

**ROSELAND/MICHIGAN AVENUE REDEVELOPMENT PROJECT AREA (WARD 9)
119TH AND HALSTED REDEVELOPMENT PROJECT AREA (WARD 9)**

Request authority to advertise the Department of Housing's intention to enter into a City Lots for Working Families land sale with Hope Center Foundation, or to a related entity, for the disposition of the property located at 11707 S Michigan Avenue; 11709 S Michigan Avenue; 11808 S Michigan Avenue; 11810 S Michigan Avenue; 11801 S Michigan Avenue; 11805 S Michigan Avenue; 11819 S Michigan Avenue; 11853 S Michigan Avenue; and 11938 S Michigan Avenue in the Roseland/Michigan Avenue Redevelopment Project Area; and at 28 E 119th Street; 25 E 119th Street; and 27 E 119th Street in the 119th and Halsted Redevelopment Project Area, to request alternative proposals, and to approve the sale of the property to Hope Center Foundation, or to a related entity, if no responsive alternative proposals are received.

Brian O'Donnell

**COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO**

RESOLUTION ___ -CDC- ___

AUTHORIZATION TO ENTER INTO A NEGOTIATED SALE WITH HOPE CENTER FOUNDATION, OR A RELATED ENTITY, FOR DISPOSITION OF THE PROPERTY LOCATED AT 11707 S MICHIGAN AVE; 11709 S MICHIGAN AVE; 11808 S MICHIGAN AVE; 11810 S MICHIGAN AVE; 11801 S MICHIGAN AVE; 11805 S MICHIGAN AVE; 11819 S MICHIGAN AVE; 11853 S MICHIGAN AVE; AND 11938 S MICHIGAN AVE WITHIN THE ROSELAND/MICHIGAN REDEVELOPMENT PROJECT AREA & AT 28 E 119TH ST; 25 E 119TH ST; AND 27 E 119TH ST WITHIN THE 119TH/HALSTED REDEVELOPMENT PROJECT AREA

WHEREAS, Chapter 2-124 of the Municipal Code of the City of Chicago (the “City”) established the Community Development Commission (the “Commission”); and

WHEREAS, the Roseland/Michigan (the “Redevelopment Area”) was approved by the City Council on January 16, 2002; and

WHEREAS, the City owns the property located at 11707 S Michigan Ave; 11709 S Michigan Ave; 11808 S Michigan Ave; 11810 S Michigan Ave; 11801 S Michigan Ave; 11805 S Michigan Ave; 11819 S Michigan Ave; 11853 S Michigan Ave; and 11938 S Michigan Ave having the Property Identification Number(s) (PINs) 25-22-310-002; 25-22-310-003; 25-22-318-023; 25-22-318-024; 25-22-319-001; 25-22-319-002; 25-22-319-007; 25-22-321-008; and 25-27-102-028 (the “Property”) and desires that it be redeveloped for single family housing; and

WHEREAS, the 119th/Halsted (the “Redevelopment Area”) was approved by the City Council on February 6, 2002; amended on April 9, 2003, and amended a second time on April 30, 2014 and

WHEREAS, the City owns the property located at 28 E 119th St; 25 E 119th St; and 27 E 119th St having the Property Identification Number(s) (PINs) 25-22-320-019; 25-27-100-011; and 25-27-100-012 (the “Property”) and desires that it be redeveloped for single family housing; and

WHEREAS, staff of the Department of Housing of the City of Chicago (the “Department”) have entered discussions with Hope Center Foundation (the “Developer”) concerning the sale of the Property for the development of single family homes; and

WHEREAS, the Developer has submitted a project budget and evidence of having the financial capacity to complete the project, and the staff of the Department have reviewed these and found them to be satisfactory; and

WHEREAS, the Developer has proposed to pay \$12 as consideration for the purchase of the

Property, which is \$132,296 less than the appraised fair market value of \$132,308; and

WHEREAS, staff of the Department have determined that the Developer’s proposal conforms to the Plan; and

WHEREAS, the Department intends that a public notice inviting alternative development proposals be published at least once for three consecutive weeks in at least one Chicago metropolitan newspaper; and

WHEREAS, it is required that such alternative proposals describe the general plan for redevelopment of the Property, the names of the party or parties making the proposal, the price offered, evidence of financial qualifications and capacity to complete the redevelopment, the timetable for implementation, and that alternative proposals be received in writing within 30 days of the date of first publication of the public notice by the Department; and

WHEREAS, the sale of the Property will be subject to City Council approval; now, therefore,

IT IS HEREBY RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

Section 1. The Department of Housing is hereby authorized to advertise its intent to negotiate a sale with the Developer for disposition of the Property pursuant to the terms described herein and to request alternative proposals for redevelopment.

Section 2. Alternative proposals must be submitted in writing to, Commissioner, Department of Housing, ATTN: Brian O’Donnell, City Hall-Room 1000, 121 N. LaSalle Street, Chicago, Illinois 60602, within 30 days of the date of the first publication of the public notice and shall contain the names of the parties, price offered for the Property, evidence of financial capacity, and a timetable for redevelopment before said proposal will be considered.

Section 3. In the event that no responsive alternative proposals are received at the conclusion of the advertising period, or if alternative proposals are received and the Department of Housing in its sole discretion determines that it is in the best interest of the City to proceed with the pending proposal, then the sale of the land described herein to the Developer shall be recommended to the City Council without further Commission action subject to the following terms:

Address	PIN	Size (SF)	Price
11707 S MICHIGAN AVE	25-22-310-002	3,125	\$1
11709 S MICHIGAN AVE	25-22-310-003	3,125	\$1
11808 S MICHIGAN AVE	25-22-318-023	10,363	\$1
11810 S MICHIGAN AVE	25-22-318-024	4,688	\$1
11801 S MICHIGAN AVE	25-22-319-001	6,138	\$1
11805 S MICHIGAN AVE	25-22-319-002	4,500	\$1
11819 S MICHIGAN AVE	25-22-319-007	3,000	\$1

11853 S MICHIGAN AVE	25-22-321-008	3,000	\$1
11938 S MICHIGAN AVE	25-27-102-028	3,000	\$1
28 E 119TH ST	25-22-320-019	5,621	\$1
25 E 119TH ST	25-27-100-011	3,125	\$1
27 E 119TH ST	25-27-100-012	3,125	\$1
Total			\$12

Section 4. The Chairman of the Commission is authorized to transmit a certified copy of this resolution to the City Council of the City of Chicago.

ADOPTED: _____

PUBLIC NOTICE

Public notice is hereby given that the City of Chicago, through its agents the Community Development Commission and the Department of Housing, intends to enter a negotiated sale with Hope Center Foundation, or a related entity (the “Developer”) for disposition of the property located at 11707 S Michigan Ave; 11709 S Michigan Ave; 11808 S Michigan Ave; 11810 S Michigan Ave; 11801 S Michigan Ave; 11805 S Michigan Ave; 11819 S Michigan Ave; 11853 S Michigan Ave; 11938 S Michigan Ave; 28 E 119th St; 25 E 119th St; and 27 E 119th St having the Property Identification Number(s) (PINs) 25-22-310-002; 25-22-310-003; 25-22-318-023; 25-22-318-024; 25-22-319-001; 25-22-319-002; 25-22-319-007; 25-22-321-008; 25-27-102-028; 25-22-320-019; 25-27-100-011; and 25-27-100-012 (the “Property”). The Developer proposes to purchase the Property, which has an appraised value of \$132,308, for \$12, to develop a single family housing. The Department of Housing invites alternative proposals for consideration by the Community Development Commission.

The documents entitled “Roseland Michigan Redevelopment Area Plan” and “119th/Halsted Redevelopment Area Plan” constitute the redevelopment plans for the subject areas and are available for review at the following link https://www.chicago.gov/city/en/depts/dcd/supp_info/tif/south_side_tif_districtmap.html, as well as the Department of Planning and Development, in City Hall Room 1003, 121 North LaSalle Street, Chicago, Illinois 60602, on business days, between the hours of 9:00 a.m. and 4:00 p.m. Please contact Brian O’Donnell, at 312-744-0141, to arrange an appointment to review the redevelopment plan.

The City of Chicago reserves the right to reject all proposals and to waive any informalities in the submission. All proposals must be submitted in the form approved by the City of Chicago and must be complete with respect to the information contained herein. Proposals shall include the general plan for the redevelopment of the Property, the names of the party or parties making the proposal, the price offered, evidence of financial qualifications and capacity to complete the redevelopment, and the timetable for implementation. Proposals in writing will be accepted until March 18, 2024 at 2:00 p.m. local time by the Department of Housing, ATTN: Lissette Castenada, Commissioner, 121 N. LaSalle Street, City Hall-Room 1000, Chicago, Illinois 60602. It is the responsibility of the offeror to ensure that his or her proposal is received by the Department of Housing on or before the designated time.

Gwendolyn Hatten Butler, Chairperson
COMMUNITY DEVELOPMENT COMMISSION
City of Chicago

**City of Chicago
Department of Housing**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REGARDING A PROPOSED SALE OF CITY-OWNED PROPERTY
UNDER THE “CITY LOTS FOR WORKING FAMILIES” PROGRAM
IN THE ROSELAND/MICHIGAN AVENUE AND 119TH AND HALSTED
REDEVELOPMENT PROJECT AREAS**

FEBRUARY 13, 2024

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: CL4WF – Hope Homes

Applicant Name: The Hope Center Foundation

Project Addresses: **Roseland/Michigan TIF - 9 lots**
11707 S Michigan Ave; 11709 S Michigan Ave;
11808 S Michigan Ave; 11810 S Michigan Ave;
11801 S Michigan Ave; 11805 S Michigan Ave;
11819 S Michigan Ave; 11853 S Michigan Ave; and
11938 S Michigan Ave

119th and Halsted TIF -3 lots
28 E 119th St; 25 E 119th St; and 27 E 119th St

Non-TIF Area lots - 22 lots (informational only)
372 E Kensington Ave; 305 E Kensington Ave;
339 E Kensington Ave; 341 E Kensington Ave;
355 E Kensington Ave; 357 E Kensington Ave;
371 E Kensington Ave; 373 E Kensington Ave;
15 E 116th St; 147 E 117th St; 11757 S State St;
35 E 118th St; 143 E 118th PL; 332 E 119th St;
12021 S Indiana Ave; 12002 S Prairie Ave;
12006 S Prairie Ave; 12040 S Michigan Ave;
12042 S Edbrooke Ave; 12050 S Edbrooke Ave;
12052 S Edbrooke Ave; and 12059 S Indiana Ave

Ward and Alderman: 9 – Alderman Anthony Beale

Community Area: West Pullman

Redevelopment Project Areas: Roseland/Michigan Avenue & 119th and Halsted

Requested Action: Sale of lots for \$1 under the “City Lots for Working Families” (CL4WF) program for a for-sale housing development.

Proposed Project: The construction and sale of thirty-four single family homes, twelve of which would be in TIF areas.

At least 26 units will have a maximum price affordable to households earning up to 120 percent of the area median income. (See pricing exhibit.)

The CL4WF program allows 25% of the homes to be sold at market rate, with no restrictions on sales price or homebuyer income. This means that eight market-rate homes could be sold, but the expectation is that all homes will be priced to be affordable for households at-or-below 120% AMI.

Goal of Project: Creating new for-sale housing in West Pullman

Appraised Market Value: **\$132,308 or \$2.50/SF for lots in TIF areas**
\$247,000 or \$2.50/SF for non-TIF area lots
\$379,308 total

Sale Price: **\$12 for lots in TIF areas**
\$22 for non-TIF area lots

Acquisition Assistance: **\$132,296 for lots in TIF areas**
\$246,978 for non-TIF area lots
\$379,274

TIF Assistance: None

II. PROPERTY DESCRIPTION

Addresses:

Roseland/Michigan TIF - 9 lots

11707 S Michigan Ave; 11709 S Michigan Ave;
11808 S Michigan Ave; 11810 S Michigan Ave;
11801 S Michigan Ave; 11805 S Michigan Ave;
11819 S Michigan Ave; 11853 S Michigan Ave; and
11938 S Michigan Ave

119th and Halsted TIF -3 lots

28 E 119th St; 25 E 119th St; and 27 E 119th St

Non-TIF Area lots - 22 lots (informational only)

372 E Kensington Ave; 305 E Kensington Ave;
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15 E 116th St; 147 E 117th St; 11757 S State St;
35 E 118th St; 143 E 118th Pl; 332 E 119th St;
12021 S Indiana Ave; 12002 S Prairie Ave;
12006 S Prairie Ave; 12040 S Michigan Ave;
12042 S Edbrooke Ave; 12050 S Edbrooke Ave;
12052 S Edbrooke Ave; and 12059 S Indiana Ave

Location:

The property is generally bounded by Kensington Avenue on the north, Front Avenue on the east, 121st Street on the south, and State Street on the west.

Tax Parcel Numbers:

Roseland/Michigan TIF - 9 lots

25-22-310-002; 25-22-310-003; 25-22-318-023;
25-22-318-024; 25-22-319-001; 25-22-319-002;
25-22-319-007; 25-22-321-008; 25-27-102-028

119th and Halsted TIF -3 lots

25-22-320-019; 25-27-100-011; 25-27-100-012

Non-TIF Area lots - 22 lots (informational only)

25-22-303-061; 25-22-306-002; 25-22-306-014;
25-22-306-015; 25-22-306-021; 25-22-306-022;
25-22-306-026; 25-22-306-027; 25-22-307-006;
25-22-310-021; 25-22-313-007; 25-22-318-016;
25-22-321-020; 25-22-324-002; 25-27-111-007;

25-27-111-011; 25-27-111-012; 25-27-114-021;
25-27-115-014; 25-27-115-018; 25-27-115-019; and
25-27-117-009

Land Area:	Approximately 52,800 sq.ft. in TIF areas Approximately 99,000 sq. ft for non-TIF area lots
Current Use:	All the lots are currently vacant
Current Zoning:	13 lots are zoned B3-1; 6 lots are zoned B3-2; 1 lot is zoned RM-5; and 14 lots are zoned RS-3
Proposed Zoning:	Lots that require rezoning will be re-zoned to allow ground floor residential, while keeping the predominant area zoning intact.
Environmental Condition:	<p>An environmental review by the then Department of Assets, Information, and Services (AIS) performed for the initial ChiBlockBuilder round determined that the lots were ready for development.</p> <p>The City may yet require the applicant to obtain a Phase I environmental report prior to conveyance, and based on the conclusions of that report the City may also require submission of a Phase II analysis. The land will be sold "as-is" with no warranties or representations as to its environmental condition, and it will be the responsibility of the applicant to complete any remediation that may be required by the City or the Illinois EPA. The redevelopment agreement with the Developer will include release and indemnification language protecting the City from liability.</p>
Inventory Profile:	<p>Three lots were acquired from HUD; five lots were acquired via Sheriff's Deed; nine lots were acquired via Judicial Sale; and seventeen lots were acquired in a Tax Sale.</p> <p>One lot was acquired in the 1970s; two lots in the 1980s; six in the 1990s; twenty-one in the 2000s; and four in the 2010s.</p>

III. BACKGROUND

The development team led by The Hope Center Foundation applied to purchase vacant city-owned land through the ChiBlockBuilder.com website, which accepted applications from mid-November 2022 until early-February 2023. Subsequently a complete CL4WF application was submitted to the Department of Housing.

The subject parcels are in West Pullman on the southeast side of Chicago. West Pullman is generally bounded by East 115th Street on the north; the Cal Sag Channel on the south; Halsted Street and Justine Street on the west; and Front Avenue on the east. In 2020 West Pullman had a population of just over 26,000 people. It has a housing mix that includes 8,100 single family detached homes (plus 320 single family attached homes) and over 1,800 2-unit homes. Well over half of all types of housing stock were built before 1940. In 2021 the median income was \$48,636.

A search of the City's data portal indicates that thirty-eight (38) building permits have been issued for the construction of either a single-family home, townhome, or two-flat in West Pullman since 2017. Eight (8) of these permits were issued late last year to this development team for lots already owned by the Hope Center Foundation. Nine (9) of the permits were for a development approved by this body in 2018 for a now completed CL4WF development undertaken by Habitat for Humanity Chicago.

The CL4WF program is meant to stimulate the development of housing for working families by discounting vacant city-owned land. The CL4WF program does not set the sales price for the homes built. Rather, the program calculates a maximum sales price (for 75% of the units) pegged to households at 120% AMI. Twenty-five percent (25%) of the homes can be sold free of sales price and buyer income restrictions.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity: The Hope Center Foundation (HCF) is a not-for-profit 501(c)(3) Illinois corporation established in 2015. It is a Roseland-based organization, helping residents to transition out of poverty to a living wage and into generational wealth. The Chairman of HCF is James Meeks; its Executive Director is Shenita Muse. HCF works to address the root causes contributing to poverty and violence in the community through imaginative, solution-focused programs that provide support in the areas of home ownership, financial literacy, workforce development, youth mentorship, and entrepreneurship. At the end of 2021 HCF reported total assets of approximately \$228,000 and total liabilities of approximately \$66,000.

The philanthropic arm of Salem Baptist Church of Chicago, HCF serves Chicago residents of all ages, specifically targeting the millennial population. HCF's goal is to mobilize residents and empower them to be the center of change in their community.

Development Consultant: Chicago Neighborhood Initiatives Inc. (CNI) is a not-for-profit

501(c)(3) Illinois corporation formed in 2010, to coordinate resources, economic development, and neighborhood revitalization efforts in Chicagoland’s low-to-moderate income neighborhoods. In 2021 the organization reported income of almost \$6.4 million against expenses of approximately \$3.3 million. At the end of 2021 CNI reported total assets of approximately \$28 million and total liabilities of approximately \$12.9 million.

As members of Reclaiming Chicago effort led by United Power for Action and Justice (UPAJ,) HCF will have access to the zero interest construction financing previously secured by UPAJ.

General Contractor/Architect: Kinexx Modular Construction, LLC was established in 2018 by owner S. Joshua Braun. To date, Kinexx has obtained permits to build 62 of their modular homes in the city – either single family, two-unit, or townhome. Kinexx is located at 4444 S Kildare in the Archer Heights neighborhood on the southwest side. Kinexx has a commitment to help build-up communities by working with local contractors to help complete the on-site components of their projects. Paul Tebben, a Kinexx employee, is the architect of record for the homes. Paul teamed up with Joshua Braun in 2016 to develop modular homes for Chicago.

V. PROPOSED PROJECT

Project Overview: The development team is planning on building and selling thirty-four (34) detached single-family modular homes on city-owned parcels.

A typical site plan, floor plans and elevations are provided as exhibits to this report.

Residential Unit Profile: The following table summarizes the proposed project. The subject property will provide a total of 34 housing units. The developer intends for all 34 to be sold at or below the CL4WF maximum sales price – they could build 8 at market rate but opt to build all 34 as affordable for households earning no more than 120 percent of the area median income. The CL4WF program is exempted from tChicago Affordable Requirements Ordinance.

Affordable For-Sale Units

UNIT TYPE	1 BED / 1 BATH
Number	34
Size (SF)	1,680
Maximum CL4WF Price*	\$392,500
Price/SF	\$233.63
TOTAL REVENUE	\$13,345,000

* The price of each unit includes a parking pad.

While not included in this development proposal, buyers of these homes with household income below 140% AMI will be eligible for a DOH BNAH grant of up to \$100,000. Additionally, the

developer will have access to grant money provided by the State of Illinois through United Power for Action and Justice.

Environmental Features: There are no green requirements for single family homes.

VI. FINANCIAL STRUCTURE

The following tables identify the sources and uses of funds and the estimated profit.

Sources and Uses of Funds

SOURCES OF FUNDS	AMOUNT	% TOTAL
Reclaiming Communities Revolver (0% interest loan)	\$5,000,000	100%

USES OF FUNDS	AMOUNT	\$SF of BUILDING
Site Clearance & Preparation	Included in Kinexx contract	
Hard Costs	\$12,070,000	\$211.31
Soft Costs		
Architect Fee (% hard costs)	Included in Kinexx contract	
Title, Taxes, Legal Fees (% of total costs)	\$106,500	\$1.86
Marketing and Sales (% of total costs)	\$340,000	\$5.95
Developer Fee (% of total costs)	\$683,000	\$11.96
Construction Management (% of total costs)	\$340,000	\$5.95
Other soft costs (% of total costs)	\$361,100	\$6.32
Total Soft Costs	\$1,830,600	\$32.05
Total Uses	\$13,900,600	\$243.36

**Gross Building Area 57,120 SF*

Profit Analysis

Unit Sales Revenue	
34 Affordable Units – Gross Unit Sales (Maximum under CL4WF)	
Total Revenue	\$13,328,000
- Cost of Sales	\$340,000
Net Sales Revenue	\$12,988,000
+ TIF	\$0
Net Sales Revenue Including TIF	\$12,988,000
- Total Project Costs (not including cost of sales)	\$13,900,600
Profit (Loss)	(\$912,600)*
Profit as Percent of Total Project Costs	NA
Profit as Percent of Gross Sales Revenue	NA

*The Developer will use privately raised funds to cover the gap between the total development costs and the maximum sales revenue, whatever the maximum revenue turns out to be.

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits.

Affordable Housing: The project will provide 34 new single-family homes for working families.

Property Taxes: The project will expand the tax base by returning a tax-exempt property to the tax rolls.

Environmental Features: There are no green or environmental requirements for single family homes.

Construction Jobs: The project will produce 5 FTE temporary construction jobs.

VIII. COMMUNITY SUPPORT

Alderman Beale does not oppose the proposed development. While the developer did not procure a specific letter of support from the Alderman, at the request of UPAJ Alderman Beale did introduce an Aldermanic ordinance calling for the sale of these lots under the CL4WF program.

Here is a comprehensive overview of the recent and future housing events and community outreach initiatives related to the development:

1. Housing Informational (May 2023):
 - Venue: House of Hope (HOH)
 - Attendance: 200 plus
 - Overview: The Housing Informational held in May 2023 at HOH witnessed an impressive turnout, with over 200 attendees. The event served as a platform to disseminate crucial information about Hope Homes, emphasizing their unique features and benefits.
2. Housing Workshop (June 2023):
 - Attendance: Approximately 75 people
 - Overview: In June 2023, we conducted a Housing Workshop, drawing in approximately 75 participants. This event focused on providing detailed insights into the various aspects of living in Hope Homes, addressing queries, and fostering engagement within the community.
3. Housing Expo (December 2024):
 - Overview: A Housing Expo is scheduled for December 2024, marking another significant milestone in the efforts to showcase Hope Homes. This upcoming event aims to bring together prospective residents, providing them with a firsthand experience of the unique offerings of the community.

In addition to these events, the developer is actively participating in recruitment events where they promote this development along with their workforce Development. These initiatives are part of their broader strategy to enhance community outreach and raise awareness about the exceptional living experience offered by Hope Homes

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

Part of the proposed project is in the Roseland/Michigan Redevelopment Project Area. The proposed project will satisfy the following goals of this area's redevelopment plan:

- an improved quality of life in the Project Area and surrounding community;
- an environment which will contribute more positively to the health, safety, and general welfare for resident in the Project Area and the surround community; and
- a mix of housing styles, rental costs, and sales prices, and densities that meet the needs of the Roseland and West Pullman communities, including rental and ownership opportunities for very low-, low-, and moderate-income residents.

The implementation strategy for achieving the plan's goals envisions the sale of City land for residential development. The proposed project also conforms to the plan's land use map, which calls for mixed-use development at the project site.

Another part of the proposed project is in the 119th & Halsted Redevelopment Project Area. The proposed project will satisfy the following goals of that area's redevelopment plan:

- reduce or eliminate deleterious conditions within the Project Area;
- increase affordable housing (for-sale and rental), including market rate housing set-aside (20%); and
- enhance the tax base of the Project Area.

The implementation strategy for achieving the plan's goals envisions the sale of City land for residential development. The proposed project also conforms to the plan's land use map, which calls for residential development at the project site.

X. CONDITIONS OF SALE

If the proposed resolution is approved by the CDC, DOH will release a public notice announcing the proposed sale and seeking alternative development proposals. The public notice will be published in one of Chicago's metropolitan newspapers at least once for each of three consecutive weeks. If no responsive alternative proposals are received within 30 days of the publishing of the first notice, a redevelopment agreement will be negotiated. The redevelopment agreement will incorporate the parameters of the proposed project as described in this staff report. It is DOH policy that no business will be conducted with a development entity whose any principal has outstanding

municipal debts (such as unpaid parking tickets, unpaid water bills, unpaid business licenses, and others), is in arrears of child support payments, or who is a debtor in bankruptcy, a defendant in a legal action for deficient performance, a respondent in an administrative action for deficient performance, or a defendant in any criminal action.

Closing of the sale of the property will not occur before the City Council has approved the redevelopment agreement, the developer has obtained all necessary City approvals including zoning and building permits, and the developer has presented proof of financing. The documents will include a development timetable.

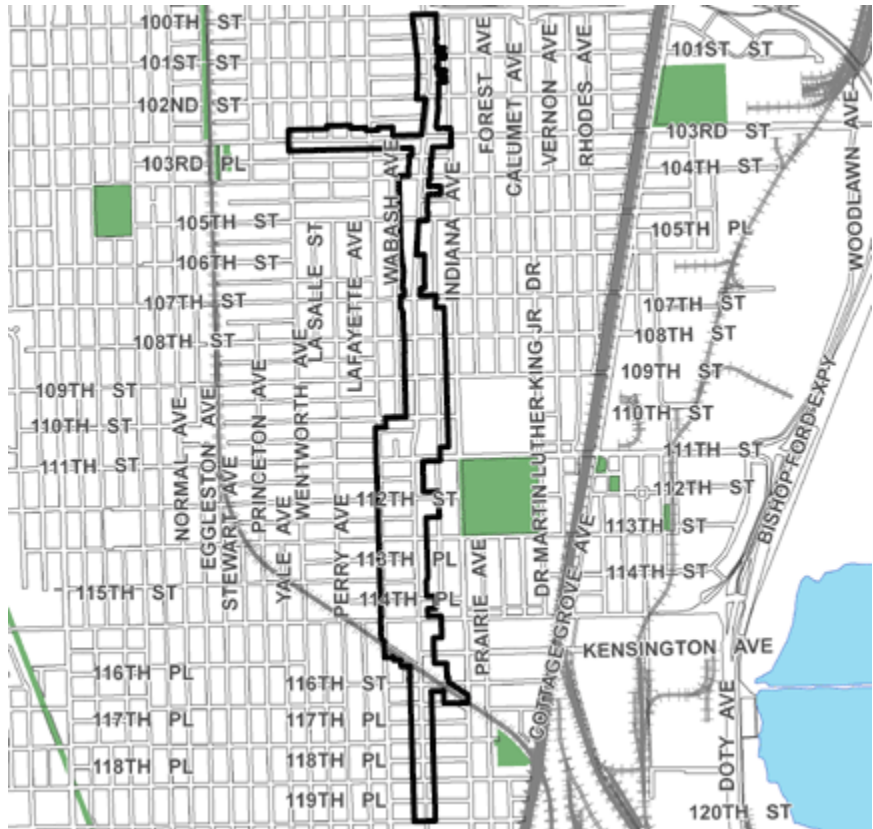
XI. RECOMMENDATION

The Department of Housing has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, the need for public assistance, its public benefits, and the project's conformance with the redevelopment areas plans, and DOH recommends that the CDC approve the sale of 11707 S Michigan Ave; 11709 S Michigan Ave; 11808 S Michigan Ave; 11810 S Michigan Ave; 11801 S Michigan Ave; 11805 S Michigan Ave; 11819 S Michigan Ave; 11853 S Michigan Ave; 11938 S Michigan Ave; 28 E 119th St; 25 E 119th St; and 27 E 119th St, to Hope Center Foundation, or to a related entity, for development of single family homes.

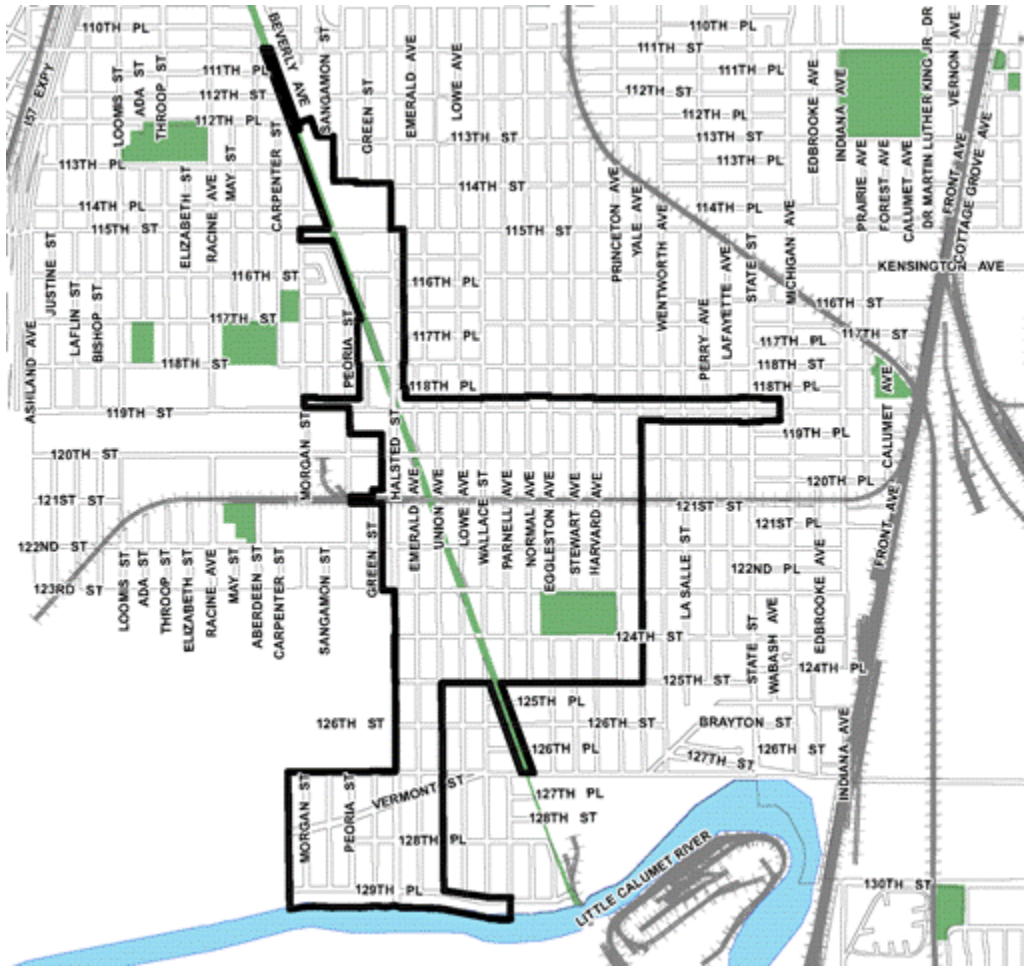
EXHIBITS

Redevelopment Area Maps
Neighborhood Map or Aerial
Typical Site Plan
Typical Floor Plan
Front Elevation or Rendering
CL4WF Pricing Guide
Land Valuations

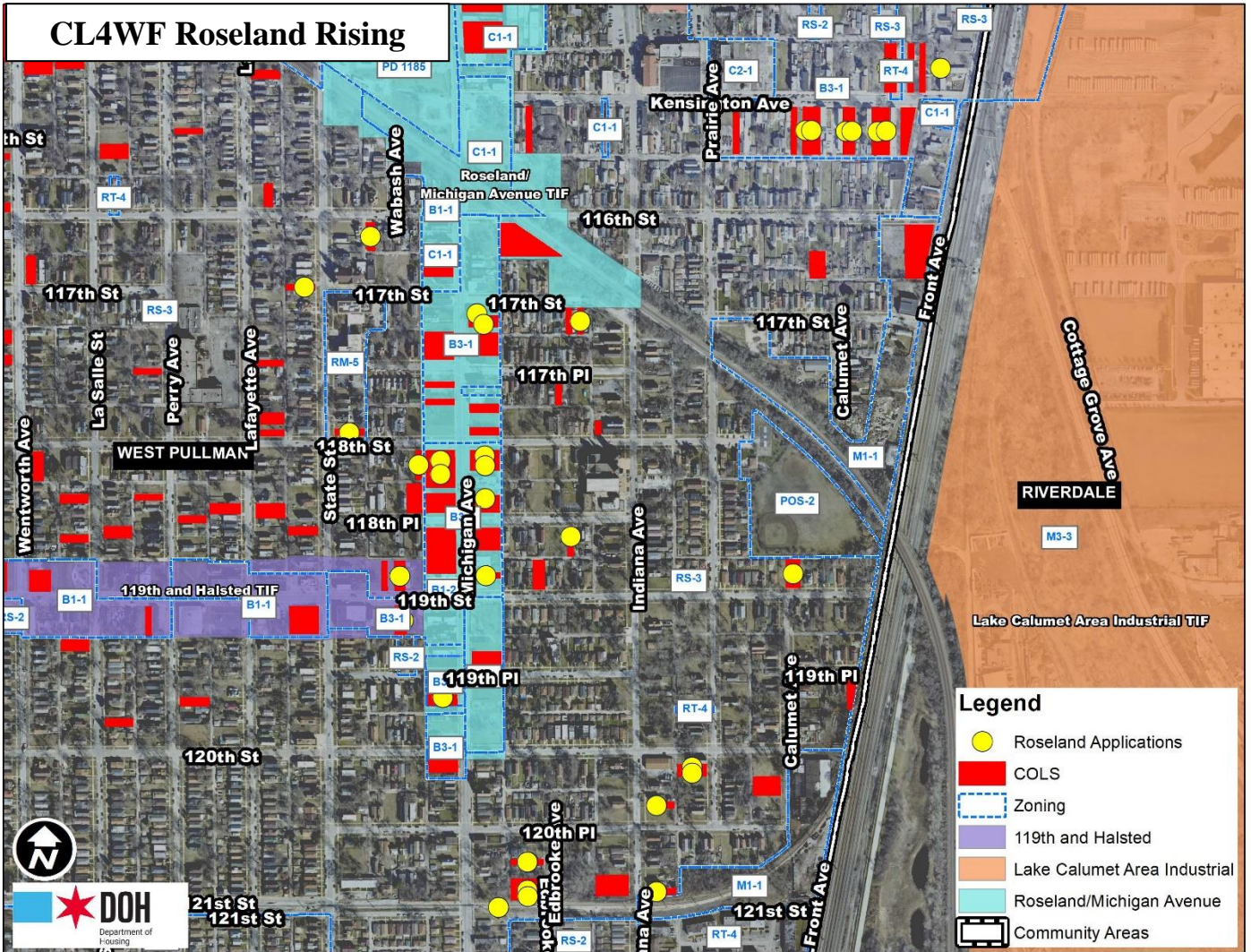
Roseland/Michigan TIF



119th/Halsted TIF



CL4WF Roseland Rising

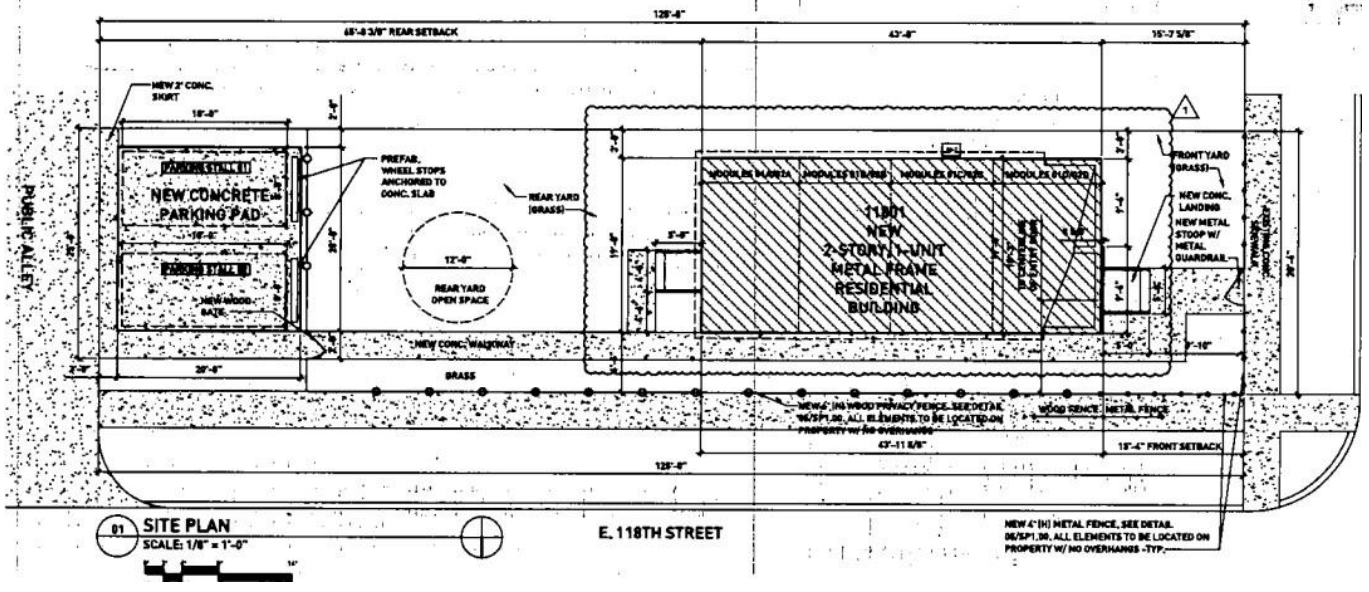


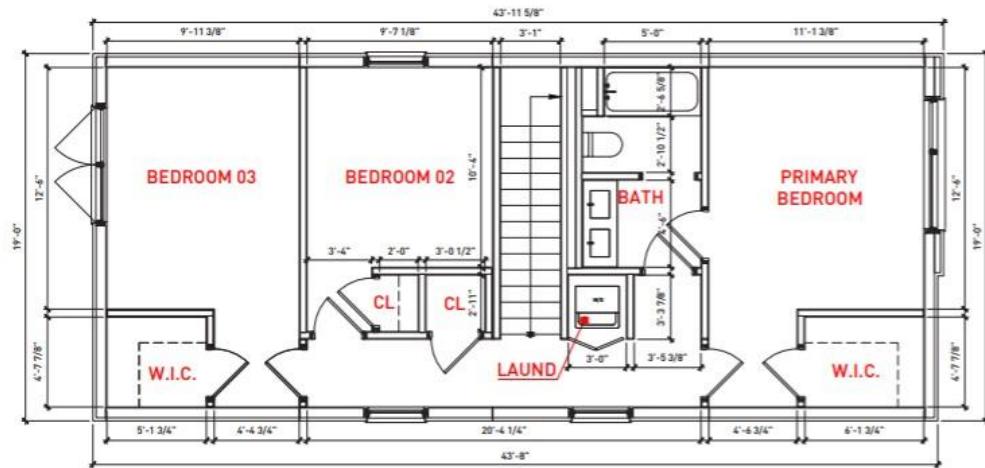
Legend

- Roseland Applications
- COLS
- Zoning
- 119th and Halsted
- Lake Calumet Area Industrial
- Roseland/Michigan Avenue
- Community Areas

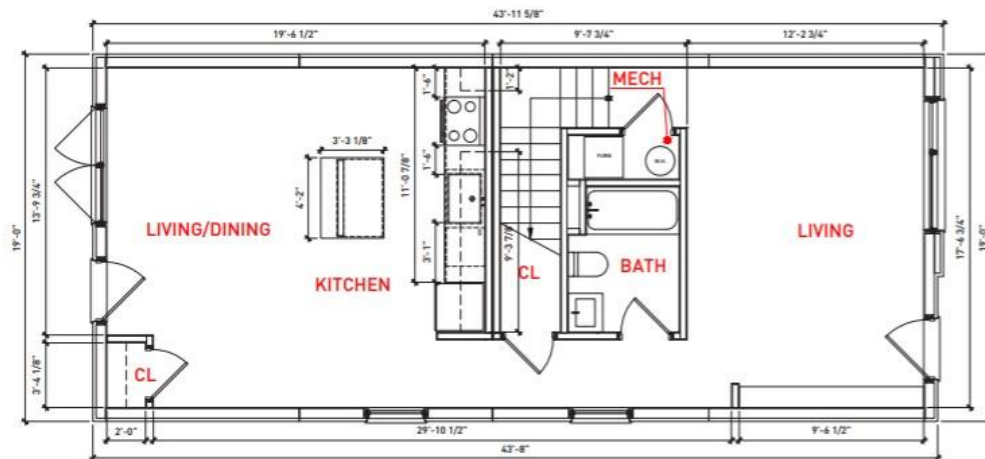


Typical Site Plan





SECOND FLOOR PLAN



GROUND FLOOR PLAN

SCHEMATIC FLOOR PLANS

Typical Elevation



CL4WF PRICING GUIDE

For more information or an electronic version of this worksheet, contact Brian O'Donnell at (312)744-0141.

Property:		DOH contact:	
Address:		Date price calculated:	
Developer:			

NOTE: Only enter data in the green shaded cells. The pricing guide will calculate the rest

Line		120% AMI			
		2	3	4	5
1	CL4WF AMI Sale Price Cap				
2	Number of Bedrooms				
3	Developer's Market Price (enter)		\$450,000		
4	Monthly Tax Estimate	\$0	\$750	\$0	\$0
5	Monthly Maintenance Costs	\$150	\$175	\$200	\$225
6	Monthly Private Mortgage Insurance	\$0	\$589	\$0	\$0
7	Monthly Homeowner's Insurance	\$0	\$281	\$0	\$0
8	Mortgage Interest Rate	4.77%	4.77%	4.77%	4.77%
9	Maximum Affordable Price (enter)		\$392,000		
10	Mortgage Principal @ 97% Loan-to-Value	\$0	\$380,240	\$0	\$0
11	Monthly Principal & Interest Payment	\$0	\$1,989	\$0	\$0
12	Plus: Tax, Insurance, Assessment, Fee, PMI	\$150	\$1,796	\$200	\$225
13	Total Monthly Payments	\$150	\$3,784	\$200	\$225
14	Required Annual Gross Income	\$5,455	\$137,616	\$7,273	\$8,182
15	Maximum Allowable Income (120% AMI)	\$119,160	\$137,700	\$153,600	\$169,440

HUD Median Income for Unit Type/Family Size					
for purposes of calculating max resale price (NOT for determining eligibility to purchase or lease a unit)					
Bedrooms	Family Size	80% Median	100% Median	120% Median	140% Median
1	1.5	\$66,200	\$82,800	\$99,360	\$115,920
2	3.0	\$79,450	\$99,300	\$119,160	\$139,020
3	4.5	\$91,800	\$114,750	\$137,700	\$160,650
4	6.0	\$102,400	\$128,000	\$153,600	\$179,200
5	7.5	\$112,975	\$141,200	\$169,440	\$197,680

HUD figures as of May 15, 2023



January 24, 2024
Market Valuations

Lots within a TIF

<u>Address</u>	<u>PIN</u>	<u>Size (SF)</u>	<u>Valuation</u>
11707 S. Michigan	25-22-310-002-0000	3,114	\$ 7,875.00
11709 S. Michigan	25-22-310-003-0000	3,117	\$ 7,791.00
11808 S. Michigan	25-22-318-023-0000	10,399	\$ 25,997.00
11810 S. Michigan	25-22-318-024-0000	4,707	\$ 11,767.00
11801 S. Michigan	25-22-319-001-0000	6,148	\$ 15,371.00
11805 S. Michigan	25-22-319-002-0000	4,507	\$ 11,268.00
11819 S. Michigan	25-22-319-007-0000	3,007	\$ 7,516.00
11853 S. Michigan	25-22-321-008-0000	3,002	\$ 7,504.00
11938 S. Michigan	25-27-102-028-0000	3,011	\$ 7,527.00
28 E. 119 th	25-22-320-019-0000	5,619	\$ 14,047.00
25 E. 119 th	25-27-100-011-0000	3,129	\$ 7,822.00
27 E. 119 th	25-27-100-012-0000	3,129	\$ 7,823.00
372 E. Kensington	25-22-303-061-0000	5,248	\$ 13,119.00
305 E. Kensington	25-22-306-002-0000	5,016	\$ 12,539.00
339 E. Kensington	25-22-306-014-0000	5,020	\$ 12,550.00
341 E. Kensington	25-22-306-015-0000	5,012	\$ 12,530.00
355 E. Kensington	25-22-306-021-0000	5,016	\$ 12,541.00
357 E. Kensington	25-22-306-022-0000	5,014	\$ 12,541.00
371 E Kensington	25-22-306-026-0000	10,030	\$ 25,075.00
373 E. Kensington	25-22-306-027-0000	5,016	\$ 12,539.00
15 E. 116 th	25-22-307-006-0000	4,714	\$ 11,785.00
147 E. 117 th	25-22-310-021-0000	2,796	\$ 6,990.00
11757 S. State	25-22-313-007-0000	3,717	\$ 9,292.00
35 E. 118 th	25-22-318-016-0000	3,274	\$ 8,186.00
143 E. 118 th Place	25-22-321-020-0000	3,120	\$ 7,801.00
332 E. 119 th	25-22-324-002-0000	7,234	\$ 18,086.00
12021 S. Indiana	25-27-111-007-0000	3,273	\$ 8,183.00
12002 S. Prairie	25-27-111-011-0000	3,249	\$ 8,123.00
12006 S. Prairie	25-27-111-012-0000	3,252	\$ 8,130.00
12040 S. Michigan	25-27-114-021-0000	3,997	\$ 9,992.00
12042 S. Edbrooke	25-27-115-014-0000	3,372	\$ 8,429.00
12050 S. Edbrooke	25-27-115-018-0000	3,371	\$ 8,429.00
12052 E. Edbrooke	25-27-115-019-0000	4,362	\$ 10,906.00
12059 S. Indiana	25-27-117-009-0000	3,964	\$ 9,234.00

The City owned parcels are vacant and are scatter through the entire Kensington Park sub-area in the West Pullman community . The plots are all located south west of the highline rail at Indiana Avenue and 117th Street. The parcels are rectangular shaped typical city parcels clustered together and also scattered in Ward 9. The parcels all located west of the Metra Facility rail and are mostly and currently zoned RS-3 and B3.

CONTEXT

The land values in the Kensington Park sub-area sub area have decreased 20% in value since June 2022 . CBRE found approximately 9 land sale comps in the sub area from the past two years. Due to rising interest rates and high construction costs, values in this sub-area should remain their current levels through 2024. There are currently 5 private lots publicly listed for sale in the sub area. Parcels publicly listed for sale in the sub area are listed in a range between \$1.00 sf to \$7.00 sf for a mean average asking price for vacant land at \$3.00 sf.

A sample of comparable parcels listed for sale in the sub area are:

Sale Listing No.	Location	Size	Listing Price
1	11730 S Indiana Ave.	8,000 sf	\$3.50 sf
2	12141 S State Street	3,484 sf	\$3.15 sf
3	11845 S Perry	3,000 sf	\$6.66 sf
4	12205 S State Street	3,125 sf	\$8.00 sf
5	11580 S Front Street	11,300 sf	\$1.00 sf
6			
7			
8			

Parcels of vacant land sold over the last two years range in sale price between \$1.00 sf to \$12.00 sf with a mean average sale price of \$2.50 sf The City owns 21 vacant land parcels in the sub area and CCLBA owns 8 parcels which will hold down the values until development of these parcels occur.

A sample of comparable parcels sold over the past two years in the sub area are:

Sale No.	Location	Size	Sale Price
1	11522 S Yale	3,049 sf	\$1.00 sf



2	346 E 119 th Street	3,125 sf	\$12.00 sf
3	248 W 117 th Street	6,250 sf	\$1.00 sf
4	655 W 116 th Street	4100 sf	\$1.50 sf
5			
6			
7			

Current land value for the city owned parcels scattered throughout the Kensington Park sub-area average \$2.50 sf.

The valuation reflects the **sale comparison value** of vacant land in relative equal condition in the sub area . We did not employ the **residual replacement cost method** due to the fact that this is vacant land and we also did not consider **income** associated with the parcels .

Summary Points

- The site values will likely increase by approximately 5% in late 2025
- Exposure time for a free market sale closing would be approximately 18 months.
- The parcels are located in a dominant multifamily and single family sub-area.
- Adjacency to the Metra Rail Facility Yard will keep values flat.

Community Development Commission



February 13, 2024

Lots/Zoning Summary

Roseland/Michigan TIF
(9 lots)

Title Address	PIN	Ward	Zoning	Community Area	Sq Ft	CBRE Valuation
11707 S MICHIGAN AVE	25-22-310-002-0000	9	B3-1	WEST PULLMAN	3,125	\$ 7,875
11709 S MICHIGAN AVE	25-22-310-003-0000	9	B3-1	WEST PULLMAN	3,125	\$ 7,791
11808 S MICHIGAN AVE	25-22-318-023-0000	9	B3-2	WEST PULLMAN	10,363	\$ 25,997
11810 S MICHIGAN AVE	25-22-318-024-0000	9	B3-2	WEST PULLMAN	4,688	\$ 11,767
11801 S MICHIGAN AVE	25-22-319-001-0000	9	B3-2	WEST PULLMAN	6,138	\$ 15,371
11805 S MICHIGAN AVE	25-22-319-002-0000	9	B3-2	WEST PULLMAN	4,500	\$ 11,268
11819 S MICHIGAN AVE	25-22-319-007-0000	9	B3-2	WEST PULLMAN	3,000	\$ 7,516
11853 S MICHIGAN AVE	25-22-321-008-0000	9	B3-2	WEST PULLMAN	3,000	\$ 7,504
11938 S MICHIGAN AVE	25-27-102-028-0000	9	B3-1	WEST PULLMAN	3,000	\$ 7,527
28 E 119TH ST	25-22-320-019-0000	9	RS-3	WEST PULLMAN	5,621	\$ 14,047
25 E 119TH ST	25-27-100-011-0000	9	B3-1	WEST PULLMAN	3,125	\$ 7,822
27 E 119TH ST	25-27-100-012-0000	9	B3-1	WEST PULLMAN	3,125	\$ 7,823

119th/Halsted TIF
(3 lots)

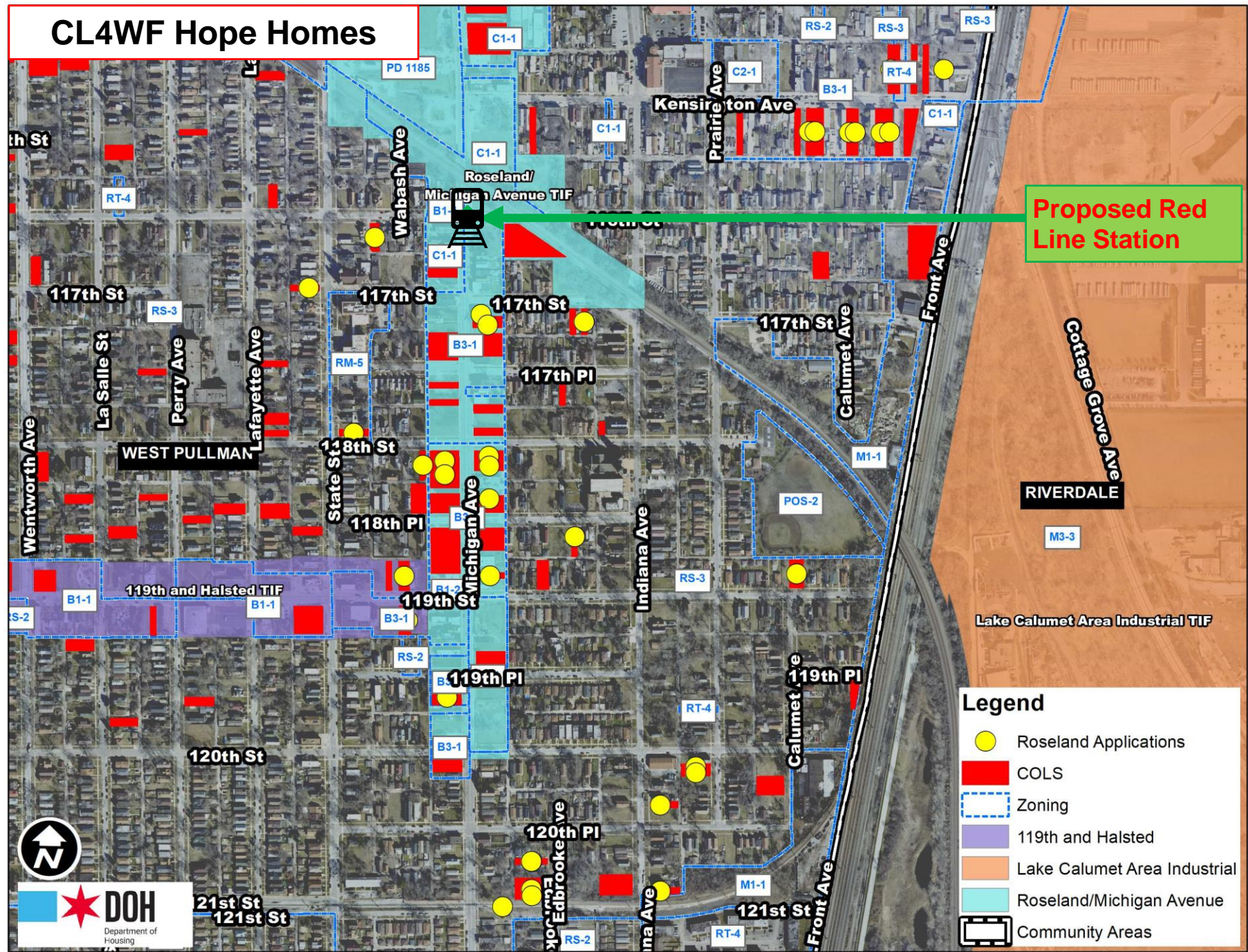
These lots are in a TIF and under consideration today. All lots in proposed development are listed in Staff Report.

Project Summary

Developer: Hope Center Foundation

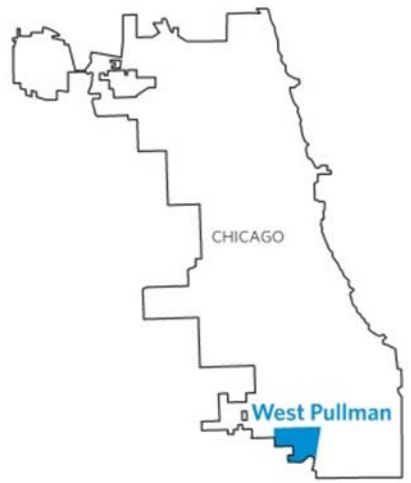
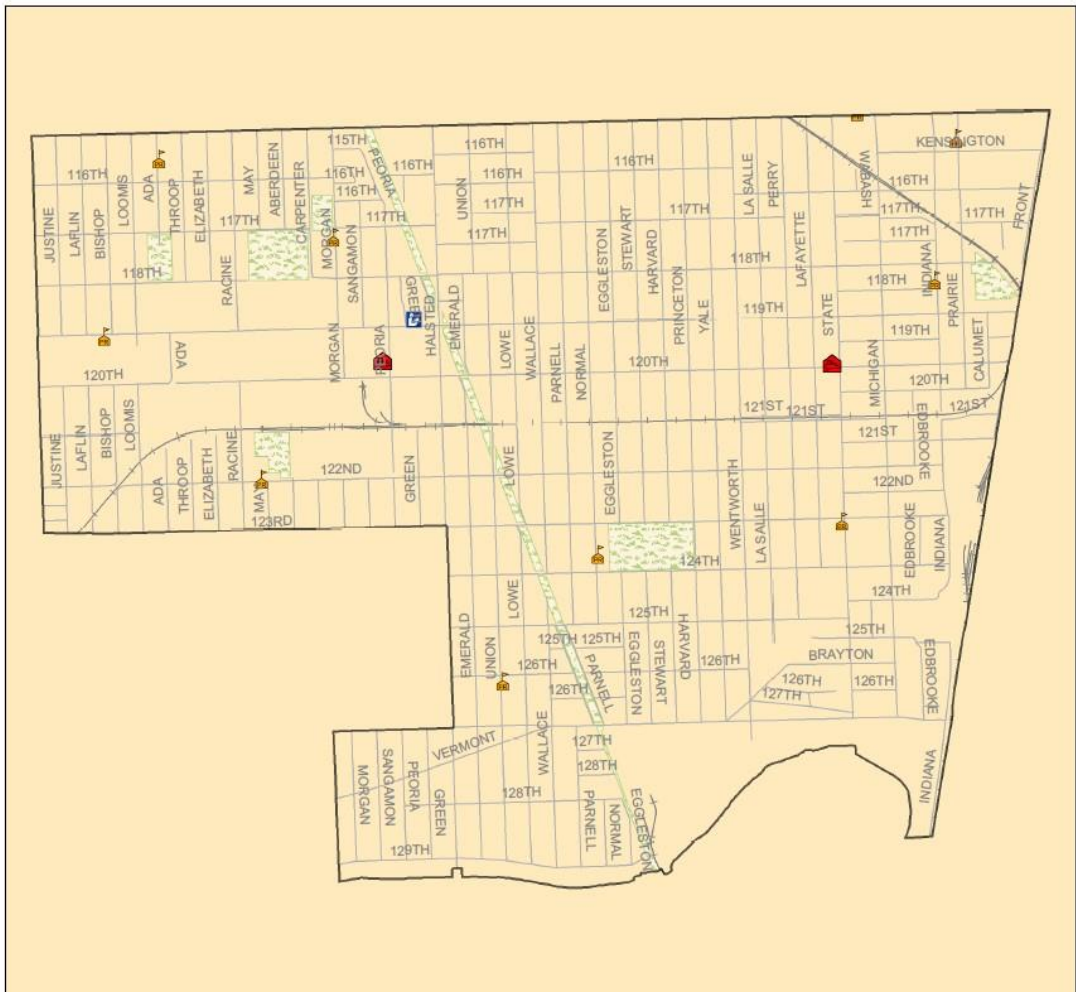
Architect/GC: Kinexx Modular

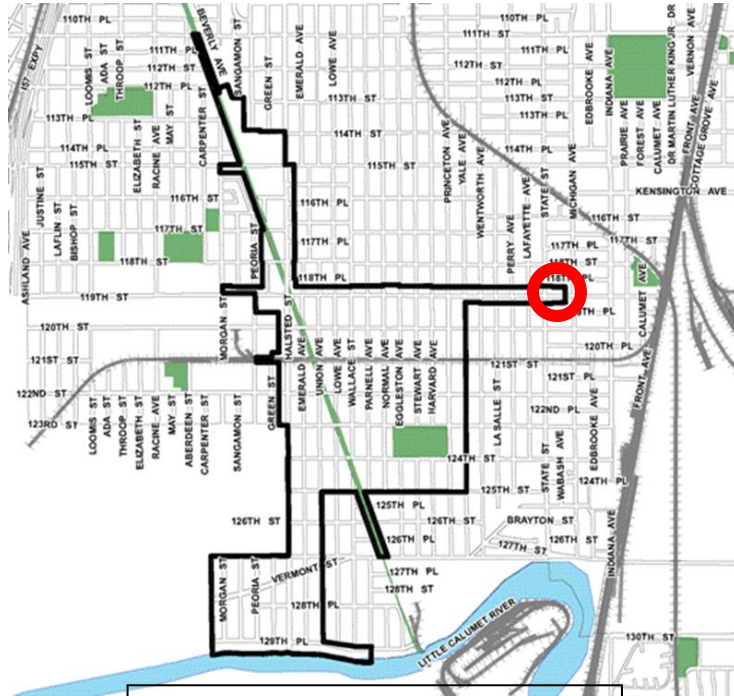
Proposed: 34 single-family homes



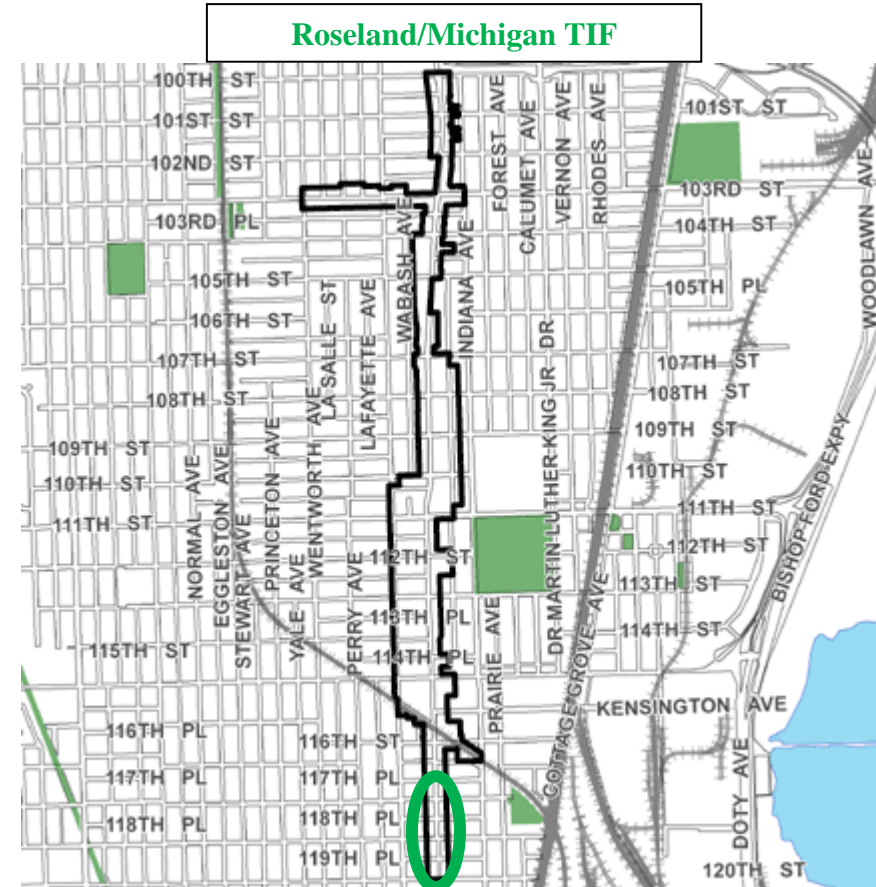


WEST PULLMAN





119th/Halsted TIF



Roseland/Michigan TIF

- Public Benefits
- New for-sale housing for working families; and
- Returning long-vacant, tax-exempt properties to the tax rolls

Average Sale Price 12 Months Ending

	Aug-16	Aug-16 Inflation Adjusted*	Dec-23	Inflation Adjusted Change	Average Annual Change
West Pullman	\$83,303	\$106,095	\$155,230	46.3%	6.3%

Median Sale Price 12 Months Ending

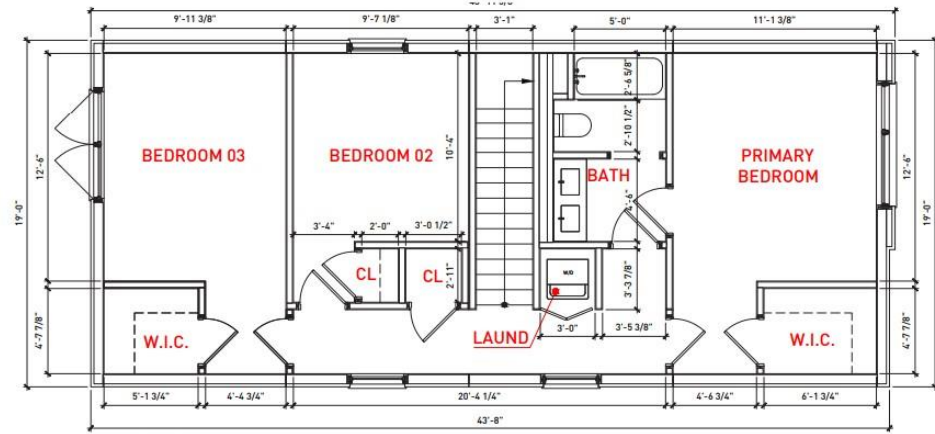
	Aug-16	Aug-16 Inflation Adjusted*	Dec-23	Inflation Adjusted Change	Median Annual Change
West Pullman	\$73,000	\$92,973	\$160,000	72.1%	9.8%

Sources and Uses of Funds

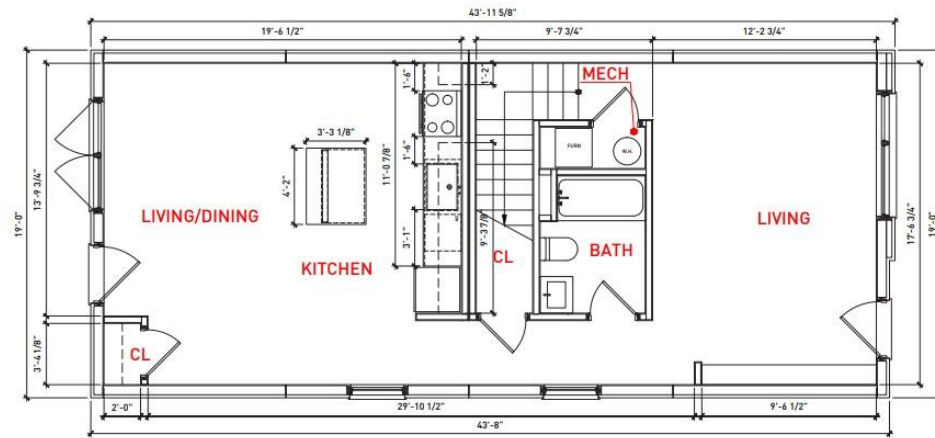
SOURCES OF FUNDS	AMOUNT	% TOTAL
Reclaiming Communities Revolver (0% interest loan)	\$5,000,000	100%

USES OF FUNDS	AMOUNT	\$SF of BUILDING
Site Clearance & Preparation	Included in Kinexx contract	
Hard Costs	\$12,070,000	\$211.31
Soft Costs		
Architect Fee (% hard costs)	Included in Kinexx contract	
Title, Taxes, Legal Fees (% of total costs)	\$106,500	\$1.86
Marketing and Sales (% of total costs)	\$340,000	\$5.95
Developer Fee (% of total costs)	\$683,000	\$11.96
Construction Management (% of total costs)	\$340,000	\$5.95
Other soft costs (% of total costs)	\$361,100	\$6.32
Total Soft Costs	\$1,830,600	\$32.05
Total Uses	\$13,900,600	\$243.36

Typical Elevation



SECOND FLOOR PLAN



GROUND FLOOR PLAN

Typical Floor Plan







Timeline

February 2024 – CDC approval sought

February 2024 – Plan Commission approval sought

February 16 – March 18 – Public Notice period

March 2024 – if approvals sought above are forthcoming, City Council introduction

April 2024 – City Council Committee hearing (Housing & Real Estate Committee) and Council vote (if approved at committee)

Late Spring / Early Summer 2024 closing is the most likely scenario, with construction to commence thereafter

Community Development Commission



CL4WF – Hope Homes
Comments and Questions

BNAH Summary

Neighborhood Area Residents		Non-Neighborhood Area Residents	
HH Below 80% AMI	\$100K	HH Below 80% AMI	\$90K
HH 81% - 90% AMI	\$90K	HH 81% - 90% AMI	\$80K
HH 91% - 100% AMI	\$80K	HH 91% - 100% AMI	\$70K
HH 101% - 120% AMI	\$70K	HH 101% - 120% AMI	\$60K
HH 121% - 140% AMI	\$60K	HH 121% - 140% AMI	\$50K

CL4WF PRICING GUIDE

For more information or an electronic version of this worksheet, contact Brian O'Donnell at (312)744-0141.

Property:		DOH contact:	
Address:		Date price calculated:	
Developer:			

NOTE: Only enter data in the green shaded cells. The pricing guide will calculate the rest

Line		120% AMI			
		2	3	4	5
1	CL4WF AMI Sale Price Cap				
2	Number of Bedrooms				
3	Developer's Market Price (enter)		\$450,000		
4	Monthly Tax Estimate	\$0	\$750	\$0	\$0
5	Monthly Maintenance Costs	\$150	\$175	\$200	\$225
6	Monthly Private Mortgage Insurance	\$0	\$589	\$0	\$0
7	Monthly Homeowner's Insurance	\$0	\$281	\$0	\$0
8	Mortgage Interest Rate	4.77%	4.77%	4.77%	4.77%
9	Maximum Affordable Price (enter)		\$392,000		
10	Mortgage Principal @ 97% Loan-to-Value	\$0	\$380,240	\$0	\$0
11	Monthly Principal & Interest Payment	\$0	\$1,989	\$0	\$0
12	Plus: Tax, Insurance, Assessment, Fee, PMI	\$150	\$1,796	\$200	\$225
13	Total Monthly Payments	\$150	\$3,784	\$200	\$225
14	Required Annual Gross Income	\$5,455	\$137,616	\$7,273	\$8,182
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HUD Median Income for Unit Type/Family Size						
for purposes of calculating max resale price (NOT for determining eligibility to purchase or lease a unit)						
	Bedrooms	Family Size	80% Median	100% Median	120% Median	140% Median
	1	1.5	\$66,200	\$82,800	\$99,360	\$115,920
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	4	6.0	\$102,400	\$128,000	\$153,600	\$179,200
	5	7.5	\$112,975	\$141,200	\$169,440	\$197,680

HUD figures as of May 15, 2023

