



DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT
CITY OF CHICAGO

Dear Property Owner:

In an effort to preserve affordable rental housing in Chicago, the Chicago City Council in July 2007 approved an ordinance that requires owners of all federally-subsidized rental properties to notify the City 12 months before the subsidies are terminated.

The purpose of this ordinance is to help apartment buildings remain affordable after they have lost their federal use restrictions and will allow the City to preserve decent, affordable rental housing in neighborhoods across Chicago.

The Affordable Housing Preservation Ordinance (AHPO) was approved by the City Council on July 19, 2007. The ordinance amended Chapter 2-44 of the Chicago Municipal Code, by adding Section 2-44-111.

The AHPO requires owners of federally subsidized rental housing to notify the City of Chicago Department of Housing and Economic Development (HED) at least 12 months before the development's affordability are terminated, so that HED can solicit bids from pre-qualified, affordable housing developers to purchase the property and maintain it as affordable housing if tenants don't exercise their rights under state law to purchase the development.

This ordinance is modeled after a 2004 state law and includes properties with federally held or insured mortgages and Section 8 contracts. The requirements of the AHPO are *in addition to* any notice or other regulatory requirements imposed on owners of federally assisted rental housing by State or Federal law. Details about complying with the State law can be found on the website of the Illinois Housing Development Authority at: www.ihda.org.

It is unlawful for an owner to sell or otherwise dispose of federally assisted rental housing in Chicago, except in conformity with the requirements of the ordinance, and non-compliance will result in fines between \$500-\$1,500 for each day an owner fails to provide notice or otherwise violates the ordinance.

To provide a range of resources to owners interested in preserving their properties, the City of Chicago is also participating in the Preservation Compact, a collaborative effort to preserve affordable rental housing in Cook County. If you are interested in sitting down to further discuss ways to preserve your property, the ordinance requirements, or for properties with restrictions that may be terminated soon, please feel free to call Anthony Simpkins, Deputy Commissioner, at 312.744.9777.

Thank you in advance for your cooperation in this important effort to preserve critical affordable housing in, and the economic strength of our great city.

Sincerely,

Andrew J. Mooney
Commissioner