

SUBSTITUTE ORDINANCE

WHEREAS, The City of Chicago ("City") is a home rule unit of government by virtue of the provisions 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 determined that it is important to preserve and provide for the sustainability of Single-Room Occupancy Buildings ("SROs") within the City as SROs are a crucial component of the affordable housing stock throughout the City; and

WHEREAS, Pursuant to its authority and to provide for the preservation and sustainability of SROs, the City adopted the Single-Room Occupancy Preservation Ordinance, Chapter 5-15 of the Chicago Municipal Code (the "SRO Ordinance"); and

WHEREAS, 1810 W Jackson Investors LLC, a Delaware limited liability company ("Owner"), is the owner of a property located at 1810 West Jackson Boulevard, Chicago, Illinois, a legal description of which is attached hereto and incorporated herein as **Exhibit A** (the "Property") that is improved with a four-story SRO building containing 98 units and no parking; and

WHEREAS, Owner wishes to improve the SRO building by altering the size of some of the SRO units, provide full bathrooms within the units as well as create a community room and laundry room for the residents; and

WHEREAS, The renovated SRO units will range in size from approximately 145 square feet to approximately 247 square feet, with three units at approximately 295 square feet; and

WHEREAS, Under Section 17-17-02164 of the Municipal Code of Chicago (the "Municipal Code"), single-room occupancy units are limited to one room consisting of not more than 250 square feet of floor area (excluding kitchens having less than 70 square feet); and

WHEREAS, With the addition of separate bathrooms, the renovated building will no longer qualify as an SRO, and without its SRO designation, the building will be subject to the parking requirements in the Municipal Code; and

WHEREAS, The building currently receives rent subsidies from the Chicago Low Income Housing Trust Fund ("CLIHTE") for 29 (or 30%) of its 98 units, and Owner intends to keep the CLIHTE subsidies in place, subject to the renewal of its annual contract; and

WHEREAS, Owner wishes to maintain the SRO designation of the building due to its inability to provide parking in accordance with the Municipal Code; and

WHEREAS, the City has determined that it is in its best interest to continue the SRO designation of the building in consideration of Owner's agreement to maintain 30% of the 98 units in the building as affordable housing for a period of 15 years (or 20% of the units if Owner does not receive subsidies), as more specifically detailed in the SRO Affordable Housing Covenant and Lien attached hereto and incorporated herein as **Exhibit B** (the "SRO Covenant"); now, therefore,

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

SECTION 1. The foregoing recitals are hereby adopted as the findings of the City Council.

SECTION 2. The designation of the renovated building as an SRO is hereby approved. This approval is expressly conditioned upon the City entering into the SRO Covenant in substantially the form attached hereto as **Exhibit B**, with the Owner or a land trust of which the Owner is the sole beneficiary, or to a business entity of which the Owner is the sole controlling party or which is comprised of the same principal parties. 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 SRO Covenant and such other documents as may be necessary or appropriate to carry out and comply with the provisions of this Ordinance and the SRO Covenant.

SECTION 3. 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 4. All ordinances, resolutions, motions or orders in conflict with this ordinance, including but not limited to Section 17-17-02164 of the Chicago Zoning Ordinance, are hereby specifically superseded by this ordinance to the extent of such conflict.

SECTION 5. This ordinance shall take effect upon its passage and approval.