

ORDINANCE

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

SECTION 1. The ordinance referenced as O2026-0026567, authorizing the sale of City-owned property at 11414 S Halsted St to Far South CDC under Low-Income Housing Tax Credit program for development of Morgan Park Commons (Phase 0), which the City Council passed on July 15, 2026 and published at pages ____ through ____ of the Journal of the Proceedings of the City Council of the City of Chicago of that date, is hereby repealed in its entirety and replaced with the following ordinance:

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, 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, the City has an interest in redeveloping these parcels of land and returning them to productive uses, both public and private, for the purposes of strengthening neighborhood vitality and expanding available housing stock, which also includes expanding access to affordable housing; and

WHEREAS, Section 42 of the Internal Revenue Code of 1986 authorizes local housing finance agencies to allocate Low-Income Housing Tax Credits ("Tax Credits") to qualified rental housing developments under the Low-Income Housing Tax Credit Program (the "Program"); and

WHEREAS, the City administers the Program through its Department of Housing, which has implemented a Qualified Allocation Plan ("QAP") to set forth the City's evaluation criteria and process for selecting redevelopment proposals and awarding Tax Credits to redevelopment projects that include plans for affordable housing; and

WHEREAS, as part of the QAP that was issued by the City in 2021 (the "2021 QAP"), Far South CDC, an Illinois not-for-profit corporation ("Developer"), submitted a proposal for a mixed-use commercial and residential redevelopment of a thirteen (13) acre parcel of land located within the boundaries of 114th Street and 115th Street and Halsted Street and the Major Taylor Trail (the "Redevelopment Site"), in the Morgan Park neighborhood of Chicago; and

WHEREAS, the City selected Developer's proposal for the Redevelopment Site as part of the 2021 QAP selection round; and

WHEREAS, the Redevelopment Site, also known as "Morgan Park Commons", is comprised of two City lots, which are further described herein; and

WHEREAS, the first City lot comprising Morgan Park Commons is a 6.5 acre of land improved with a vacant 67,797 square foot Jewel Foods Store building ("Jewel Building"), and is located on the eastern section of the Redevelopment Site, as legally described on Exhibit A attached hereto (the "City Property"); and

WHEREAS, on or about 2023, the then-owner of the City Property, Albertsons Companies, Inc., through its wholly owned subsidiary, Jetco Properties ("Albertson's"), agreed to donate the City Property to the City for public purposes; and

WHEREAS, pursuant to ordinance adopted by the City Council of the City ("City Council") on November 7, 2023, and published in the Journal of the Proceedings of the City Council ("Journal") of that date, at pages 5836 through 5839, the City Council authorized the City to accept the donation of the City Property from Albertson's, with the condition that by November 1, 2024, the City begin the process of approving redevelopment of the City Property, in conjunction with significant community input, for the Morgan Park Commons; and

WHEREAS, the second City lot comprising Morgan Park Commons is currently owned by the Developer, and it is approximately 6.5 acres of vacant land located on the western section of the Redevelopment Site, as legally described on Exhibit B attached hereto (the "Developer Property"); and

WHEREAS, the redevelopment of Morgan Park Commons is currently proposed to occur in five (5) phases, with construction plans for each phase preliminarily set forth as follows: (a) demolition of the Jewel Building and Redevelopment Site remediation, grading and utility installation, park landscaping and stormwater retention work, and construction and subsequent dedication of new sections of West 114th Street and West 114th Place, with the street construction to include installation of and upgrades to traffic signals ("Phase 0"), (b) construction of two (2) mixed-income residential buildings along Halsted Street containing a total of seventy (70) dwelling units (with sixty-six (66) of those dwelling units to be affordable housing units, subject to final financing and regulatory requirements) and eighty-one (81) surface parking spaces ("Phase 1"), and (c) Phases 2-4 (still to be determined), all as allowed by Planned Development 131, as amended, and as depicted in the drawings attached hereto as Exhibit C (the "Redevelopment Project"); and

WHEREAS, the estimated budget for Phase 0 of the Project is \$15,000,000.00, as set forth in Exhibit D attached hereto; and

WHEREAS, on or about February 1, 2022, the Developer was approved for a grant from the State of Illinois Capital Grant Program in the amount of \$15,000,000 (the "State Grant") for completion of Phase 0 of the Project, which may be extended at the discretion of the State of Illinois; and

WHEREAS, the Redevelopment Project is currently proposed to be financed, in part, by federal financial assistance for one or more phases of the Redevelopment Project, if such funding is approved by the relevant federal agencies, including pursuant to all applicable environmental review and requirements (the "Federal Financial Assistance"); and

WHEREAS, the City Property has a market value of \$695,805.00 based on a market value assessment conducted by CBRE Group, Inc. dated March 29, 2025; and

WHEREAS, the City issued a public notice on April 1, 2025, announcing the City's intent to sell the City Property to the Developer pursuant to the selection of the Developer's proposal in the 2021 QAP round; and

WHEREAS, subject to all legal requirements and conditions, the City may sell the City

Property to the Developer for \$1.00 per tax parcel (the "Purchase Price") solely for redevelopment of the City Property as part of the Redevelopment Project and subject to any deed restriction that may be imposed by the City, including environmental terms and conditions; and

WHEREAS, as a condition of the conveyance of the City Property by the City to the Developer, the Developer will undertake the Redevelopment Project pursuant to a redevelopment agreement with the City that will include such terms and conditions as the City may require, including, but not limited to, any terms and conditions that may be appropriate to comply with all requirements for the use of the State Grant and Federal Financial Assistance for the Redevelopment Project (the "Redevelopment Agreement"); and

WHEREAS, Section 2-44-085 of the Municipal Code of Chicago (the "Affordable Requirements Ordinance" or the "ARO") obligates the City to impose certain affordability requirements upon developers who develop residential projects that include ten (10) or more dwelling units and that receive City assistance in the form of the sale of City land, financial assistance, or certain zoning approvals; and

WHEREAS, the rezoning of the Redevelopment Site to PD 131, as amended, is an entitlement that triggers the requirements of the ARO, however Developer has applied for Tax Credits or other financial assistance as part of the 2021 QAP, and therefore, if such Tax Credits or other financial assistance are made available on terms acceptable to the City and in compliance with all City, state, and federal laws, the Project is subject to affordability requirements that exceed the ARO requirements; and

WHEREAS, if the Developer does not receive the Tax Credits or other financial assistance as contemplated herein, then the Developer shall be obligated to comply with the affordable housing requirements of the ARO; *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 Commissioner of Planning and Development or the Commissioner's designee is hereby authorized, but is not required, to negotiate, execute and deliver to the Developer the Redevelopment Agreement and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions, and insertions as shall be approved by the persons executing the Redevelopment Agreement, and with such terms and conditions required by law, including terms and conditions required as a condition of Federal Financial Assistance, if any such funding is approved. Such agreement and documents shall not be executed unless approved as to form and legality by the City's Corporation Counsel. At any time, the Commissioner of Planning and Development or the Commissioner's designee may decide not to continue with the negotiation, execution, or delivery of the Redevelopment Agreement, including as advised by the City's Corporation Counsel.

SECTION 3. The sale of the City Property in its "as is" condition for the Purchase Price to the Developer, or an affiliate of the Developer, is hereby approved, subject to the City's entering into the Redevelopment Agreement, as provided in Section 2, above. The Mayor or the Mayor's proxy is authorized, but is not required, to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, a quitclaim deed conveying the City Property to the Developer or the Developer's affiliate; however, such quitclaim deed shall be subject to the City's Corporation

Counsel's approval as to form and legality, and shall specifically include any environmental requirements and other terms and conditions appropriate to comply with federal, state, and City law. At a minimum, the Developer or the Developer's affiliate shall pay all escrow fees and other title insurance fees and closing costs.

SECTION 4. The Commissioner of Planning and Development or the Commissioner's designee is hereby authorized, subject to 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, with such changes, deletions and insertions as shall be approved by the Commissioner of Planning and Development or the Commissioner's designee. Such documents may contain terms and provisions that the Commissioner of Planning and Development 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 City Property or otherwise may be reasonably necessary or appropriate to consummate the transaction contemplated hereby, however, all such documents such documents shall not be executed unless approved as to form and legality by the City's Corporation Counsel.

SECTION 5. 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 6. This ordinance shall take effect upon its passage and approval.

Attachments: Exhibit A – Legal Description of City Property
Exhibit B – Legal Description of Developer Property
Exhibit C – Site Plan and Project Phases
Exhibit D – Phase 0 Budget