



Board of Commissioners of Cook County

118 North Clark Street
Chicago, IL

Legislation Text

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PROPOSED RESOLUTION

PROPOSAL FOR ARPA NT 093 MORTGAGE ASSISTANCE - SINGLE FAMILY HOME DEVELOPMENT

WHEREAS, on March 11, 2021, the federal government authorized the American Rescue Plan Act of 2021 (“ARPA”) which includes \$1.9 trillion in federal stimulus funds to hasten the United States’ recovery from the economic and health effects caused by the COVID-19 pandemic; and

WHEREAS, specifically, the federal government has authorized and allocated a federal award of approximately \$1,000,372,385 of ARPA funding to Cook County to assist the County in its recovery from the economic and health effects of COVID-19; and

WHEREAS, on June 24, 2021, the Cook County American Rescue Plan Act Framework (the “ARPA Framework”) was presented to the Cook County Board of Commissioners; and

WHEREAS, the Cook County Board of Commissioners via Resolution 21-3654 accepted the ARPA federal award allocated to Cook County to assist the County in its recovery from the economic and health effects of COVID-19 in the amount of approximately \$1,000,372,385; and

WHEREAS, Resolution 21-3654 further authorized the Cook County Budget Director and Comptroller to create and implement a Special Purpose Fund for the ARPA award and other accounting measures to track the acceptance and spending of the federal award; and

WHEREAS, the Cook County Board of Commissioners authorized the Chief Financial Officer, Budget Director, Chief Procurement Officer and applicable user agencies to issue grants, contracts and agreements for ARPA programs approved via Resolutions 22-3657 and 22-0637; and

WHEREAS, to further the Policy Roadmap Goals, the Bureau of Economic Development has developed a menu of programs to support economic recovery, inclusive of the development of affordable and supportive housing in the post-COVID era, which have undergone review and approval through the Project Management Office process to utilize ARPA funding for such programs and initiatives pursuant to the issuance of grants, contracts, and loan agreements; and

WHEREAS, Resolutions 22-3657 and 22-0637 provided that any awards issued regarding ARPA programs in an amount over \$1M shall require the approval of the Cook County Board of Commissioners; and

WHEREAS, the Bureau of Economic Development through its Department of Planning and Development was designated the lead for ARPA Initiative NT093: Mortgage Assistance, a \$16,000,000.00 initiative geared toward offsetting the inflationary pressures on housing prices, home mortgage interest rates, new home supply deficiencies and further offsetting marginalized appreciation and equity gains of families within HUD Qualified Census Tracts (QCT) and Disproportionately Impacted Areas (DIA) under the COVID pandemic; and

WHEREAS, the Department of Planning and Development is recommending funding \$12,000,000 of the ARPA-NT093 initiative funds to support a single-family initiative to develop homes demonstrating modular construction techniques, constructing up to 150 single family home units; and

WHEREAS, the communities including Humboldt Park in the City of Chicago, the City of Chicago Heights, and Maywood, Broadview and Bellwood within Proviso Township have been identified as communities for the demonstration in the first phase of development; and

WHEREAS, the Cook County Land Bank has acquired vacant land in various DIA and QCT areas in Cook County, along with funding to support buyer assistance, the County seeks to enter into agreement with the Cook County Land Bank to develop homes on land within the Cook County Land Bank ownership and utilize available home buyer assistance administered by the Cook County Land Bank in combination with proposed developer subsidies contained within the subject development structure to offer new homeownership opportunities within the County; and

WHEREAS, municipalities within Cook County and not-for-profit organizations have acquired land for the purpose of redeveloping single family home communities and are willing to make land available for development under this program, such land may be incorporated into this program; and

WHEREAS, the funding for development will be structured as a construction loan to designated developers to support the development of the homes, with the loans collateralized by the land and homes developed, repayable from the proceeds of sales to homebuyers, net of the homebuyer subsidy. Proceeds of the sale will be accumulated per development to finance additional development of single-family homes within additional (2nd or 3rd) phases of development as proceeds remain available; and

WHEREAS, single family homes provide the basis for community, family stability and wealth accumulation, the single-family homes will be developed to support family with incomes less than 120% of Area Median Income, supported by a subsidy of no greater than seventy-five thousand dollars (\$75,000) per unit in developer subsidy convertible in part or in whole to a homebuyer subsidy directly benefitting the household purchasing the home as their primary residence; and

WHEREAS, homebuyer subsidy awards will require homebuyers reside in the property as their primary residence; and

WHEREAS, with homes developed within the Disproportionately Impacted Areas (DIA) or Qualified Census Tracts (QCT), homebuyers with household income exceeding the 120% AMI may purchase the homes without subsidy: and

NOW, THEREFORE, BE IT RESOLVED, that the Cook County Board of Commissioners hereby approves the use of \$12,000,000 of ARPA funds for the demonstration of single-family homes utilizing modular technologies and authorizes the Director of Planning and Development under the Bureau of Economic Development to select and structure developments and enter into development, partnership and loan agreements required for development of the single-family homes.