

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government pursuant to Article VII, Section 6(a) of the Constitution of the State of Illinois of 1970, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City has traditionally sold much of its land directly to purchasers after receiving property inquiries, a method which is inefficient, labor-intensive and also lacks transparency; and

WHEREAS, in an effort to attract and reach potential buyers and create a more competitive process, the Department of Planning and Development ("DPD") created chiblockbuilder.com ("ChiBlockBuilder"), a website-based platform for selling vacant City-owned property with predetermined purchase prices and on-line application materials; and

WHEREAS, ChiBlockBuilder allows prospective buyers to view a map of available properties on-line, and apply to purchase lots for targeted purposes; and

WHEREAS, DPD retained the services of CBRE to provide market value assessments of the available City-owned properties based on comparable sales, and these market value assessments are posted on the ChiBlockBuilder website to establish purchase prices for all properties marketed for sale; and

WHEREAS, DPD advertised more than 2,000 City-owned lots for sale on the ChiBlockBuilder website in its first round of bidding, which began on November 17, 2022, and ended on February 3, 2023 (the "First Application Period"); and

WHEREAS, DPD hosted three virtual information webinars for the public on December 8, 2022 (English), December 16, 2022 (Spanish), and January 12, 2023 (English) to walk prospective applicants through the ChiBlockBuilder process, and help prospective applicants identify available City-owned property and submit online applications for the purchase of such City-owned property; and

WHEREAS, ChiBlockBuilder provided local real estate brokers support, in English and Spanish, to respond to inquiries from prospective applicants and help prospective applicants identify available City-owned property and submit online applications for the purchase of such City-owned property; and

WHEREAS, a public notice directing prospective applicants to ChiBlockBuilder for listings of City-owned properties for sale was published in the Chicago Tribune on January 20, January 27, and February 3, 2023; and

WHEREAS, City lots sold through the ChiBlockBuilder platform are required to conform with their current zoning; and

WHEREAS, DPD accepted applications in five categories: affordable housing, market-rate housing, side yards, open space, and commercial development; and

WHEREAS, this ordinance authorizes the sale of City lots in the affordable housing category under the City Lots for Working Families Program; and

WHEREAS, specific evaluation criteria for affordable housing pursuant to the City Lots for Working Families Program included: the submission must meet the intent of the CL4WF Program; the submission must meet the zoning requirements of the Program; a minimum of 8 PINs must be selected OR enough PINs to build a minimum of eight (8) homes; selected PINs must be closely clustered; evidence of a developer's financial capacity and ability to obtain project financing; completeness, quality, and experience of development team; and, proven depth and quality of experience in successfully developing residential buildings in the community where the selected development is located, or in a community with similar market characteristics; and

WHEREAS, the City, in recognition of the shortage of decent housing affordable to working families within the City, encourages the use of vacant land for the development of new owner-occupied homes; and

WHEREAS, the City, through the foreclosure of demolition liens, tax sales and other methods of acquisition, has acquired title to numerous parcels of vacant land that are suitable for the construction of new owner-occupied housing affordable to working families; and

WHEREAS, pursuant to an ordinance (the "Program Ordinance") adopted by the City Council of the City (the "City Council") on November 8, 2017, and published at pages 59287 through 59295 in the Journal of the Proceedings of the City Council (the "Journal") for such date, the City established a program for the sale of City-owned vacant land to developers for the construction of affordable single-family homes and two-flats (the "City Lots for Working Families Program"); and

WHEREAS, pursuant to the City Lots for Working Families Program, the Department of Housing ("DOH"), as successor to DPD for the administration and implementation of this program, is authorized to evaluate proposals for the construction of eight (8) to twenty (20) new construction single-family homes and/or two-flats (each such single-family home or two-flat, a "Home") on City-owned vacant land; and

WHEREAS, the Program Ordinance authorizes DOH to (a) sell City-owned vacant zoning lots (each such vacant zoning lot, a "City Lot") with an appraised value of \$175,000.00 or less for \$1.00 per City Lot for projects approved under the City Lots for Working Families Program ("CL4WF Projects"); (b) exempt CL4WF Projects from MBE/WBE Requirements and City Residency Hiring Requirements (as those terms are defined in the Program Ordinance) if all City Lots within the CL4WF Project have an appraised value of \$125,000.00 or less, and (c) waive certain City fees for CL4WF Projects; and

WHEREAS, pursuant to the City Lots for Working Families Program, up to twenty-five percent (25%) of the Homes in a CL4WF Project may be sold at market-rate prices (the "Market Rate Homes") and the rest must be sold at an Affordable Price (as defined in the Program Ordinance); and

WHEREAS, the City owns the five (5) City lots (each, a "City Lot") identified on **Exhibit A** attached hereto (collectively, the "Property"), which City Lots were included on ChiBlockBuilder; and

WHEREAS, the names of all applicants for each of the five (5) City Lots and a summary of the City's proposal selections are set forth on **Exhibit B** attached hereto; and

WHEREAS, IFF, an Illinois not-for-profit corporation, has submitted a proposal to DOH, which proposal identified Homan Housing LLC, an Illinois limited liability company, as the development entity ("Developer"), submitted a proposal to purchase nine (9) City Lots under the City Lots for Working Families Program; and

WHEREAS, of those nine (9) City Lots, four (4) remain under review by the City for participation in the City Lots for Working Families Program; and

WHEREAS, DOH has approved IFF's proposal to purchase the remaining five (5) City Lots identified in IFF's proposal (i.e., the Property) under the City Lots for Working Families Program for Five and No/100 Dollars (\$5.00), for the construction of five (5) Affordable Price Homes on the Property (the "East Garfield Park Project"); and

WHEREAS, all the Affordable Price Homes that the Developer will construct on the Property will be single-family homes; and

WHEREAS, DOH wishes to modify the City Lots for Working Families Program for the East Garfield Park Project to allow the Developer to construct five (5) Homes on the Property, by adding the language underscored and by deleting the language struck-through, as follows:

"DOH shall approve the aggregate number of Homes to be constructed as part of each development proposal. All Development proposals shall include no less than ~~eight (8)~~ five (5) but no more than twenty (20) Homes. Within a development proposal, DOH is hereby authorized to provide that up to twenty-five percent (25%) of the Homes may be sold as Market Rate Homes."

WHEREAS, the Appraised Value of the Property as of October 4, 2023, is approximately Sixty-Eight Thousand One Hundred Forty-Eight and No/100 Dollars (\$68,148), with no City Lot appraising at \$125,000.00 or more, as more specifically set forth on Exhibit A attached hereto; and

WHEREAS, the Developer has agreed to undertake the East Garfield Park Project in accordance with the Program Ordinance (except as modified herein), and pursuant to the conditions of a redevelopment agreement in substantially the form attached hereto as Exhibit C (the "Redevelopment Agreement"), which Redevelopment Agreement shall, among other things, reduce or waive certain fees as set forth on Exhibit D attached hereto, waive MBE/WBE Requirements (as defined in the Program Ordinance) and waive City Residency Hiring Requirements (as defined in the Program Ordinance); and

WHEREAS, consistent with the City Lots for Working Families Program, the East Garfield Park Project qualifies as "Affordable Housing" for purposes of Chapter 16-18 (the Open Space Impact Fee Ordinance) of the Municipal Code of Chicago (the "Municipal Code") and Section 2-44-085 of the Municipal Code shall not apply to the East Garfield Park Project; and

WHEREAS, pursuant to ordinances adopted by the City Council on May 17, 2000 and published at pages 30775 through 30953, in the Journal for such date, a certain redevelopment plan and project (as subsequently amended, the "Plan") for the Midwest Tax Increment Financing Redevelopment Project Area ("Area"), was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); the Area was designated as a redevelopment project area pursuant to the TIF Act; and tax increment

financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, the Property is located in the Area; and

WHEREAS, by Resolution No. 26-036-21, adopted on October 19, 2023, the Chicago Plan Commission approved the disposition of the Property;

WHEREAS, by Resolution No. 23-CDC-43 adopted on November 14, 2023 the Community Development Commission ("Commission") authorized DOH to advertise its intention to enter into a negotiated sale with the Developer for the redevelopment of the Property, approved DOH's request to advertise for alternative proposals, and approved the sale of the Property to the Developer if no alternative proposals are received; and

WHEREAS, public notices advertising DOH's intent to enter into a negotiated sale of the Property with the Developer and requesting alternative proposals appeared in the *Chicago Tribune* on November 22 and 29, and December 6, 2023 and

WHEREAS, DOH did not receive any alternative proposals in response to the aforementioned public notices published in the *Chicago Tribune*; **now, therefore**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The foregoing recitals are expressly adopted as the legislative findings of the City Council and incorporated herein and made a part of this ordinance.

SECTION 2. The Developer is hereby designated a developer and the East Garfield Park Project is hereby designated a project pursuant to the City Lots for Working Families Program.

SECTION 3. The modifications to the City Lots for Working Families Program as set forth in the recitals are hereby approved for the East Garfield Park Project.

SECTION 4. The sale of the Property to the Developer for \$5.00 (or \$1.00 per buildable City Lot) is hereby approved. This approval is expressly conditioned upon the City entering into the Redevelopment Agreement with the Developer. The commissioner of DOH (the "Commissioner"), or a designee of the Commissioner, is each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver the Redevelopment Agreement and such other documents as may be necessary or appropriate to carry out and comply with the provisions of this ordinance and the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement and such other supporting documents. Such documents may contain terms and provisions that the Commissioner, or a designee of the Commissioner, deems appropriate, including indemnification, releases, affidavits and other documents as may be necessary to remove exceptions from title or that are otherwise reasonably necessary or appropriate to consummate the transactions contemplated hereby. If the Developer fails to execute the Redevelopment Agreement by June 30, 2023, then this ordinance shall be rendered null and void and of no further effect, unless waived or extended in writing by the Commissioner in the Commissioner's sole discretion.

SECTION 5. The Mayor or the Mayor's proxy is each hereby authorized to execute, and the City Clerk or the Deputy City Clerk is each hereby authorized to attest, a quitclaim deed or deeds

conveying the Property to the Developer, or to a land trust of which the Developer is the sole beneficiary, or to a business entity of which the Developer is the sole controlling party or is comprised of the same principal parties, subject to those covenants, conditions and restrictions set forth in the Redevelopment Agreement.

SECTION 6. The reduction and waiver of those certain fees described on **Exhibit D** attached hereto is hereby authorized.

SECTION 7. The East Garfield Park Project is hereby designated as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code, and Section 2-44-085 of the Municipal Code shall not apply to the East Garfield Park Project.

SECTION 8. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 9. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 10. This ordinance shall take effect upon its passage and approval.