

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, Pursuant to an ordinance adopted by the City Council of the City (the "City Council") on September 14, 2021, and published at pages 35543 through 35599 in the Journal of the Proceedings of the City Council ("Journal") of such date, as amended by an ordinance adopted on November 16, 2022, and published at pages 56721 through 56726 in the Journal of such date (collectively, the "Original Ordinance"), the City approved the sale of seven (7) vacant City-owned lots, as identified on Exhibit A attached hereto (the "Original Property") to Joudeh Investments LLC, an Illinois limited liability company, and MKB Business Strategies LLC, an Illinois limited liability company (together, the "Developer"), for the construction of eight (8) homes under the City Lots for Working Families Program (the "Project"); and

WHEREAS, The City Lots for Working Families Program was created by ordinance adopted by the City Council on November 8, 2017, and published at pages 59287 through 59295 in the Journal for such date (the "CL4WF Program Ordinance"); and

WHEREAS, The City and the Developer entered into that certain "Redevelopment Agreement-City Lots for Working Families Program-Heritage Pointe II Project" (the "Redevelopment Agreement") dated as of March 15, 2022, and recorded in the Office of the Cook County Clerk, Recordings Division, on October 4, 2022, as Document No. 2227746018; and

WHEREAS, The City is the owner of the property identified on Exhibit A attached hereto (the "Additional Property"), consisting of seven (7) vacant lots; and

WHEREAS, The City offered the Additional Property for sale on the ChiBlockBuilder website as a cluster beginning on April 21, 2024, and ending on May 17, 2024, for development under the City Lots for Working Families Program (the "CLFWF Application Period"); and

WHEREAS, A public notice directing prospective applicants to ChiBlockBuilder for listings of City-owned properties for sale appeared in the Chicago Tribune on five dates prior to the expiration of the CLFWF Application Period: April 1, 8, 15, 22 and 29, and May 6 and 13; and

WHEREAS, The Developer submitted a proposal to purchase the Additional Property for expansion of the Project, and the Department of Housing ("DOH") selected the Developer's proposal; and

WHEREAS, The names of all other applicants for the Additional Property and summaries of their proposals are set forth on Exhibit B attached hereto; and

WHEREAS, the City, through the Department of Planning and Development ("DPD"), retained the services of CBRE Group, Inc. ("CBRE") to provide market value assessments of the City-owned properties available for sale on the ChiBlockBuilder website based on comparable sales, and these market value assessments are posted on the ChiBlockBuilder website; and

WHEREAS, the market value assessments of the Additional Property, as listed during the Application Period, are set forth on Exhibit A; and

WHEREAS, The City has agreed to sell the Additional Property to the Developer for One Dollar (\$1.00) per lot (the "Purchase Price") for the Project; and

WHEREAS, the CL4WF Program Ordinance authorizes the City 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") for the construction of eight (8) to twenty (20) single-family homes and/or two-flats (each such single-family home or two-flat, a "Home"); (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, the City wishes to modify the City Lots for Working Families Program for the Project by changing all references to the term "Appraised Value" in the Project Ordinance to "Market Valuation," and defining Market Valuation to mean the value of a City Lot as determined by an independent market value assessment of lots in neighborhood subareas; ***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 modifications to the City Lots for Working Families Program as set forth in the recitals are hereby approved for the Project.

SECTION 3. The Original Ordinance is hereby amended to approve the sale of the Additional Property to the Developer for the Purchase Price under the same terms and conditions as the Original Property, except as modified herein. Each of the seven (7) City-owned lots comprising the Additional Property shall be deemed a City Lot, as that term is defined above and in the Original Ordinance, and the table of City Lots attached as Exhibit A to the Original Ordinance shall be amended to include the Additional Property.

SECTION 4. The Mayor or the Mayor's proxy is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, a quitclaim deed or deeds ("Deed(s)") conveying the Additional Property to the Developer, or to a land trust of which the Developer is the sole beneficiary, or to an entity of which the Developer is the sole controlling party or which is comprised of the same principal parties.

SECTION 5. The Commissioner of DOH ("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 an amendment to the Redevelopment Agreement and such other documents as may be necessary or appropriate to carry out and comply with the provisions of this ordinance, with such changes, deletions and insertions as shall be approved by the Commissioner or the Commissioner's designee. Such documents may contain terms and provisions that the Commissioner or the Commissioner's designee deems appropriate, including indemnification, releases, affidavits and other documents as may be reasonably necessary to remove exceptions from title to the Additional Property or otherwise may be reasonably necessary or appropriate to consummate the transaction contemplated hereby.

SECTION 6. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity of such provision shall not affect any of the other provisions of this

ordinance.

SECTION 7. This ordinance shall take effect upon its passage and approval.

Attachments: Exhibit A – List of City Lots Comprising Original Property
Exhibit B – List of City Lots Comprising Additional Property
Exhibit C – Applicants and Proposal Selection Summary