

# Northwest Side Preservation Ordinance Tenant Opportunity to Purchase Pilot Program 606 District 3-4 Rental Units Rules

[www.chicago.gov/NWSPreservation](http://www.chicago.gov/NWSPreservation)

## Property Owner

### Intent to Sell

An owner wishing to sell must provide tenants of rental property and DOH a copy of Notice of Intent to Sell and post a Public Notice no less than 30 days prior to listing the property.

The owner may list the property for sale 30 days after providing the required notice to tenants and DOH.

### Third Party Purchase Offer

Provide tenants of rental property and DOH a copy of Notice of Third Party Offer and disclosures no more than 5 days from the execution of the third-party purchase agreement. Allot tenants 30 days to exercise ROFR before entering a third party agreement.

If tenants have not taken the necessary steps to exercise ROFR or have waived their rights, the owner may enter agreement with a third-party buyer. If tenants have taken the necessary steps to exercise ROFR, the owner must allow for 60 days for the TA to conduct due diligence.

If tenants have taken the necessary steps to exercise ROFR and are able to match the listing price, the owner must honor the TA's offer over a third party.

30 Days  
Before  
Listing

Listing  
Day

Day  
0

5  
Days

23  
Days

30  
Days

90  
Days

## Tenant

Tenants choosing to exercise their right to first refusal are encouraged to begin creating a tenant association (TA) upon Notice of Intent to Sell.

Tenants have 30 days from receipt of notice of a third party offer to exercise their Right of First Refusal (ROFR):

- Provide owner notice of exercising ROFR.
- Create and register a TA by submitting the TA Registration and Notice Form to DOH and the property owner.

No less than 7 days before the end of the 30-day period, tenants must submit the TA registration form to DOH and identify one officer to act on the association's behalf.

The authorized officer shall send the Tenant Association Notice for Property Owner to the owner and a copy of the DOH registration certificate within 10 business days from the registration date printed on the certificate.

The TA must provide property owner a pre-approval letter or other financial statement from a lender to serve as evidence confirming TA is working on securing financing within 3 business days of exercising ROFR. This is the final day to exercise ROFR.\*

Tenants are granted 60 days to conduct due diligence and close on property.

### \*Third Party Representative

Tenants may assign their rights to a third party to purchase their building at any time throughout the process but must have a TA formed in cases of 3+ units and must provide written notice to the property owner at least 10 days prior to entering the agreement.