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, 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 ("DPD") 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, DPD retained the services of CBRE Group, Inc. to provide market value assessments of the 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, City lots sold through ChiBlockBuilder are offered for sale in different categories of use, such as affordable housing, market rate sales, missing middle infill housing, neighborhood side yards, community open space, and urban agriculture; and

WHEREAS, DPD advertised approximately 461 City-owned lots for sale on the ChiBlockBuilder website in a round of bidding which began on April 1, 2024, and ended on May 17, 2024 (the "Application Period"); and

WHEREAS, a public notice directing prospective applicants to ChiBlockBuilder for listings of City-owned property available for sale was published in the *Chicago Tribune* on April 1, April 8, and April 15, 2024; and

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

WHEREAS, specific evaluation criteria for land sold for affordable housing under the City Lots for Working Families Program included: an application meeting the intent of the Program (as hereinafter defined); an application meeting the zoning requirements of the Program; selection of a sufficient number of closely clustered PINs to build a minimum number of homes; evidence of 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 PINs are 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 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 adopted by the City Council of the City (the "City Council") on November 8, 2017, as amended by an ordinance adopted by the City Council on July 16, 2025 (as amended, the "Program Ordinance"), the City established a program (the "City Lots for Working Families Program" or the "Program") for the construction and sale of high-quality, owner-occupied housing affordable to working families, including detached single-family homes, townhomes, condominium units and cooperative housing units ("Single-Family Homes") and owner-occupied two-flats, three-flats and four-flats ("Multi-Unit Buildings"); and

WHEREAS, the Program Ordinance authorizes DOH to (a) sell City-owned vacant zoning lots (each such vacant zoning lot, a "City Lot") with a market value of $228,000 or less for $1.00 per City Lot for projects approved under the City Lots for Working Families Program ("CL4WF Projects"); and (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 a market value of $162,000 or less; and (c) waive certain City fees for CL4WF Projects; and

WHEREAS, pursuant to the City Lots for Working Families Program, up to 50% of the Single-Family Homes and Multi-Unit Buildings in a CL4WF Project may be sold at market-rate prices and the rest must be sold at an Affordable Price (as defined in the Program Ordinance); and

WHEREAS, Single-Family Homes and Multi-Unit Buildings built on City Lots valued at $65,000 or less are subject to a recapture mortgage in the amount of the market value of the City Lot (the "Land Value Lien Amount"), which amount shall decline by twenty percent (20%) on each anniversary of the conveyance of the Single-Family Home or Multi-Unit Building, and after the fifth (5th) anniversary date shall be zero (the "5-Year Recapture Mortgage"); and

WHEREAS, Single-Family Homes and Multi-Unit Buildings built on City Lots valued between $65,000 and $228,000 are subject to the 5-Year Recapture Mortgage for the Land Value Lien Amount and a 30-year mortgage for any amount above $65,000 (the "Additional Land Value Lien Amount"), which amount shall bear simple interest at up to three percent (3%) per annum and shall be subject to repayment if the Single-Family Home or Multi-Unit Building is sold prior to the thirtieth (30th) anniversary of the Purchase Date, unless such sale is to a Qualified Household that purchases the Single-Family Home or Multi-Unit Building for an Affordable Price as its Principal Residence (as those terms are defined in the Redevelopment Agreement attached hereto as **Exhibit D**); and

WHEREAS, the City owns the real property identified on **Exhibit A**, and legally described on **Exhibit B** attached hereto (collectively, the "Property"), which consists of six (6) City Lots; and

WHEREAS, the Property was offered for sale on ChiBlockBuilder during the Application Period; and

WHEREAS, the Department selected the proposal submitted by Inherentance, an Illinois not for profit corporation, for the construction of three (3) 3-story buildings with a total of nine (9) dwelling units, one (1) 2-story building containing two (2) dwelling units, and two (2) 2-story, single family homes containing a total of two (2) dwelling units; and

WHEREAS, no alternative proposals for the Project were submitted through the ChiBlockBuilder application process and DOH determined that the Developer's proposal for the Project was in the best interests of the City for the reasons stated on **Exhibit C**; and

WHEREAS, the market value of the Property as of the date it was advertised for sale on ChiBlockBuilder was approximately $1,245,394.00, as more specifically set forth on Exhibit A attached hereto; and

WHEREAS, the Property is located in the Division/Homan Tax Increment Financing Redevelopment Project Area (the "Redevelopment Area"), as created by ordinance adopted on June 27, 2001, and subsequently amended on November 14, 2025;

WHEREAS, the Project is consistent with the redevelopment plan and project for the Redevelopment Area (as amended, the "Redevelopment Plan"); and

WHEREAS, the Developer has agreed to undertake the Project in accordance with the Program Ordinance, and pursuant to the conditions of a redevelopment agreement in substantially the form attached hereto as **Exhibit D** (the "Redevelopment Agreement"), as approved by the City's Corporation Counsel, which Redevelopment Agreement shall, among other things, reduce or waive certain fees as set forth on **Exhibit E** attached hereto; and

WHEREAS, all the properties in the Project will have long-term affordability restrictions and will be included in the Chicago Husing Trust; and

WHEREAS, the Project requires a CL4WF programmatic exception to move forward as a CL4WF development because one parcel exceeds the CL4WF limit of $224,000.00; and

WHEREAS, consistent with the City Lots for Working Families Program, the 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

WHEREAS, Section 2-44-085 of the Municipal Code (the 2021 Affordable Requirements Ordinance) shall not apply to the Project; ***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, or any Developer Entity (as hereafter defined), is hereby designated a developer and the Project is hereby designated a project pursuant to the City Lots for Working Families Program.

SECTION 3. The sale of the Property to the Developer or a Developer Entity for $1.00 per City Lot is hereby approved. This approval is expressly conditioned upon the City entering into the

Redevelopment Agreement with the Developer or a Developer Entity . 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, including 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. Such documents may contain terms and provisions that the Commissioner or the Commissioner's designee deems appropriate, including indemnification. If the Developer or a Developer Entity fails to execute the Redevelopment Agreement or close on the property within 90 days of City Counsel authorization, then this ordinance shall be rendered null and void and of no further effect, unless extended in writing by the Commissioner or the Commissioner's designee in the Commissioner's or designee's sole discretion.

SECTION 4. The Mayor is 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 which is comprised of the same principal parties, or to an affiliate of the Developer approved by the Department (each, a "Developer Entity"), subject to those covenants, conditions and restrictions set forth in the Redevelopment Agreement.

SECTION 5. The reduction and waiver of the fees described on **Exhibit E** attached hereto are hereby authorized.

SECTION 6. The 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 Project.

SECTION 7. The Project is hereby granted a CL4WF programmatic exception to allow the Project as a CL4WF development even though one parcel exceeds $224,000.00.

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.