

**COMMITTEE ON FINANCE
MONTHLY RULE 45 REPORT
January 2022**

On January 24, 2022, at 10:05 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, 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: Brookins.

The following other alderpersons were present: LaSpata, Coleman, Sigcho-Lopez, Cardona, and Nugent.

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. There was none.

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

Chairman Waguespack opened the floor for corrections. There were none.

On Item 1, Ald. Reilly moved do pass by the roll call taken to establish quorum. Motion carried on a voice vote. Chairman Waguespack verified those present by roll call.

2. Direct Introduction A communication recommending the approval of the designation of the 2022 Municipal Depositories for the City of Chicago.

Chairman Waguespack opened the floor for discussion. There was none.

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

3. O2021-5882 A communication recommending a proposed ordinance concerning the authority to issue Multi-Family Revenue bonds, or debt instruments to BJ Wright Preservation LP, BJ Wright GP LLC for the Barbara Jean Wright Court project acquisition and renovation of various residential buildings between Maxwell Street, Morgan Street, 14th Place, Racine Avenue and Blue Island Avenue in the 25th Ward.

Chairman Waguespack invited Dinah Wayne with the Department of Housing to explain the ordinance, which she did.

Ald. Sposato spoke in support of the ordinance and asked about projected rents. Wayne said tenants would pay 30 percent of their income with the Chicago Housing Authority paying the rest. Ald. Sposato asked how tenants were selected, and Wayne explained the process.

Ald. Thompson noted that half the subject parcel is in the 11th Ward. Ald. Thompson spoke in support of the ordinance.

Ald. Curtis noted that he grew up at the site and expressed support for the ordinance.

Ald. King asked about the developer's previous experience, and Wayne provided the information. Ald. King asked about the diversity of the developer's employees and development team, and Wayne provided the information.

Ald. Ervin expressed support for the ordinance

Ald. Sigcho-Lopez expressed support for the ordinance and asked for the Committee's support.

On Item 3, Ald. Smith moved do pass by the roll call used to establish quorum. Motion carried on a voice vote.

4. O2021-5875 A communication recommending a proposed ordinance concerning the authority to establish the City of Chicago Single-Family Mortgage Credit Certificate Program, Series 2022 and associated City of Chicago Single-Family Mortgage Credit Certificates, Series 2022.

Chairman Waguespack invited Irma Morales with the Department of Housing to explain the ordinance, which she did.

Ald. Moore asked how many households in each ward had taken advantage of the program, and Morales said she would provide the information through the Chair. Ald. Moore asked over what period the loans were issued, and Morales provided the information.

Ald. Thompson asked clarifying questions about the program, and Morales provided the information. Ald. Thompson asked if anyone had defaulted on their loan, and Morales said no. Ald. Thompson asked how borrowers are selected, and Morales provided the information. Ald. Thompson asked clarifying questions regarding target areas, and Morales provided the information.

Ald. Smith asked about the scope of the program, and Morales provided the information.

Ald. Sadlowski-Garza asked clarifying questions regarding lending eligibility around Lake Calumet.

Ald. King asked how applicants learn about the program, and Morales provided outreach information. Ald. King asked if the program was underutilized. Morales said it is and staff is working to change that.

Ald. Austin asked if home builders were part of the outreach, and Morales said they are not at this time.

On Item 4, Ald. King moved do pass by the roll call used to establish quorum. Motion carried on a voice vote.

5. O2021-5871 A communication recommending a proposed ordinance concerning the authority to amend Municipal Code Sections 2-8-065, 14A-3-313, 14A-3-313.1, and 14A-3-313.6, regarding waiver of City debt for distressed residential and mixed-use properties enrolled in community revitalization and re-occupancy programs.

Chairman Waguespack invited Department of Housing Commissioner Marisa Novara to explain the ordinance, which she did.

Ald. Scott spoke in support of the ordinance and asked how it would work with the Cook County Land Bank. Novara explained that the Department works with the Land Bank on waiving back taxes. Ald. Scott asked how the Department works on transferring properties to the Land Bank when the previous owner is deceased. Will Edwards with the Department of Housing explained how the Department identifies properties that would benefit from the Land Bank. Ald. Scott asked if the City has tools, other than ticketing, to make land owners more accountable for the condition of vacant lots. Novara explained how the Department has approached the issue.

Ald. Lopez asked how this ordinance differs from the Department's previous powers, and Novara explained the authority conferred under the ordinance. Ald. Lopez asked if this ordinance was to avoid previous avenues for acquiring properties. Edwards explained that this ordinance covers situations where waiving fines and fees would be appropriate. Ald. Lopez asked if the properties subject to the ordinance are properly secured and how the Department arrived at the amount allowed for property rehabilitation. Edwards explained how the Department arrived at the figure.

Ald. Dowell asked for examples of when an owner would not be able to appear in court, and Edwards provided examples. Ald. Dowell asked about ways for the City to recoup money owed. Edwards explained that, in many situations, there is no way to recoup the money, and it is in the best interest of the City to assist in redevelopment. Ald. Dowell asked how many buildings in the 7th Ward are owned by the deceased, and Edwards said he was not sure, but he went through buildings owned by a problematic landlord in that ward. Ald. Dowell said she supported the ordinance.

Ald. Mitts asked about the interplay between the ordinance and potential bank interests, and Edwards explained the interplay. Ald. Mitts asked how the ordinance would impact mixed-use properties, and Edwards explained it. Ald. Mitts asked how the Department would work with alderpersons regarding the ordinance, and Edwards and Novara explained how they would, targeting areas where redevelopment would not happen without the ordinance.

Ald. Osterman expressed support for the ordinance.

Ald. King expressed support for the ordinance and urged that it also be used to promote affordable housing in areas of rising land values.

Ald. Mitchell expressed support for the ordinance and explained how it would help areas of his ward.

Ald. Harris thanked Ald. Mitchell for his work on the ordinance.

Vice Chairwoman Hairston thanked Ald. Mitchell and the Department for their work on the ordinance.

Ald. Mitchell thanked Ald. Osterman for his work at the Committee on Housing and Real Estate on this and other issues.

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

6. O2021-5727 A communication recommending a proposed ordinance concerning the authority to enter into and execute and Intergovernmental Agreement with the Chicago Board of Education to provide tax-increment financing (TIF) funds for replacement of mechanical system, roof and certain masonry at Willa Cather Elementary School, located at 2908 West Washington Boulevard in the 27th Ward. Amount: \$8,900,000

Chairman Waguespack held Item 6 in Committee.

7. O2021-5732 A communication recommending a proposed ordinance concerning the authority to enter into and execute and Intergovernmental Agreement with the Chicago Board of Education to provide tax-increment financing (TIF) funds for upgrade, repair and recertification of obsolete building, environmental and mechanical systems at Eric Solorio Academy High School, located at 5400 South St. Louis Avenue/3600 West Norman Bobbins Place in the 14th Ward. Amount: \$329,800

Chairman Waguespack invited Ivan Hansen with Chicago Public Schools to explain the ordinance, which he did.

Ald. Sposato asked about the age of the school, and Hansen provided the information.

Ald. Burke spoke in support of the ordinance and indicated that the school also has an address on West Norman Bobbins Place.

Ald. Smith asked what a building automation system is, and Hansen said it allows CPS to control heating and air conditioning remotely. Ald. Smith asked if systems like this work in older schools, and Hansen said not as much.

On Item 7, Ald. Burke moved do pass by the roll call used to establish quorum. Motion carried on a voice vote.

8. O2021-5745 A communication recommending a proposed ordinance concerning the authority to enter into and execute and Intergovernmental Agreement with the Chicago Board of Education to provide tax-increment financing (TIF) funds for replacement of mechanical system, roof, certain masonry and chimney stack reduction at James Otis Elementary School, located at 525 North Armour Street in the 1st Ward. Amount: \$11,050,000

Chairman Waguespack held Item 8 in Committee.

9. O2021-5746 A communication recommending a proposed ordinance concerning the authority to enter into and execute and Intergovernmental Agreement with the Chicago Board of Education to provide tax-increment financing (TIF) funds for replacement of mechanical system at Irma C. Ruiz Elementary School, located at 2410 South Leavitt Street in the 25th Ward. Amount: \$3,800,000

Chairman Waguespack invited Ivan Hansen with Chicago Public Schools to explain the ordinance, which he did.

On Item 9, Ald. Scott moved do pass by the roll call used to establish quorum. Motion carried on a voice vote.

10. O2021-5747 A communication recommending a proposed ordinance concerning the authority to enter into and execute and Intergovernmental Agreement with the Chicago Board of Education to provide tax-increment financing (TIF) funds for full roof replacement of main and annex buildings at Spencer Elementary Technology Academy, located at 214 North Lavergne Avenue in the 28th Ward. Amount: \$4,250,000

Chairman Waguespack invited Ivan Hansen with Chicago Public Schools to explain the ordinance, which he did.

Chairman Waguespack asked for the expected lifespan of a roof, and Hansen said it is guaranteed for 20 years, although there is some attrition.

Ald. Ervin spoke in support of the ordinance.

Ald. Sposato asked why CPS was waiting two years to do the work, and Hansen said it is due to available funding.

On Item 10, Ald. Sposato moved do pass by the roll call used to establish quorum. Motion carried on a voice vote.

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

Chairman Waguespack said Item 11 would be placed on file with the Clerk.

12. Direct Introduction One (1) proposed order authorizing Charitable Solicitations on the Public Way (Tag Day) permits:

- A. Mercy Home for Boys & Girls
Citywide
March 5, and March 11-13, 2022
- B. American Civil Liberties Union, Inc.
Citywide
January 27, through June 30, 2022

Chairman Waguespack said Item 12 would be placed on the Omnibus Agenda at City Council. There was no objection.

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

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

Chairman Waguespack said Items 13 and 14 would be placed on the Omnibus Agenda at City Council. There was no objection.

Ald. Sposato asked about divided roll call votes, and Chairman Waguespack provided clarification.

Chairman Waguespack moved to the Supplemental Agenda.

1. Four (4) proposed orders authorizing the Corporation Counsel to enter into and execute Settlement Orders in the following case:

- A. Grayer and Holt v. City of Chicago, et al., cited as 20 CV 0157 (N.D. Ill.) (J. Kness). Amount: \$115,000

Chairman Waguespack invited Victoria Benson with the Department of Law to explain the settlement, which she did.

Ald. Cardenas asked if police acted properly. Benson explained more details of the search. Ald. Cardenas asked about the basis for the search warrant, and Benson explained it. Ald. Cardenas expressed opposition to the settlement.

Ald. Tabares asked why one of the plaintiffs was at the address, and Benson said she would provide that information to Ald. Tabares after the meeting.

Ald. Napolitano asked for more details about the search, and Benson provided the information.

On Supplemental Item 1A, Vice Chairwoman Hairston moved do pass by the roll call used to establish quorum. Ald. Reilly moved for a roll call vote. Motion carried 17-9, as reflected below:

Yes: Dowell, King, Sawyer, Mitchell, Harris, Sadlowski-Garza, Thompson, Moore, O'Shea, Scott, Burnett, Mitts, Smith, Tunney, Osterman, Vice Chairwoman Hairston, and Chairman Waguespack.

No: Beale, Cardenas, Quinn, Curtis, Tabares, Reboyras, Austin, Napolitano, and Reilly.

B. Lenora Bonds v. City of Chicago, et al., cited as 16 CV 5112 (N.D. Ill.) (J. Gottschall). Amount: \$125,000

Chairman Waguespack invited Victoria Benson with the Department of Law to explain the settlement, which she did.

Ald. Cardenas asked clarifying questions about the timeline of events, and Benson provided the information, as well as clarifying information regarding the basis of the suit. Ald. Cardenas asked what message the settlement sends, and Benson said the message is that it is more cost effective to settle the suit.

Ald. Osterman asked if the person who was shot died, and Benson said yes. Ald. Osterman asked questions regarding the Crisis Intervention Training Program, and Benson said the CIT program was much more robust now.

Ald. Sposato said he opposed the settlement.

Ald. Thompson said he opposed the settlement.

Ald. Tabares said she believed the shooting was sad but justified and that she opposed the settlement.

Ald. Reboyras asked how many times the deceased was shot, and Benson said 29 times.

Ald. Napolitano asked questions regarding the timeline of events, and Benson provided the information.

Ald. Reilly asked clarifying questions regarding the incident, and Benson provided answers. Benson also explained that the question at trial would be whether officers needed to pursue the deceased to the basement when no one else was in harm's way. Ald. Reilly said he opposed the settlement.

Ald. Moore asked for clarification on which settlement was being discussed, and Chairman Waguespack provided it.

Ald. King asked clarifying questions on the timeline, and Benson provided the information. Ald. King asked about the original demand, and Benson said it was more than \$3 million. Ald. King asked for the age of the deceased, and Benson said he was 40 years old. Ald. King asked about

previous calls to the home, and Benson provided the information. Ald. King asked the race of the deceased, and Benson provided the information.

Ald. Scott asked how much in court costs have accrued. Benson said she did not know, but that document production alone would cost more than \$100,000. Ald. Scott asked for costs-to-date to be provided through the Chair.

Ald. Dowell asked if the deceased was shot twice in the back of the head, and Benson said he was. Ald. Dowell asked if both shots came from the same weapon, and Benson said she did not know. Ald. Dowell asked about the path of shots fired into the deceased, and Benson said she did not have that readily available.

Ald. Tunney asked how many times the deceased was shot, and Benson said 29 times. Ald. Tunney asked why there was not an excessive force claim, and Benson said the suit was filed outside the statute of limitations. Ald. Tunney asked why the deceased turned on the gas on the stove, and Benson said there was concern he would blow up the house.

Chairman Waguespack asked about the plaintiff's counsel, and Benson provided the information.

Ald. Cardenas asked how many shots were fired by each officer and if the shooting was deemed to be justified. Benson said the shooting was deemed to be justified by the agency that preceded the Civilian Office of Police Accountability.

Ald. Sposato asked how many times officers should shoot at a threatening person, and Benson said until the threat is eliminated.

Ald. Smith said the settlement was difficult but that it was in the best interests of the taxpayers of the City to settle.

Ald. Scott asked for clarifications regarding the gunshot wounds to the head, and Benson provided the information.

Ald. Sposato suggested holding the settlement.

On Supplemental Item 1B, Ald. Dowell moved do pass by a roll call vote. Motion failed 13-13, as reflected below:

Yes: Dowell, King, Sawyer, Harris, Scott, Burnett, Ervin, Mitts, Smith, Tunney, Osterman, Vice Chairwoman Hairston, and Chairman Waguespack.

No: Beale, Sadlowski-Garza, Thompson, Cardenas, Quinn, Moore, Curtis, O'Shea, Tabares, Reboyras, Sposato, Napolitano, and Reilly.

C. Kevin Bailey v. City of Chicago, et al., cited as 19 C 0197 (N.D. Ill.) (J. Thapp);
Corey Bachelor v. City of Chicago, et al., cited as 18 C 8513 (N.D. Ill.) (J. Kness).

Amount: \$14,000,000

Chairman Waguespack invited Jessica Felker with the Department of Law to explain the settlement, which she did.

Ald. Beale asked a clarifying question regarding Item 1B, and Chairman Waguespack provided the clarification.

On Supplemental Item 1C, Ald. Harris moved do pass by roll call. Motion carried 27-0, as reflected below:

Yes: Dowell, King, Sawyer, Harris, Beale, Sadlowski-Garza, Thompson, Cardenas, Quinn, Lopez, Moore, Curtis, O'Shea, Tabares, Scott, Burnett, Ervin, Reboyras, Mitts, Sposato, Napolitano, Reilly, Smith, Tunney, Osterman, Vice Chairwoman Hairston, and Chairman Waguespack.

No: None

D. Dejuan Harris v. City of Chicago, et al., cited as 17 L 10670 (Cir. Ct. Cook Cty.)
(J. T. Harvey). Amount: \$425,000

Chairman Waguespack invited Victoria Benson with the Department of Law to explain the settlement, which she did.

Ald. Sposato said he opposed the settlement.

Ald. Ervin said not settling cases puts the City at risk of larger jury verdicts.

Ald. Cardenas said that he opposed the settlement and asked about intrinsic costs of settling the case. Benson said the Department of Law does an extensive evaluation on settlements and does a very good job on having many cases dismissed. Ald. Cardenas reiterated his concerns about the intrinsic costs of settling. Ald. Cardenas said he did not believe the plaintiff was entitled to anything.

Vice Chairwoman Hairston thanked Chairman Waguespack and the Department of Law for hosting briefings on settlements. Vice Chairwoman Hairston asked for clarification on what happens if settlements are rejected, and Benson said this case would go to trial if not settled.

Ald. Thompson said voting against settlement does not mean one does not understand the process, and he opposed this settlement.

Ald. Sposato said he was willing to pay parts of jury verdicts on cases where he voted to reject a settlement.

On Supplemental Item 1D, Ald. Reilly moved do pass by roll call. Motion carried 15-13, as reflected below:

Yes: Sawyer, Mitchell, Harris, Sadlowski-Garza, Scott, Burnett, Ervin, Reboyras, Mitts, Reilly, Smith, Tunney, Osterman, Vice Chairwoman Hairston, and Chairman Waguespack.

No: Dowell, Beale, Thompson, Cardenas, Quinn, Lopez, Moore, Curtis, O'Shea, Tabares, Austin, Sposato, and Napolitano.

Chairman Waguespack thanked the Committee for the robust discussion.

The Committee having no further business, on a motion by Ald. Scott, the meeting was adjourned at 1:31 pm.

Respectfully submitted,



Scott Waguespack
Chairman, Committee on Finance