**Rental – Community Preservation Area/Downtown District/ Inclusionary Housing Area**

**30 or More Units**

**20% Option**

**All On-Site**

The Applicant acknowledges and agrees that the rezoning of the Property from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and then to this \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Planned Development No. \_\_\_\_ (“PD”) is an “entitlement” that triggers the requirements of Section 2-44-085 of the Municipal Code of Chicago (the “ARO”). The PD is located in a(n) **[community preservation area/downtown district/inclusionary housing area]** within the meaning of the ARO and permits the construction of \_\_\_\_ dwelling units. **[If the PD approves more than one building with residential units, describe the number of buildings and units in each. For example: The Applicant intends to construct one \_\_\_-unit building and one \_\_\_-unit building].** **[See Subarea Modification if the PD has subareas.]**

Developers of rental projects in **[community preservation areas/downtown districts/inclusionary housing areas]** with 30 or more units must providebetween 10% and 20% of the units in the residential development as affordable units, depending on the average depth of affordability provided, as described in subsection (F)(2) of the ARO. Regardless of the applicable percentage of affordable units in the rental project, developers must construct at least 25% of the affordable units on-site and another 25% on-site or off-site (collectively, the “Required Units”), and may satisfy the balance of their affordable housing obligation through: (a) the establishment of additional on-site or off-site affordable units; (b) payment of a fee in lieu of the establishment of on-site or off-site affordable units; or (c) any combination thereof. All on-site affordable units must be accessible dwelling units, as required under subsection (W)(10) of the ARO, and developers must give preference in leasing accessible units to people with disabilities. All off-site affordable units must have at least two bedrooms and must be located in a downtown district, inclusionary housing area, or community preservation area. Whether on-site or off-site, developers must give preference in leasing affordable units of two bedrooms or more to multi-person households, as specified in the ARO rules. As required under subsection (AA), whether on-site or off-site, developers must give preference in leasing to veterans for at least 10% of the total number of affordable units required. If a residential project is located in a transit-served location, off-site units must be located in a substantially comparable transit-served location.

The Applicant **[for Subarea \_\_]** has elected the 20% option as set forth in the chart in subsection (F)(2) of the ARO. As a result, the Applicant’s affordable housing obligation is \_\_\_\_\_ affordable units (20% of \_\_\_\_), half of which (50% of \_\_\_\_ or \_\_\_\_) are Required Units. **[If there is a fractional obligation, add: Pursuant to subsection (T) of the ARO, the Applicant must either pay a fractional in lieu fee or provide an additional unit to satisfy the fractional obligation. The Applicant has elected to provide an additional unit.]** The Applicant has agreed to satisfy its affordable housing obligation by providing all \_\_\_\_ affordable units in the rental building **[in Subarea \_\_]** **[in the PD]**, as set forth in the Affordable Housing Profile (AHP) form attached hereto. The Applicant agrees that the affordable rental units must be affordable to households with a range of incomes averaging 60% of the Chicago Primary Metropolitan Statistical Area Median Income (AMI), as updated annually, provided that (x) the maximum income level for any affordable unit may not exceed 80% of the AMI, (y) at least one-third (or \_\_\_ units) must be affordable to households at or below 50% of the AMI, of which one-sixth (or \_\_ of the \_\_\_\_ units) must be affordableto households at or below 40% of the AMI, and (z) all income levelsmust be multiples of 10% of the AMI.

If the Applicant requests any material change to its method of compliance with the ARO, such as locating affordable units off-site instead of on-site or changing the target affordability level after the passage of this PD, DOH may adjust the AHP as requested, in accordance with the ARO, without amending the PD, provided however, the Applicant must update and resubmit the revised AHP form to DOH for review and approval and, at DOH’s request, provide an informational presentation to the Plan Commission on such change. Prior to the issuance of any building permits for any residential building in the PD, including, without limitation, excavation or foundation permits, the Applicant must execute and record an Inclusionary Housing Agreement (“IHA”) in accordance with subsection (N) of the ARO. The terms of the IHA and any amendments thereto are incorporated herein by this reference. The Applicant acknowledges and agrees that the IHA will be recorded against the PD and will constitute a lien against such property. **[If in FMID, add: If the IHA is executed before the Applicant and DOH complete negotiations regarding the FMID Units, the Applicant agrees to update, amend and rerecord the IHA as necessary to incorporate any additional FMID affordability requirements.]** The Commissioner of DOH may enforce remedies for any breach of this Statement, including any breach of the IHA, and enter into settlement agreements with respect to any such breach, subject to the approval of the Corporation Counsel, without amending the PD.

This Statement does not include all ARO requirements and options. It is intended to provide an overview of the application of the ARO to this PD. In the event of any conflict between this Statement and the terms and conditions of the ARO, the ARO shall govern.

**Subarea Modification to Paragraph 1**

The PD is located in a “downtown district” within the meaning of the ARO and permits the construction of \_\_\_dwelling units in Subarea 1, \_\_\_ dwelling units in Subarea 2, and \_\_\_ units in Subarea 3. This Statement addresses compliance with the ARO in Subarea 1, where the Applicant intends to construct a \_\_\_-unit rental building. Compliance with the ARO in Subareas 2 and 3 will be determined in the future if a residential project is proposed, subject to Site Plan Approval as set forth in Statement \_\_\_.

**FMID Modification – Add after third paragraph:**

This PD is located in the Fulton Market Innovation District (the “FMID”). The Chicago Plan Commission adopted a plan for the FMID in July 2014, and approved an update to the plan (the “FMID Plan Update”) in February 2021. The FMID Plan Update allows residential uses north of Lake Street in the FMID and establishes a 30% affordability goal for new residential projects in that area. In order to achieve that goal, the City’s Department of Housing (“DOH”) is committed to offering developers financial assistance (the “FMID Funds”) to provide additional affordable units. Subject to the City’s approval of the FMID Funds in an amount and on terms described below, the Applicant has agreed to explore the provision of up to an additional \_\_\_affordable units (10% of \_\_\_\_) either on-site or in an off-site location within the boundaries of the FMID, in accordance with the FMID Plan Update (the “FMID Units”). The Applicant and DOH have begun and will continue to collaborate to determine the amount of FMID Funds necessary to create the FMID Units, which amount shall account for such factors as the change in projected net operating income during the period of affordability and shall be based on commercially reasonable investment criteria and empirical data. DOH has previously reviewed detailed pro formas at 20% and 30% affordability along with a market rent study provided by the Applicant, and preliminarily determined the amount of funds necessary to compensate for the loss of market rate rent for the FMID Units. The Applicant and DOH will continue to collaborate to determine whether the project can accept FMID Funds and, if so, the amount of FMID Funds necessary to create the FMID Units in accordance with this Statement. At least six (6) months prior to the issuance by the Department of Buildings of any permits for the construction of vertical improvements, the Applicant shall notify the City of the Applicant’s intent to proceed with construction of the project (“Applicant’s Notice to Proceed”). The Applicant’s Notice to Proceed must include an updated and detailed budget for the project, updated proformas at 20% and 30% affordability based on commercially reasonable investment criteria and empirical data, an updated rent market study from a reputable firm with established expertise with valuations of similar properties, its calculation of the amount of FMID Funds necessary to create the FMID Units (“FMID Funding Determination”) and a detailed explanation of its FMID Funding Determination, or, if applicable, a detailed explanation as to why the project cannot accept FMID Funds (the foregoing referred to as the “Supporting Documents”). The Applicant shall concurrently deliver a copy of the Applicant’s Notice to Proceed and associated documentation to the alderperson in whose ward the project is located. Within 30 days after delivery of the Applicant’s Notice to Proceed and all associated documentation to DOH, the City will either: (1) accept the Applicant’s FMID Funding Determination and agree to provide the amount of FMID Funds identified by the Applicant, subject to city council approval of the FMID Funds and the Applicant’s execution of a TIF RDA (defined below), (2) reject the Applicant’s FMID Funding Determination and request additional information and discussion; or, (3) accept a determination by the Applicant that it is not fiscally possible, based on commercially reasonable investment criteria and empirical data, to accept FMID Funds. Furthermore, if the City fails to respond within the 30-day period following the delivery of the Applicant’s Notice to Proceed (which will not be considered delivered unless each of the Supporting Documents are delivered), the Applicant may proceed with development of the project without providing the FMID Units. If the City rejects the Applicant’s FMID Funding Determination, the City and the Applicant must confer and negotiate in good faith and with due diligence to determine the amount of FMID Funds necessary to create the FMID Units. If the City and the Applicant are unable to reach agreement regarding such amount on terms acceptable to the Applicant and the City within ninety (90) days after delivery of the Applicant’s Notice to Proceed, the Applicant may proceed with development of the project without providing the FMID Units. The City intends to provide the FMID Funds from available incremental property taxes on deposit in the special tax allocation fund for the Kinzie Industrial Conservation Area Tax Increment Redevelopment Project Area, within whose boundaries the Property is located. The Applicant understands and agrees that the award of the FMID Funds is expressly conditioned on the City and the Applicant entering into a TIF Redevelopment Agreement (the “TIF RDA”), which will be approved pursuant to a separate ordinance (the “TIF Ordinance”), and the Applicant agrees to negotiate the TIF RDA in good faith and with due diligence and to execute the TIF RDA in order to receive the FMID Funds. Among other conditions, closing of the TIF RDA will be subject to the Applicant securing and closing its construction financing.

**Rental/Owner-occupied – Community Preservation Area/Downtown District/ Inclusionary Housing Area/Low-Moderate Income**

**Less than 30 units**

The Applicant acknowledges and agrees that the rezoning of the Property from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and then to this \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Planned Development (“PD”) No. \_\_\_\_ is an “entitlement” that triggers the requirements of Section 2-44-085 of the Municipal Code of Chicago (the “ARO”). The PD is located in a(n) **[community preservation area/downtown district/inclusionary housing area/low-moderate income area]** within the meaning of the ARO and permits the construction of \_\_\_\_ dwelling units **[in Subarea \_\_\_\_]**. The Applicant intends to construct a \_\_\_\_\_-unit **[rental/owner-occupied] [building/development]**.

Developers of **[rental/owner-occupied]** projects in **[community preservation areas/downtown districts/inclusionary housing areas/ low-moderate income areas] [must provide 10/20% of the units in the project as affordable housing at a weighted average of 60/80/100% of the AMI]** , as described in subsection (F)(2) of the ARO. **[Rental projects outside of low-moderate income areas only:** **Regardless of the applicable percentage of affordable units in the rental project, developers must construct at least 25% of the affordable units on-site and another 25% on-site or off-site (collectively, the “Required Units”), and may satisfy the balance of their affordable housing obligation through: (a) the establishment of additional on-site or off-site affordable units; (b) payment of a fee in lieu of the establishment of on-site or off-site affordable units; or (c) any combination thereof.]** All on-site affordable units must be accessible dwelling units, as required under subsection (W)(10) of the ARO, and developers must give preference in leasing accessible units to people with disabilities. All off-site affordable units must have at least two bedrooms and must be located in a downtown district, inclusionary housing area, or community preservation area. Whether on-site or off-site, developers must give preference in leasing affordable units of two bedrooms or more to multi-person households, as specified in the ARO rules. As required under subsection (AA), whether on-site or off-site, developers must give preference in leasing to veterans for at least 10% of the total number of affordable units required. If a residential project is located in a transit-served location, off-site units must be located in a substantially comparable transit-served location.

The Applicant has elected the \_\_\_% option as set forth in the chart in subsection (F)(2) of the ARO. As a result, the Applicant’s affordable housing obligation is \_\_\_\_\_ affordable units (20% of \_\_\_\_) and half of those affordable units are Required Units. **[Delete if no fractional obligation:** Pursuant to subsection (T) of the ARO, the Applicant must either pay a fractional in lieu fee or provide an additional unit to satisfy the fractional obligation.**]** The Applicant has agreed to satisfy its affordable housing obligation by providing all \_\_\_\_ affordable units in the **[rental building]** in the PD, as set forth in the Affordable Housing Profile (AHP) attached hereto. **[Rental projects outside of low-moderate income areas only:** **The Applicant agrees that the affordable rental units must be affordable to households with a range of incomes averaging 60% of the Chicago Primary Metropolitan Statistical Area Median Income (AMI), as updated annually, provided that (x) the maximum income level for any affordable unit may not exceed 80% of the AMI, (y) at least one-third (or \_\_\_ units) must be affordable to households at or below 50% of the AMI, of which one-sixth (or \_\_ of the \_\_\_\_ units) must be affordableto households at or below 40% of the AMI, and (z) all income levelsmust be multiples of 10% of the AMI.]**

If the Applicant requests any material change to its method of compliance with the ARO, such as locating affordable units off-site instead of on-site or changing the target affordability level after the passage of this PD, DOH may adjust the AHP as requested, in accordance with the ARO, without amending the PD, provided however, the Applicant must update and resubmit the revised AHP to DOH for review and approval and, at DOH’s request, provide an informational presentation to Plan Commission on such change. Prior to the issuance of any building permits for any residential building in the PD, including, without limitation, excavation or foundation permits, the Applicant must execute and record an Inclusionary Housing Agreement (“IHA”) in accordance with subsection (N) of the ARO. The terms of the IHA and any amendments thereto are incorporated herein by this reference. The Applicant acknowledges and agrees that the IHA will be recorded against the PD, and will constitute a lien against such property. The Commissioner of DOH may enforce remedies for any breach of this Statement \_\_, including any breach of any IHA, and enter into settlement agreements with respect to any such breach, subject to the approval of the Corporation Counsel, without amending the PD.

This statement does not include all ARO requirements and options. It is intended to provide an overview of the application of the ARO to this PD. In the event of any conflict between this statement and the terms and conditions of the ARO, the ARO shall govern.

**Project Exceeds ARO Requirements**

The Applicant acknowledges and agrees that the rezoning of the Property from \_\_\_\_\_\_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_\_\_\_, and then to this Planned Development (“PD”) No. \_\_\_ is an “entitlement” that triggers the requirements of Section 2-44-085 of the Municipal Code of Chicago (the “ARO”). The Applicant has applied for Low-Income Housing Tax Credits or other forms of financial assistance from the city.  Such financial assistance imposes affordability requirements (the “Financing Requirements”) that exceed the ARO requirements. As a result, if the Applicant receives such financial assistance, the Financial Requirements shall govern the Applicant’s obligation to provide affordable housing in the PD. If the Applicant does not receive such financial assistance, the Applicant shall comply with the ARO.