ORDINANCE

WHEREAS, the City of Chicago (the "**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, through the foreclosure of demolition liens, tax sales and other methods of acquisition, has acquired title to thousands of parcels of vacant land which are costly to clean up and maintain, do not generate property taxes, and are a detriment to the community; and

WHEREAS, in an effort to reach potential buyers and create a competitive process, the Department of Planning and Development (the "**Department**") created chiblockbuilder.com ("**ChiBlockBuilder**"), a website-based platform for selling vacant City-owned property with predetermined market values and online application materials; and

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

WHEREAS, the Department established the Missing Middle Infill Housing Initiative (the "**MM Initiative**") to address neighborhood disinvestment and repopulate underbuilt areas by facilitating new home construction on vacant, City-owned lots; and

WHEREAS, the MM Initiative seeks qualified developers to construct housing for sale to owner-occupants in furtherance of restoring neighborhood density, expanding homeownership, and supporting community revitalization efforts; and

WHEREAS, under the MM Initiative, the City may provide up to $150,000 per housing unit for site preparation and construction costs; and

WHEREAS, the Department issued a Request for Applications ("**RFA**") through ChiBlockBuilder for the sale of 54 vacant lots in 11 clusters in Chatham, South Chicago and Morgan Park, including the cluster of properties legally described on Exhibit A attached hereto (each, a "**City Lot**" and collectively, the "**City Lots**"), for construction of townhouses and two-to-six-unit residential buildings; and

WHEREAS, the Department accepted applications for the City Lots beginning on April 1, 2025, and ending on May 30, 2025 (the "**Application Period**"); and

WHEREAS, public notices directing prospective applicants to ChiBlockBuilder for listings of City-owned properties for sale during the Application Period were published in the *Chicago Tribune* on April 1, 8, 15 and 29, and May 20 and 26, 2025; and

WHEREAS, the Department evaluated the applications for the City Lots based on the applicant's development experience, clarity and feasibility of project plans and designs, practicality of project timeline, budget detail, proof of funding, the anticipated economic impact of the project, the proposed density of the project, and community engagement; and

WHEREAS, the Department selected Vazquez Housing Development, LLC, an Illinois limited liability company, or a related entity or principal party ("**Selected Applicant**"), for the sale

of the City Lots for One Dollar ($1.00) per tax parcel (the "**Purchase Price**") for the construction of the project described on Exhibit A and depicted on Exhibit D (the "**Project**"); and

WHEREAS, a summary of the reasons for selecting the Selected Applicant and declining the other applications for the City Lots ("**Proposals**") is provided on Exhibit B attached hereto; and

WHEREAS, the RFA stated that the City may (i) permit temporary leases of buildings or units in buildings if, following a good faith effort, developers are unable to find buyers, in order to provide a stream of income to developers pending sale and to protect the homes from vandalism, and (ii) waive the application of the Affordable Requirements Ordinance, Section 2-44-085 of the Municipal Code, in order to further the objectives of the MM Initiative, in particular to encourage market-rate homeownership and investment; and

WHEREAS, the City finds it is in its best interest to sell the City Lots to the Selected Applicant or to a land trust of which the Selected Applicant is the sole beneficiary, or to an entity of which the Selected Applicant is the sole controlling party or which is comprised of the same principal parties, or to an affiliate of Selected Applicant approved by the Department (the "**Developer**"); and

WHEREAS, the Department retained the services of CBRE Group, Inc. ("**CBRE**") to provide market value assessments of available City-owned properties based on comparable sales, and these market value assessments are posted on ChiBlockBuilder to establish purchase prices or bidding guidance for all properties marketed for sale; and

WHEREAS, the combined market value of the City Lots as of March 20, 2025, as determined by CBRE, is $58,224.42; and

WHEREAS, the Selected Applicant applied for a grant for the construction of the Project from the City's Housing and Economic Development bond and received a conditional commitment from the Department in the amount of $2,250,000.00; and

WHEREAS, as a condition of grant funding, the Developer will be required to enter into a redevelopment agreement with the Department including such terms and conditions as the Department may require (the "**Redevelopment Agreement**"); *now therefore*,

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

SECTION 1. The foregoing recitals, findings and statements of fact are incorporated herein and made a material part of this ordinance.

SECTION 2. The City Council hereby approves the sale of the City Lots for the Purchase Price in their "as is" condition to the Developer. This approval is expressly conditioned upon the City entering into the Redevelopment Agreement with the Developer in substantially the form attached hereto as Exhibit E, provided the City reserves the right to negotiate changes to the Redevelopment Agreement to advance the objectives of the MM Initiative, including changes resulting from community input or an analysis of market conditions and financial feasibility. If the Developer fails to close on the Redevelopment Agreement within ten (10) months of the date of passage and approval of this ordinance, then this ordinance will be rendered null and void and of no further effect, unless the Commissioner of the Department ("**Commissioner**"), in the Commissioner's sole discretion, extends the closing date. The Developer shall pay all escrow fees

and other title insurance fees and closing costs.

SECTON 3. 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 (each a "**Deed**") conveying the City Lots to the Developer subject to those covenants, conditions and restrictions set forth in the Redevelopment Agreement and herein. The Deed shall be in substantially the form attached hereto as Exhibit C.

SECTION 4. 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 such documents as may be necessary or appropriate to carry out and comply with the provisions of this ordinance and the Redevelopment Agreement. Such documents may contain terms and provisions that the Commissioner or the Commissioner's designee deems appropriate, including provisions related to indemnification, releases, affidavits and other documents as may be reasonably necessary to remove exceptions from title to the City Lots or otherwise may be reasonably necessary or appropriate to consummate the transaction contemplated hereby.

SECTION 5. This Project will be issued a waiver from Chapter 16-18 of the Municipal Code, the Open Space Impact Fee Ordinance, pursuant to Section 16-18-070, Individualized Assessment of Impact.

SECTION 6. The Affordable Requirements Ordinance, Section 2-44-085 of the Municipal Code, shall not apply to this Project.

SECTION 7. Upon completion of any building in the Project, if the Developer is unable to sell the building (or any unit in the building if the units are being sold as condominiums) to an owner-occupant after making a good faith effort, as reasonably determined by the Department, the Developer may lease the building or any units in it for up to one (1) year, subject to extension for good cause with Commissioner approval, provided the Developer has received written consent from the Department.

SECTION 8. 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 9. This ordinance shall take effect upon its passage and approval.

Attachments: Exhibit A – Legal Description of City Lots
Exhibit B – Competing Proposals for the City Lots
Exhibit C – Form of Deed
Exhibit D – Drawings
Exhibit E – Form of Redevelopment Agreement