a lawsuit with this ordinance. Hertz said Evanston imposes a demolition fee similar to the one imposed by this ordinance and explained the policy rationale behind the ordinance.

Ald. Lopez expressed opposition to the ordinance.

Ald. Cardenas questioned how the ordinance might impact home values, as well as how it would impact housing that is in extreme disrepair and in need of demolition. Hertz said the fee in the ordinance should not impact construction costs significantly, but the ordinance is a 1-year pilot so impacts can be studied. Ald. Cardenas said this ordinance would impact the entire city and expressed his belief that the ordinance imposes a tax. Ald. Cardenas also expressed skepticism that the ordinance would slow gentrification. Kalpana Plomin with the Department of Law said that dangerous buildings that require demolition are exempt from the fee.

Ald. Dowell asked about the other exemption, and Plomin said it was for the construction of affordable housing. Ald. Dowell asked how many demolitions had occurred in the areas covered by the ordinance. Hertz and Ulrich said they did not have those numbers with them, but Ulrich noted that the 606 area currently had a moratorium on demolitions.

Ald. Osterman said it is important to hear from the aldermen whose wards are impacted by the ordinance. Hertz clarified that the ordinance only applies to certain communities.

Ald. Sigcho-Lopez expressed the need for the ordinance in his communities.

Ald. Burnett asked if it impacts the seller or the developer tearing the building down. Hertz said it impacts the developer. Ald. Burnett asked for clarification on the fees imposed, and Hertz provided it. Ald. Burnett expressed his belief that the fee is not excessive relative to land value.

Ald. Cardenas said he does not oppose the ordinance, and the pilot should provide data on a possible city-wide ordinance.

Ald. Sposato asked who would pay the fee, and Hertz said it would be whomever demolished the building. Ald. Sposato expressed opposition to the ordinance.

Ald. LaSpata expressed support for the ordinance and thanked the various departments that worked on the ordinance, as well as those in the various communities who participated in discussions.

Ald. Ramirez-Rose expressed support for the ordinance, although it is a compromise from what was proposed years ago.

On Item 4, Ald. Reilly moved do pass by a roll call vote. Motion carried 20-11 on the following roll call:

Yes: King, Sawyer, Harris, Sadlowski-Garza, Thompson, Cardenas, Quinn, Moore, Curtis, Scott, Burnett, Taliaferro, Reboyras, Austin, Villegas, Mitts, Smith, Osterman, Hairston, Waguespack.

No: Hopkins, Dowell, Beale, Burke, Lopez, O'Shea, Tabares, Sposato, Napolitano, Reilly, Tunney

Chairman Waguespack continued out of the order on the agenda to Item 6. Ald. Hopkins asked when Item 3 would be called, and Chairman Waguespack said it would be the last substantive item.

6. O2021-755 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements and renovations to Hermosa Park, located at 2240 North Kilbourn Avenue. Amount: \$650,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

7. O2021-756 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements and construction at Durso Park, located at 421 West Locust Street. Amount: \$250,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

Ald. Burnett said the community is supportive of the ordinance and asked that the community participate in construction. O'Reilly said they could look into that.

8. O2021-757 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements and construction at Clark Park, located at 4615 West Jackson Boulevard. Amount: \$500,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

Ald. Scott spoke in support of the ordinance.

9. O2021-760 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements and construction at Fosco Park, located at 1313 South Throop Street. Amount: \$1,500,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, which she did.

Ald. Sigcho-Lopez expressed support for the ordinance.

10. O2021-762 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements and construction at Gross Park, located at 2708 West Lawrence Avenue. Amount: \$175,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

11. O2021-765 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements and construction at Ridge Park, located at 1817 West 96th Street. Amount: \$1,000,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

12. O2021-767 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements and construction at Roosevelt Park, located at 62 West Roosevelt Road. Amount: \$400,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

13. O2021-768 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements and construction at Wentworth Gardens Park, located at 3770 South Wentworth Avenue. Amount: \$250,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

Ald. Dowell spoke in support of the ordinance.

14. O2021-770 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements and construction at Big Marsh Park, located at 11555 South Stony Island Avenue. Amount: \$1,500,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

Ald. Osterman asked if any state money was going to these projects, or if the Park District could provide a list of state-funded park projects. O'Reilly said she would provide it through the Chair.

Ald. Sadlowski-Garza spoke in favor of the ordinance.

15. O2021-771 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements at Broncho Billy Park, located at 4437 North Magnolia Avenue. Amount: \$175,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

16. O2021-774 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements at Chase Park, located at 4701 North Ashland Avenue. Amount: \$125,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

Ald. Osterman asked about access to the turf field at the park, and Tiffany Sostrin, Director of Intergovernmental Affairs for the Park District, provided the information.

17. O2021-775 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements at Frank J. Wilson Park, located at 4630 North Milwaukee Avenue. Amount: \$345,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

18. O2021-776 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements at Winnemac Park, located at 5001 North Leavitt Street. Amount: \$200,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

Ald. Scott asked how many more soft surface replacements were expected, and O'Reilly said she did not know, but there should be very few that would be TIF-funded. Ald. Scott asked how many playgrounds still have wood chips. O'Reilly said she would provide both numbers through the Chair.

19. O2021-777 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements at Washington Park, located at 5531 South Martin Luther King Drive. Amount: \$300,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

Ald. King asked for clarification on which ward the playground is in. Sostrin said the playground itself is in the 4th Ward, although much of the park is in the 20th Ward. Ald. King spoke in support of the ordinance.

20. O2021-778 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements at Amundsen Park, located at 6200 West Bloomingdale Avenue. Amount: \$110,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

Ald. Reboyras clarified the address. Ald. Taliaferro spoke in support of the ordinance.

21. O2021-779 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for certain improvements at Brighton Park, located at 3542 South Richmond Street. Amount: \$125,000.00

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

22. O2021-766 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for the use of tax increment financing (TIF) funds for major design and construction at Riis Park, located at 6100 West Fullerton Avenue. Amount: \$10,000,000.00

Ald. Reboyras spoke in support of the ordinance and explained the long-term plans for this location, which include a new school.

Chairman Waguespack invited Beth O'Reilly, Deputy Budget Director with the Chicago Park District, to speak regarding the ordinance, which she did.

Ald. Sposato spoke in support of the ordinance. Ald. Taliaferro asked which TIFs are being used and how much their balances are. Tim Jeffries, Deputy Commissioner with the Department of Planning and Development, provided the information. Ald. Osterman asked how long TIF payments would go. Jeffries said 2023.

On Item 6-22, Ald. Osterman moved do pass by the roll call taken to establish quorum. Motion carried on a voice vote.

Chairman Waguespack moved to Item 2 on the agenda.

2. O2021-769 A communication recommending the approval of a proposed amendment to Municipal Code Section 2-32-085, by modifying charitable organizations eligible for contributions from the voluntary employee payroll deduction program.

Chairman Waguespack invited Ald. O'Shea to speak regarding the ordinance. Due to technical issues, Ald. O'Shea was unavailable. Chairman Waguespack explained the ordinance.

On Item 2, Ald. Lopez moved do pass by the roll call taken to establish quorum. Motion carried on a voice vote.

Chairman Waguespack moved to Item 5 on the agenda.

5. O2021-790 A communication recommending a proposed ordinance regarding the authority to enter into and execute the restructuring of mortgage, note and federal HOME Investment Partnership Program from original borrower, C&F 89th & Loomis Joint Venture, to new owner, Brainerd Senior LLC for property at 8901-8925 South Loomis Avenue to preserve affordable senior housing.

Chairman Waguespack invited Joseph Lewis, Financial Planning Analyst with the Department of Housing, to explain the ordinance, which he did. Ald. Brookins spoke in support of the ordinance and requested the Committee's favorable consideration.

On Item 5, Ald. Sposato moved do pass by the roll call taken to establish quorum. Motion carried on a voice vote.

Chairman Waguespack moved to Item 3 of the agenda.

3. O2020-6251 A communication recommending the approval of the designation of the 2021 Municipal Depositories for the City of Chicago.

Chairman Waguespack invited Comptroller Reshma Soni and Treasurer Melissa Coneyears-Ervin to speak regarding the ordinance, which they did.

Chairman Waguespack clarified that if the ordinance was approved, some new banks would be added to the list of authorized municipal depositories.

Ald. Lopez asked which municipal depositories did not attend the March lending equity subject matter hearing in the Committee on Housing and Real Estate. Soni said none appeared, and she expressed to them the need for them to engage in conversation regarding lending equity. Ald. Lopez asked if future meetings would be public. Soni said she expected public meetings at some point. Ald. Osterman, Chair of the Committee on Housing and Real Estate, said nine banks declined to participate in his committee's hearing. Ald. Lopez asked if future requests for proposals would include lending equity information. Soni said the City was taking a holistic approach. Coneyears-Ervin clarified that future RFPs for municipal depositories would be guided by the results of the task force and working group regarding lending equity. Ald. Lopez asked if rejecting this ordinance would result in a new RFP being issued. Soni said they are already

planning to do the next RFP sooner than required. Ald. Lopez said future RFPs need to include accountability provisions.

Ald. Moore asked for clarification on which banks were willing to come to the March subject matter hearing, and Ald. Osterman provided that clarification. Ald. Moore thanked Conyears-Ervin for her leadership and asked for clarification on the task force and working group. Conyears-Ervin provided clarity.

Ald. Osterman thanked Soni for her work and expressed his happiness in working with Conyears-Ervin moving forward. However, Ald. Osterman said he could not support the ordinance due to the past practices and intransigence of most banks regarding lending equity. Ald. Osterman also said the City should seek out smaller community-based banks.

Ald. Dowell said she supported the ordinance because one of the banks on the list was a small, African American-owned bank in her ward. Ald. Dowell expressed her displeasure with the other banks and thanked Soni and Conyears-Ervin for establishing a task force on lending equity.

Chairman Waguespack asked which banks would not be added to the municipal depository list if the ordinance was not approved, and Soni provided the information. Soni also said that, in her conversations with banks, they are willing to start the conversation regarding lending equity in the next few weeks. Conyears-Ervin expressed appreciation for Aids. Osterman and Dowell for their comments and clarified the ordinance before the Committee. Chairman Waguespack asked how the holding balance is determined. Conyears-Ervin said her office determines that based on the best investment return and requirements of the municipal code. Chairman Waguespack asked if the smaller banks could receive more of the holdings if they met the requirements, and Conyears-Ervin said yes, depending on their collateralization.

On Item 3, Ald. Reilly moved do pass by roll call. Motion carried 20-3 on the following roll call:

Yes: Hopkins, Dowell, Harris, Sadlowski-Garza, Quinn, Moore, Curtis, Tabares, Scott, Burnett, Ervin, Reboyras, Austin, Mitts, Napolitano, Reilly, Smith, Silverstein, Hairston, Waguespack.

No: Beale, Lopez, Osterman

Rule 14: Thompson (due to a relative working for one of the banks)

Chairman Waguespack moved to Item 23 on the agenda.

23. Direct Introduction A communication transmitting reports of cases in which judgments or settlements were entered into for the month of February 2021.

Chairman Waguespack said Item 23 would be placed on file with the Clerk.

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

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

On Items 24 and 25, Chairman Waguespack said the items would be placed on the Omnibus Agenda at City Council. There was no objection.

Ald. Lopez renewed a call for hearings on some of the repetitive settlements the Committee typically sees. Chairman Waguespack said he had discussed it with members of the Department of Law. Chairman Waguespack noted that the City is searching for a new Chief Risk Officer, and that person would need to be looped in once hired. Ald. Lopez asked when a new CRO might be hired, and Chairman Waguespack said he would inquire.

Ald. Ervin asked if there was a pending related matter in the Committee on Committees and Rules. Chairman Waguespack said his understanding was the issue was confined to the Committee on Finance.

26. Direct Introduction Two (2) proposed orders authorizing Charitable Solicitation on the Public Way (Tag Day) permits:

A. Children International, Inc
City Wide
April 1 through May 31, 2021

B. Park Lawn
Far Southwest Side
April 2-3 and 9-10, 2021

On Item 26, Chairman Waguespack said the item would be placed on the Omnibus Agenda at City Council. There was no objection.

The Committee having no further business, on a motion by Ald. Harris, the meeting was adjourned at 1:14 pm.

Respectfully submitted,



Scott Waguespack
Chairman, Committee on Finance