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OFFICE OF THE MAYOR
CITY OF CHICAGO

BRANDON JOHNSON
MAYOR

December 13, 2023

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of City-owned properties for adjacent neighbors under the ChiBlockBuilder land sale program.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

A handwritten signature in blue ink, appearing to read "BJ", with a horizontal line extending to the right.

Mayor

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 numerous parcels of real property which are of minimal value and are costly to clean up and maintain, and because title to such properties is vested in the City, the properties are exempt from real estate taxes, thus depriving the City of revenue; and

WHEREAS, The City has traditionally sold much of its land directly to purchasers after receiving property inquiries, a method which is inefficient, labor-intensive and also lacks transparency; and

WHEREAS, In an effort to attract and reach potential buyers and create a more 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 purchase prices and on-line application materials; and

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

WHEREAS, The Department retained the services of CBRE to provide market value assessments of the available City-owned properties based on comparable sales, and these market value assessments are posted on the ChiBlockBuilder website to establish purchase prices for all properties marketed for sale; and

WHEREAS, The Department advertised more than 2,000 City-owned lots for sale on the ChiBlockBuilder website in its first round of bidding, which began on November 17, 2022, and ended on February 3, 2023 (the "**First Application Period**"); and

WHEREAS, The Department hosted three virtual information webinars for the public on December 8, 2022 (English), December 16, 2022 (Spanish), and January 12, 2023 (English) to walk prospective applicants through the ChiBlockBuilder process, and help prospective applicants identify available City-owned property and submit online applications for the purchase of such City-owned property; and

WHEREAS, ChiBlockBuilder provided local real estate brokers support, in English and Spanish, to respond to inquiries from prospective applicants and help prospective applicants identify available City-owned property and submit online applications for the purchase of such City-owned property; and

WHEREAS, A public notice directing prospective applicants to ChiBlockBuilder for listings of City-owned properties for sale was published in the Chicago Tribune on January 20, January 27, and February 3, 2023; and

WHEREAS, City lots sold through the ChiBlockBuilder platform are required to conform with their current zoning; and

WHEREAS, The Department accepted applications in five categories: affordable housing, market rate housing, side yards, open space, and commercial development; and

WHEREAS, This ordinance authorizes the sale of City lots in the side yards category; and

WHEREAS, Eligible side yard buyers had to meet the following qualifications: (1) own and live on property directly next to the City lot; (2) be able to maintain and care for the City lot; and (3) be able to pay property taxes on the City lot; and

WHEREAS, The Department reviewed the eligibility of ChiBlockBuilder side yard applications to confirm applicant ownership and residency, and compliance with current zoning; and

WHEREAS, If there was more than one eligible ChiBlockBuilder side yard applicant, the Department held a randomized lottery open to the applicants to select the winner; and

WHEREAS, The Department selected buyers (each, a “**Buyer**”) for multiple City lots (each, a “**City Lot**”) in the side yards category in the First Application Period, as identified on Exhibit A attached hereto; and

WHEREAS, The Department desires to convey each City Lot to the respective Buyer as identified on Exhibit A hereto, subject to a deed restriction requiring the Buyer to improve the City Lot as a landscaped side yard and own the property for a minimum period of five years after closing; and

WHEREAS, The Buyers have agreed to purchase the City Lots for the purchase prices listed on Exhibit A (each, a “**Purchase Price**”), which represent 10% of the market value assessment for the applicable City Lots; and

WHEREAS, By resolution adopted on October 19, 2023, the Chicago Plan Commission approved the disposition of the City Lots to the Buyers identified on Exhibit A; 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 each City Lot to the respective Buyers identified on Exhibit A hereto in its “as is” condition for the Purchase Prices listed on Exhibit A.

SECTION 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, quitclaim deeds (each, a “**Deed**”) conveying the City Lots to the respective Buyers, or to a land trust of which the Buyer is the sole beneficiary, or to an entity of which the Buyer is the sole controlling party or which is comprised of the same

principal parties. Without limiting the quitclaim nature of each Deed, the conveyance of each City Lot shall be subject to the following: the standard exceptions in an ALTA title insurance policy; general real estate taxes and any special assessments or other taxes; easements, encroachments, covenants, restrictions and liens of record and not shown of record; such other title defects as may exist; and any and all exceptions caused by the acts of the Buyer or the Buyer's agents. In addition, the Deed shall include the following terms, covenants and conditions, in substantially the form set forth below, which are a part of the consideration for each City Lot and which shall run with the land and be binding upon and enforceable against the Buyer and the Buyer's heirs, successors and assigns, in perpetuity (unless a shorter period is expressly stated below):

1. **Covenant to Improve with Landscaped Open Space; Restriction on Conveyance.** Buyer (a) shall improve and maintain the City Lot with landscaped open space (meaning grass, cultivated ornamental shrubs, plants, trees or a combination thereof) within six (6) months of the date of this Deed, provided that plantings may be delayed for an additional six (6) months if consistent with good landscaping practices, (b) shall not construct any permanent improvements on the City Lot, excluding additions to Buyer's primary residence or a garage appurtenant thereto; (c) shall maintain the City Lot in accordance with the provisions of the Municipal Code of Chicago; and (d) shall not convey, assign or otherwise transfer the City Lot. These conditions shall run with the land and be in full force and effect for a period of five (5) years from the date of this Deed. If any of these conditions are not satisfied, the City may record a notice of default against the City Lot and shall have the right to exercise any and all remedies available to it at law or in equity, including the right to re-enter the City Lot and re-vest title in the City. Buyer, at the request of the City, covenants to execute and deliver to the City a reconveyance deed to the City Lot to further evidence such re-vesting of title. This right of reverter in favor of the City shall terminate five (5) years following the date of this Deed.
2. **Environmental Documents Review.** The City, acting through its Bureau of Environmental, Health and Safety Management in the Department of Assets, Information and Services ("**Bureau**"), has conducted a limited review ("**Limited Review**") of certain City records and other information ("**Review Documents**") in an effort to identify potential environmental concerns associated with the City Lot. Buyer acknowledges and agrees that Buyer has previously received a summary of the Bureau's Limited Review, and that the City has made all Review Documents available to Buyer for inspection and copying upon request.
3. **Limited Nature of City's Limited Review.** Buyer acknowledges and agrees that the City does not represent or warrant that the Bureau's methodology for or findings from its Limited Review are accurate or complete or that the environmental condition of or risks to the City Lot are consistent with the Bureau's summary of its Limited Review. Buyer acknowledges and agrees that the City did not perform a Phase I Environmental Site Assessment or conduct a thorough environmental investigation of the City Lot, and that the City's review of the Review Documents was limited. Buyer acknowledges and agrees that the Bureau's Limited Review may not have located all City, publicly available, or other documents or information relating to the condition of the City Lot, and that there may be other conditions, uses, and sources or types of

contamination affecting the City Lot. Buyer acknowledges and agrees that the City is not obligated to locate all such documentation or information or to perform any environmental investigation or evaluation of the City Lot.

4. **Historic Contamination of Urban Land.** Buyer acknowledges and agrees that properties in urban areas, including Chicago, are frequently impacted by historical conditions and uses that may not be documented in the Review Documents, such as (a) buried demolition debris containing lead-based paint or asbestos, (b) underground heating oil tanks, (c) off-site migration of chemicals from existing or former gas stations, dry cleaners, metal finishing operations, lumber treatment facilities, and other commercial, industrial or manufacturing land uses, (d) illegal dumping, (e) nearby railroad operations, and (f) airborne deposit of lead and other contaminants from historical use of lead gasoline and surrounding industries. Buyer acknowledges receipt of a fact sheet prepared by the United States Environmental Protection Agency about urban gardening best management practices to prevent or reduce exposure to contaminants that may be present in soils, "*Reusing Potentially Contaminated Landscapes: Growing Gardens in Urban Soils*," EPA 542/F-10/011 (Spring 2011).
5. **"As Is," "Where Is" and "With All Faults" Conveyance.** Buyer acknowledges and agrees that Buyer has had an opportunity to inspect the City Lot and is relying solely upon Buyer's own inspection and other due diligence activities that Buyer may have conducted in determining whether to acquire the City Lot, and not upon any information provided by or on behalf of the City with respect thereto, including without limitation, the Limited Review, the Review Documents and any summary thereof. Buyer acknowledges and agrees that the City Lot is being conveyed, and Buyer accepts the City Lot, in its "AS IS," "WHERE IS" and "WITH ALL FAULTS" condition without any covenant, representation, or warranty, express or implied, of any kind, regarding the physical or environmental condition of the City Lot or the suitability of the City Lot for any purpose whatsoever. Buyer acknowledges and agrees that Buyer is solely responsible for any investigation and remediation work necessary to put the City Lot in a condition which is suitable for its intended use.
6. **Release of City.** Buyer, on behalf of Buyer and Buyer's heirs, transferees, successors and assigns, and anyone claiming by, through or under any of them, hereby releases, relinquishes and forever discharges Grantor and its officers, employees, agencies, departments, officials, agents, representatives, contractors and consultants, from and against any and all claims, demands, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorney's fees and court costs) based upon, arising out of or in any way connected with, directly or indirectly, the environmental or physical condition of the City Lot.
7. **Affordable Housing and Municipal Code Requirements.** Buyer acknowledges and agrees that the sale of City-owned land may trigger Section 2-44-085 of the Municipal Code of Chicago (currently and as hereafter amended, supplemented or replaced, the "**Affordable Requirements Ordinance**"), and therefore, that a future residential project on the City Lot may be subject to the requirements of the Affordable Requirements Ordinance. Buyer also acknowledges and agrees that other provisions

of the Municipal Code of Chicago (currently and as hereafter amended, supplemented or replaced) apply to the City Lot and Buyer's use, maintenance, and transfer of the City Lot.

SECTION 4. The Commissioner of the Department ("**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, 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 with respect to the City Lot or otherwise may be reasonably necessary or appropriate to consummate the transaction contemplated hereby.

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. All ordinances, resolutions, motions or orders inconsistent with this ordinance are hereby repealed to the extent of such conflict.

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