

CL4WF Program Information

SUBMISSION REQUIREMENTS

All applications must be submitted through www.chiblockbuilder.com and must be complete in all respects.

Submitting an application is not a guarantee that the City will sell City-owned land to the applicant, or that the applicant will be determined to be suitable for the program.

Applications are incomplete until the City has received a non-refundable \$1,000 application fee, which cannot be waived, in the form of a cashier's, company or certified check, or electronic payment, payable to the City of Chicago.

All materials submitted become the property of the City. The Department reserves the right to revise or modify the application instructions to developers in writing. The City, however, will not be responsible for any failure to advise any prospective developer of any written changes.

The Department reserves the right to request and set a deadline for the submission of supplemental requested information. Such additional information may include, but is not limited to, more detailed site or architectural plans, more specific financial information, firm financial commitments, or other documentation necessary to make a final recommendation to the City Council for its approval.

No application from any person, firm, or corporation in arrears or in default to the City of Chicago, upon any debt or contract, or a defaulter as surety or otherwise upon any obligations to the City, or one who had failed to perform faithfully any previous contract with the City, will be presented to the City Council for approval. (See also "Economic Disclosure Statement and Affidavit," available from the Department of Procurement Services.)

GENERAL PROGRAM REQUIREMENTS

Program requirements apply to any application for affordable development through the City Lots for Working Families Program. Exceptions to program requirements by community are provided.

1. All City Lots for Working Families Applications are accepted through Chi Block Builder.
2. Only single-family homes and two-flats may be constructed.
3. 75% of all developed homes must be priced affordable at 120% of the Area Median Income (AMI). Homes created through an application shall be sold to buyers with household incomes at or below 140% AMI.
4. For a given development, there can be a maximum of 25% market rate homes (i.e., homes with no limits on sale price or buyer income).
5. Developers with limited experience should apply to develop the minimum number of homes (eight (8)) allowed under the program. **Note:** (a 2-flat is one home.)

6. There is a maximum of 20 homes per application.
7. Developers shall comply with all applicable city, state, and federal regulations governing the program.
8. Lots on the Chicago Historic Boulevards System are not eligible for inclusion in the CL4WF program.

EXCEPTIONS TO PROGRAM REQUIREMENTS

The following exceptions to the General Program Requirements apply to the **Woodlawn Community ONLY** per Section 2 of the Woodlawn Ordinance. Developers are required to read and understand these exceptions directly from the Ordinance linked [here](#). All other General Program Requirements must be followed.

1. In addition to single-family homes and two-flats, developers may construct townhomes and condominiums in **Woodlawn** only.
2. In **Woodlawn** only, when condominium units are developed through the CL4WF Woodlawn Program, a minimum of ten (10) condominium units per building or condo association must be built and sold.
3. For **Woodlawn** only, units created through an application shall be sold to, and at prices affordable to, buyers with household incomes at or below 120% of the area median income.
4. In **Woodlawn** only, developers must provide as part of any approved development; a Neighborhood Hiring Plan, a specific plan for the hiring of residents in the Woodlawn Community Area, including employment outreach and/or training.

SUBMISSION SELECTION CRITERIA

The following criteria is used as a guide to evaluate developers' submissions. Additional information may be requested to decide on the completeness and suitability of an application.

- Submissions are only accepted through [ChiBlockBuilder](#).
- The submission must meet the intent of the CL4WF Program.
- The submission must meet the zoning requirements of the Program.
- A minimum of 8 PINs must be selected OR enough PINs to build a minimum of eight (8) homes.
- Evidence of a developer's financial capacity and ability to obtain project financing.
- Completeness, quality, and experience of development team.
- Proven depth and quality of experience in successfully developing residential buildings in the community where the selected development is located, or in a community with similar market characteristics.
- Additional requirements by Community or proposal request may be added or included at the time of an open submission period.

PROGRAM PROCEDURES

There are two distinct phases to purchasing land for development through the City Lots for Working Families Process: Chi Block Builder Submission and the CL4WF Program Process.

Phase 1 - Chi Block Builder Submission

1. The Department will only review applications submitted during an open submission period. Once the open submission period closes, all applications will be reviewed. Any questions about applications will be asked through the Chi Block Builder platform via email. Please ensure that your spam setting allow messages from the domain @cityofchicago.org. **Note: Review times are based on the volume of applications received.**
2. All questions in Chi Block Builder must be answered. If information is unknown, ensure that “unknown” or “TBD” is entered into blank fields. If an unknown amount or number is required, enter “0”.
3. Once the application is reviewed by DOH staff, the applicant will be notified through the platform of the status of their application. Applications will be declined or approved, and a letter will be provided to the applicant with a final decision.
4. Only the most qualified application moves to Phase 2 of the CL4WF Process.

Phase 2 - CL4WF Program Process

The outlined steps are a part of the formal CL4WF Process. All steps are required prior to the conveyance of city owned land. Assigned DOH Staff will work with each applicant to assist them through the process. Staff may request additional information or documentation at any time throughout the process.

1. **Applicant Notification:**
 - a. An in-person kick-off meeting with DOH staff is required for all CL4WF projects. The meeting is used to confirm PIN selection and answer any CL4WF Program questions.
 - b. After the meeting, Applicants must submit their \$1,000 application fee.**
 - c. Only completed applications will move to the Design review Process. All missing information must be submitted prior to moving to the next step.
2. **Demonstrated community input and Letter of Alderman support:**
 - a. Applicants are expected to meet with the Alderman and communities in which they are developing.
 - b. Each Ward and Community have specific engagement requirements and it is the responsibility of the developer to understand what those requirements are and demonstrate to DOH that they have completed any required community processes.
3. **Design Reviews:** The architectural design and construction review is a critical component of the application process and consists of:
 - a. **DOH Architectural Design Review:** review of design drawings, scope of work, project budget and context compatibility; approval will result in authorization of construction documents.
 - b. **Construction Document Review:** design confirmation and review of construction drawings and specifications; legal survey, soil report and environmental assessments, review of construction budget.
 - c. **Final Construction Review:** verification of sworn statements from owners and contractors, agreements with architect, general contractor and subcontractors, addenda,

addenda approval, building permit, inspecting architect approval, fee waivers, and certificate of insurance. DOH Construction approval issued.

4. City Council approval:

- a. Before a project is introduced to the council, it must be introduced to a governing commission. All CL4WF projects go to Chicago Plan Commission (CPC). If your project has any PINs located in Tax Increment Financing (TIF) districts, it must go to Community Development Commission (CDC). After projects are approved by the commission(s), they can then be introduced to City Council as an ordinance for the purchase of land under the CL4WF Program.
- b. The following MUST be completed PRIOR to the City Council Submission:
 - i. Economic Disclosure Statement
 - ii. Ownership Disclosure Affidavit
 - iii. scofflaw checks
- c. Developer may be asked to appear before a City Council Committee, usually Housing and Real Estate, to answer questions or present his/her proposal; if passed, the ordinance is referred to the full Council.
- d. Developer must execute redevelopment agreement within six (6) months of City Council approval or authority to proceed is revoked.

5. Drafting and signing of legal agreements:

- a. Financing commitments and required organizational documents must be made available to DOH staff for review. Corporation Counsel will issue a closing document checklist to developer. The Corporation Counsel will prepare a Land Sale and Redevelopment Agreement defining land conveyance, scope of work, construction schedule, and description of qualified purchasers executed by the City and the developer.
- b. Construction lenders must execute a Subordination Agreement.
- c. Developers must comply with the City's insurance requirements.
- d. DOH staff, in consultation with the City's Corporation Counsel, will review the financing commitment and loan documents.

6. Construction:

- a. DOH Pre-construction meeting held with Developer and Contractor, Notice-to-Proceed issued.
- b. Developer must start construction within 3 to 6 months of the execution of the Land Sale and Redevelopment Agreement. Construction must be completed within the period outlined in the Agreement.
- c. Construction phase will include progress, punch list and final inspections.
- d. Developer will submit monthly construction status and sales reports to assigned DOH Staff.
- e. Developer Submits Certificate of Occupancy from Department of Buildings, which must be informed at time of permit application that a Certificate of Occupancy will be required. (For condominiums)
- f. Developer requests Certificate of Compliance at 100% project completion as approved by developer's architect.

7. Sale and Closing of the newly constructed home:

- a. Homebuyer eligibility is determined by DOH through an application. DOH staff will verify affordability and eligibility of the homebuyer **prior** to a contract for purchase.
- b. Only eligible homebuyers, determined by DOH, will close on the sale.
- c. Developers will refer their homebuyer to the Project Manager of Homebuyer Programs for a DOH homebuyer application, a minimum of four (4) weeks prior to construction completion.

- d. The Project Manager of Homebuyer Programs will coordinate the City's role in the home sale closing among DOH, the Department of Law, outside counsel, the developer, and the title company.
 - e. The buyer will execute a mortgage recapture agreement or 5-year resale restriction if the land value is less than \$50,000.
 - f. If any parcel is appraised over \$50,000 the land value will be recaptured upon re-sale of the home if sold prior to 30 years of occupancy. At 30 years of occupancy, the land value is fully forgiven.
 - g. In the City's sole discretion, non-market rate homes may be placed into the Chicago Housing Trust when the underlying land value exceeds \$50,000.
 - h. The General Contractor must issue a limited warranty (valid for a minimum of 1 year from date of first occupancy).
 - i. Additional homebuyer and purchase price assistance information can be found [here](#).
- 8. Post-closing:**
- a. DOH monitors warranty compliance.
 - b. Buyer is required to submit annual occupancy compliance documentation to DOH for (5) five to thirty years (typically (5) five years) depending on the amount of the land write down. This shall consist of an affidavit stating that the property is the owner's primary residence, and a copy of the owner's driver's license or state identification that displays the same address as the subject property.