

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government pursuant to Article VII, Section 6(a) of the 1970 State of Illinois Constitution and, as such, may exercise any power and perform any function pertaining to its government and affairs; 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, through the foreclosure of demolition liens, tax sales and other methods of acquisition, 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, the City also has a goal of creating communities of opportunity to replace vacancy, violence, and decades of disinvestment with affordable homes and opportunities for families to build generational wealth and equity; and

WHEREAS, pursuant to an ordinance (the "Program Ordinance") adopted by the City Council of the City (the "City Council") on November 8, 2017, and published at pages 59287 through 59295 in the Journal of the Proceedings of the City Council (the "Journal") for such date, the City established a program for the sale of City-owned vacant land to developers for the construction of affordable single-family homes and two-flats (the "City Lots for Working Families Program" or "Program"); and

WHEREAS, pursuant to the City Lots for Working Families Program, the Department of Housing ("DOH"), as successor to the Department of Planning and Development for the administration and implementation of this Program, is authorized to evaluate proposals for the construction of new single-family homes and/or two-flats (each such single-family home or two-flat, a "Home") on City-owned vacant land; and

WHEREAS, the Program Ordinance authorizes DOH 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"); (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, pursuant to the City Lots for Working Families Program, up to twenty-five percent (25%) of the Homes in a CL4WF Project may be sold at market-rate prices (the "Market Rate Homes") and the rest must be sold at an Affordable Price (as defined in the Program Ordinance); and

WHEREAS, The City is the owner of the City Lots identified on Exhibit A attached hereto, each of which has an appraised value of less than \$175,000; and

WHEREAS, United Power for Action and Justice ("United Power") is a non-partisan community organization composed of 40 religious congregations, not-for-profit groups, hospitals, health centers and civic organizations from across Cook County; and

WHEREAS, United Power has submitted a proposal to the Department of Housing (“DOH”) to partner with the member organizations identified on **Exhibit A** (each, a “Developer”) to construct Homes on the City Lots; and

WHEREAS, DOH has agreed to sell up to 500 City Lots in increments of 125 or less to the Developers under the City Lots for Working Families Program (the “Project”); and

WHEREAS, DOH wishes to modify the City Lots for Working Families Program for the Project to allow each Developer to construct more than twenty (20) Homes; and

WHEREAS, DOH further 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; and

WHEREAS, United Power and the Developers have agreed to undertake the Project in accordance with the Program Ordinance (except as modified herein), and pursuant to the conditions of a redevelopment agreement, which shall, among other things, reduce or waive certain fees as set forth on **Exhibit B** attached hereto, waive MBE/WBE Requirements (as defined in the Program Ordinance) and waive City Residency Hiring Requirements (as defined in the Program Ordinance); 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. Each Developer 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 modifications to the City Lots for Working Families Program as set forth in the recitals are hereby approved for the Project.

SECTION 4. The sale of the City Lots to the Developers for \$1.00 per City Lot is hereby approved. This approval is expressly conditioned upon the City entering into a redevelopment agreement with each Developer. 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, 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.

SECTION 5. The Mayor is authorized to execute, and the City Clerk or the Deputy City Clerk is each hereby authorized to attest, quitclaim deeds conveying the City Lots to the Developers, or to a land trust of which the applicable Developer is the sole beneficiary, or to a business entity of which the applicable Developer is the sole controlling party or which is comprised of the same principal parties, subject to those covenants, conditions and restrictions set forth in the redevelopment agreement.

SECTION 6. The reduction and waiver of the fees described on **Exhibit B** attached hereto is hereby authorized.

SECTION 7. 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 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.