

**COMMITTEE ON FINANCE
MONTHLY RULE 45 REPORT
May 2020**

On May 18, 2020, at 10:04 am, the Committee on Finance held a remote meeting pursuant to Illinois Governor Executive Orders 2020-07 and 2020-33.

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, Villegas, Mitts, Sposato, Napolitano, Reilly, Smith, Tunney, Osterman, Silverstein, Vice Chairwoman Hairston, and Chairman Waguespack.

The following member was absent: Austin

The following additional aldermen were present: Coleman, Sigcho-Lopez, Ramirez-Rosa, Vasquez.

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 Emmett Street Apartments at 10:04 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.

Ald. Tunney clarified that there are no land acquisition costs because the City owns the land. Chairman Waguespack said that was correct. Ald. Ramirez-Rosa asked for clarification on when other public comments would be heard. Chairman Waguespack provided the clarification.

Chairman Waguespack closed the hearing at 10:13 am and returned to the regular agenda.

The Committee addressed the following items:

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

No members offered changes or corrections. Vice Chairwoman Hairston moved due pass. Motion carried on a voice vote.

Chairman Waguespack opened the floor for public comment. Levi Todd, Cynthia Lloyd, Bickerdike CEO Joy Argugte, Juan Sebastian Arias with the Metropolitan Planning Council, and Isabel Cabrera with the Logan Square Neighborhood Association, all spoke in support of Item 2.

2. O2020-2364 A communication recommending a proposed ordinance concerning the authority to issue Multi-Family Program bonds, the execution of a funding loan agreement, the

issuance of Tax Increment Financing (TIF) tax credits and conveyance for the Emmett Street Apartments, located at 2602-2638 North Emmett Street. Amount: \$24,000,000

Chairman Waguespack introduced Anna Booth, Financial Planning Analyst with the Department of Housing, to describe the ordinance, which she did.

Ald. Lopez asked about the TIF component of the financing package. Chip Hastings, Managing Deputy Commissioner for the Department of Planning, explained that affordable housing is an eligible TIF expense. Ald. Lopez expressed concerns that not enough TIF money is going to communities that need it most. Ald Lopez also asked how newly approved affordable housing meshes with the Covid-19 related ordinance concerning evictions and emergency loans to affordable housing providers. Chairman Waguespack said that broader question should be addressed by the policy staff at the Department of Housing, but none of them were at the meeting.

Ald. Burnett commended Ald. Ramirez-Rosa and the developer of this proposed project. Ald. Osterman did the same. Ald. Thompson asked about the funding stack for the project, and Booth explained it. Ald. Cardenas expressed support for the project. Ald. Moore asked about the TIF funding projections and the total funding stack, and Hastings and Booth provided answers.

Ald. Thompson asked for clarification on the TIF funding, and Booth provided the clarification. Ald. King asked about MBE/WBE participation. Booth said it met City requirements. Ald. King encouraged the developer to do better. Ald. Dowell expressed support for the project and asked about CHA participation. Booth said half the units will be through CHA, and the agency is providing funding.

Ald. Ramirez-Rosa expressed his support for the ordinance and asked that Committee members do the same.

Vice Chairwoman Hairston moved do pass. Motion carried on a voice vote.

3. A2020-10 Appointment of Jessica Droste Yagan as a member of the Chicago Community Catalyst Fund Board.

Chairman Waguespack invited Jessica Droste Yagan to present her credentials to the Committee, which she did.

Ald. Cardenas moved do pass. Motion carried on voice vote.

Ald. Burke noted that the meeting was being held on the 160th anniversary of the nomination of Abraham Lincoln for President, and that the historic event happened at the Wigwam in Chicago.

4. O2020-2351 A communication recommending a proposed ordinance concerning the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for certain renovations at Blackhawk Park, located at 2318 North Laverne Avenue.

Chairman Waguespack invited Beth O'Reilly from the Chicago Park District and Nelson Chueng with the Department of Planning and Development to speak to the ordinance, which they did.

Ald. Villegas asked that, in the future, all the aldermen who share a TIF be brought into the conversation. Ald. Villegas asked what money the Park District will receive from the state capital plan. O'Reilly said she did not have that information immediately available, but most of that money was going to previously approved projects. Ald. Villegas asked that the information be provided through the Chair.

Vice Chairwoman Hairston moved do pass. Motion carried on a voice vote.

5. O2020-2352 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for certain renovations at Avondale Park, located at 3516 West School Street.

Chairman Waguespack invited Beth O'Reilly from the Chicago Park District and Nelson Chueng, Coordinating Planner with the Department of Planning and Development, to speak regarding the ordinance, which they did.

Ald. Cardenas asked that the Park District in the future provide more information on their broader capital plans. Chairman Waguespack said he would try to get that information for the Committee. Ald. Villegas said he expects to have a hearing in his committee on the topic once things return to some sort of normalcy.

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

6. O2020-2354 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for certain renovations at Clarendon Park, located at 4532-34 and 4538 North Clarendon Avenue.

Chairman Waguespack invited Beth O'Reilly from the Chicago Park District and Nelson Chueng, Coordinating Planner with the Department of Planning and Development, to speak regarding the ordinance, which they did.

Ald. Osterman asked if the entire cost of the project would be covered. O'Reilly said it would. Ald. Osterman asked when the work would start and finish. O'Reilly said it is being designed now. Ald. Osterman expressed his support.

Ald. Thompson asked how this project was initiated, and O'Reilly provided the timeline.

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

7. O2020-2355 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Park District for certain renovations at Chopin Park, located at 5400 West Cornelia Street and 5400 West Roscoe Street.

Chairman Waguespack invited Beth O'Reilly from the Chicago Park District and Nelson Chueng, Coordinating Planner with the Department of Planning and Development, to speak regarding the ordinance, which they did.

Ald. Lopez asked about previously requested information on the Park District's capital plans, specifically what they intend to fund from their budget and what they expect to have funded through TIF. Ald. Osterman also said aldermen had asked for the information. O'Reilly said she had provided information on the TIF requests and that the Park District's capital plans are very fluid due to lake erosion. However, typically only \$5-7 million of the \$30 million in the District's budget for capital is spent on facilities.

8. O2020-2357 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Board of Education for certain redevelopment at Lyman A. Budlong Elementary School, located at 2701 West Foster Avenue.

Chairman Waguespack invited Jim Harbin, Deputy Commissioner with the Department of Planning and Development, and Ivan Hansen from Chicago Public Schools to speak regarding the ordinance, which they did.

Ald. Scott moved do pass. Motion Carried on a voice vote.

9. O2020-2358 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Board of Education for chimney remediation at Northwest Middle School, located at 5252 West Palmer Street.

10. O2020-2359 A communication recommending a proposed ordinance regarding the authority to enter into and execute an Intergovernmental Agreement with the Chicago Board of Education for certain redevelopment at Peter A. Reinberg Elementary School, located at 3425 North Major Avenue.

Chairman Waguespack said Items 9 and 10 were being held in Committee at the request of Ald. Villegas.

11. Direct Introduction A communication recommending a proposed ordinance concerning the authority to enter into a Redevelopment Agreement with Portage Park Capital, LLC., regarding property at 3611-3657 North Central Avenue.

Chairman Waguespack invited Tim Jeffries, Deputy Commissioner with the Department of Planning and Development, to speak regarding the ordinance, which he did.

Ald. Villegas thanked the Department of Planning and Development for their assistance with the project.

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

12. Direct Introduction A communication recommending a proposed ordinance evidencing intent to issue \$100,000,000.00 in general obligation debt obligations by the City and appropriations connected therewith.

Chairman Waguespack invited Chief Financial Officer Jennie Huang Bennett and Budget Director Susie Park to speak regarding the ordinance, which they did.

Ald. Brookins asked if the costs of items on the Aldermanic Menu are increasing. Huang Bennett said it would be at the rates briefed to aldermen earlier in the year. Park said some costs had increased. Park added that the Administration is looking at broader reforms to capital spending.

Ald. Lopez asked about money in the Menu portion of the ordinance that is not allocated to projects subject to aldermanic discretion. Park said the money is for engineering, as well as ADA crosswalk work. Ald. Lopez asked for a list of where the ADA work was being done. Park agreed to provide that information through the Chair, although she was not sure the Chicago Department of Transportation had put together the list yet. Ald. Lopez asked why the funding provided for the Menu has not increased. Huang Bennett said more holistic conversations were ongoing, but this money needs to be approved so work could start this summer. Ald. Lopez asked about work needed for streets built during the Works Progress Administration. Park said that is part of the conversation.

Ald. Lopez asked what could be done to make sure Chicagoans are doing the work on these projects. Park said that is part of the conversation. Ald. Lopez asked how other capital projects approved pre-Covid are being completed. Huang Bennett said the funding for those is in place, but if changes are needed, the Administration would come back to the City Council.

Ald. Napolitano shared his concerns about cost increases on the Aldermanic Menu without corresponding funding increases. Ald. Osterman said the City needs to be prepared with a robust capital plan for post-Covid. Huang Bennett said she recognizes the need to have a robust conversation around these issues.

Ald. Moore asked if any money had been spent already. Huang Bennett said no. Ald. Moore asked about the breakdown of spending, and Huang Bennett said that could not yet be provided because there are still some Aldermanic Menu requests that have not been submitted. Ald. Moore asked about a section regarding spending for grants to nonprofits. Park said that in the past, some grants have been provided, but she is unaware of any pending requests. Park said she should provide through the Chair information on any capital funds that have been granted to non-profits. Chairman Waguespack said a breakdown of the entire \$100 million would be provided through the Chair.

Ald. Cardenas said some of the categories included in the ordinance were simply miscellaneous. Ald. Sadlowski-Garza said she was looking forward to a broader conversation about Menu.

Ald. Villegas said he would ask the Administration for a broader conversation regarding capital spending in the next month or two. Ald. Beale asked when aldermen would be able to learn more about where this year's budget is at this point. Huang Bennett said they are running various projections due to Covid based on how long shelter-in-place is enacted. However, Huang Bennett said, the real question is how long it takes to recover, and, based on the varied and extensive projections, no one really knows. Huang Bennett said that, with the scope of the problem, federal assistance is needed.

As for 2020 and beyond, costs related to Covid will likely be more than \$500 million, Huang Bennett said. Luckily, Huang Bennett said, the City saved \$100 million more than expected in a bond refinancing. The City also has received \$470 million in CARES Act funds. What exactly those funds will pay for is still being worked out with the U.S. Department of the Treasury. Ald. Beale asked when the Committee could expect a briefing on the subject for a deeper dive on the City budget in general. Park said it is tough to have a full conversation around the numbers because of the ongoing crisis.

Ald. O'Shea moved do pass. Motion carried on a voice vote.

13. Direct Introduction A communication transmitting reports of cases in which judgments or settlements were entered into for the months of March and April 2020.

Chairman Waguespack said Item 13 would be placed on file with the Clerk.

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

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

Chairman Waguespack said Items 14 and 15 would be placed on the omnibus at City Council.

Chairman Waguespack moved to the supplemental agenda.

1. Three (3) proposed orders authorizing the Corporation Counsel to enter into and execute Settlement Orders in the following cases:

A. Richard Hayes v. City of Chicago and Sgt. Khalil Muhammad, cited as 18 CV 5515.
Amount: \$2,250,000.00

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

Ald. Sposato asked why the City is responsible if the police officer was off duty. Rodney said the Sergeant would take the position that he identified himself as a police officer while stopping Mr Hayes, and more likely than not, a jury would find that that would make the shooting within the scope of the Sergeant's employment with the City.

Ald. Mitts asked where the Sergeant will be serving after his suspension. Rodney said she was not sure. Ald. Mitts said that should be tracked.

Moved do pass. Motion carried by voice vote.

B. Artis Aquino v. City of Chicago and Antonio Robinson, cited as 17 L 011852.
Amount: \$750,000.00

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

Ald. Cardenas for more background on Mr. Aquino, and Rodney provided it.

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

C. Pierre Green v. City of Chicago et al., cited as 15 CV 07928. Amount: \$300,000.00

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

Ald. Lopez asked if Mr. Green, while appealing his criminal conviction, claimed ineffective assistance of counsel at trial. Rodney said yes. Ald. Lopez asked if the Office of the Public Defender was paying any of the settlement. Rodney said no. Ald. Lopez expressed concerns about the City paying for the mistakes of others and said he does not support the settlement.

Ald. Moore said he was similarly concerned and would not vote for the settlement. Ald. Taliaferro asked if the officers were named in the suit and the amount of Mr. Green's initial demand. Rodney said they were names, and the original demand was \$600,000.

Ald. Napolitano asked if the vehicle the plaintiff was in was a stolen vehicle. Rodney said yes, although it was not the same stolen vehicle the police thought it was. Ald. Napolitano asked if a gun was recovered. Rodney said yes. Ald. Napolitano said he would not support the settlement.

Ald. Dowell asked if the gun was tested for fingerprints. Rodney said it was not because it was believed the officer witnessed Mr. Green throw the gun out of the vehicle.

Ald. Reilly said he would not support the settlement. Ald. Quinn said he would not support the settlement. Ald. Dowell said she would not support the settlement. Ald. Sposato said he would not support the settlement. Ald. Cardenas questioned if there were enough yes votes to pass the settlement.

Ald. Lopez moved do pass by roll call vote. The motion carried 18-10. The following members voted yes: Sawyer, Harris, Beale, Sadlowski-Garza, Thompson, Cardenas, Burke, Brookins, Scott, Burnett, Ervin, Taliaferro, Villegas, Mitts, Smith, Osterman, Vice Chairwoman Hairston, and Chairman Waguespack.

The following members voted no: Dowell, Mitchell, Quinn, Lopez, Moore, Tabares, Reboyras, Sposato, Napolitano, and Reilly.

The Committee having no further business, on a motion by Ald. Sposato, the meeting was adjourned at 12:51 pm.

Respectfully submitted,



Scott Waguespack
Chairman, Committee on Finance