September 25, 2025
O R D I N A N C E

WHEREAS, the City of Chicago ("City") is a home rule unit pursuant to Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, it may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals, and welfare; and

WHEREAS, gentrification and displacement exacerbate historic patterns of racial and economic segregation, deepen concentrations of poverty and wealth, and widen disparities in access to good schools, jobs, healthcare and other amenities; and

WHEREAS, there are currently approximately 184 vacant City-owned sites in the area depicted on Exhibit A (the "Jackson Park Pilot Area") and the City is committing to reserving a portion of these lots for the development of affordable housing; and

WHEREAS, the City's inventory of vacant land is a key resource which can be leveraged to ensure development of quality affordable housing for current and future residents of the Jackson Park Pilot Area; and

WHEREAS, the investment being made by the Obama Foundation creates an opportunity for good paying jobs in the community and $3.1 billion in new economic development after decades of disinvestment. At the same time, city leaders must ensure these new economic opportunities don't create unintended consequences for our most vulnerable and provide *all* residents with the tools and resources they need to access affordable housing; and

WHEREAS, the Jackson Park Pilot Area is experiencing among the most significant increases in property values, rental rates, and displacement pressures in the City of Chicago; and

WHEREAS, since 2015, median rents in the Jackson Park Pilot Area have increased by approximately 43%, while home values have risen by 130%; and

WHEREAS, 53.2% of households in the Jackson Park Pilot Area are classified as rent burdened—paying more than 30% of their income toward rent—a rate significantly higher than the citywide average; and

WHEREAS, investor activity in residential property purchases in the Jackson Park Pilot Area has consistently outpaced citywide rates, with investor purchase accounting for 51-74% of transactions, compared to 40% citywide; and

WHEREAS, investor activity intensified during COVID-19 pandemic from 2020 to 2022, surging to 70-90% of purchases, while the citywide rate peaked at 44.6% average; and

WHEREAS, residents of the Jackson Park Pilot Area experienced the highest rate of eviction filings in 2019 and ranked second in the number of tenants receiving assistance through the City's Right to Counsel pilot program; and

WHEREAS, the City of Chicago has identified a disproportionately high number of building code violations in the Jackson Park Pilot Area, resulting in unsafe and unhealthy living conditions for many residents; and

WHEREAS, the City recognizes that major private and public capital investments may induce gentrification, and that early intervention is critical to prevent displacement of long-term residents; now, therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are included in this ordinance by reference.

SECTION 2. Reservation of City Land for Development of Affordable Homeownership and Affordable Rental Units.

(a) *Reservation of City-owned Land for CL4WF Program*. For a period of twenty (20) years from the effective date of this ordinance, the City shall reserve 25 City-owned vacant lots in the Jackson Park Pilot Area (the "Homeownership Reserved Lots") for the development of affordable homeownership under the City Lots for Working Families ("CL4WF") Program, as now or hereafter in effect. The Homeownership Reserved Lots are listed on Exhibit B attached hereto and incorporated herein.

(b) *Reservation of City-owned Land for Affordable Rental Units.* For a period of twenty (20) years from the effective date of this ordinance, the City shall reserve City-owned vacant lots in the Jackson Park Pilot Area located at 63rd & Blackstone; 69th & Stony Island; 67th & Dorchester; 71st & Paxton; 1708 E 71stStreet; and in Woodlawn (the "Rental Reserved Lots") for the development of affordable rental projects as now or hereafter in effect. The City shall also reserve City-owned vacant lots at the southwest corner of the intersection of East 63rd Street and Blackstone Avenue in the Woodlawn Community Area (the "63rd/Blackstone Property") for the development of one or more rental projects. At least 75 percent of the units in any development built in accordance with this section shall be made available at a rent affordable to and occupied by a household with an income at no more than 60 percent of the Area Median Income (AMI). The Department shall strive to maximize the units created to be affordable to households with household incomes at or below 30 percent of the AMI. As it relates to the 63rd/Blackstone Property, this restriction is intended to supersede the affordability restrictions established in Section 3 of the Woodlawn Housing Preservation Ordinance, adopted by the City Council on September 9, 2020 and published in the City Council Journal of Proceedings for such date at page 20074.

(c) The Rental Reserved Lots and the 63rd/Blackstone Property are listed on Exhibit C attached hereto and incorporated herein.

(d) *Displaced Residents Right to Return*. Developments on the Rental Reserved Lots and the 63rd/Blackstone Property must give leasing preference to residents displaced from the pilot area since May 2015, for 30 days after the Development begins accepting applications. If, after 30 days, the Affordable Units remain unleased, the property owner or property management company may offer such units for lease by other income-eligible applicants. The

Department of Housing shall establish a process to verify the status of an applicant as a displaced resident.

SECTION 3. Community Economic Development.

(a) *Neighborhood Developers*. Whenever the City sells City Land under this ordinance through a competitive selection process, the City shall give preference to applications and proposals submitted by qualified developers (i) that are majority-owned by one or more neighborhood residents, and whose management and daily business operations are controlled by one or more such neighborhood residents; or (ii) that have completed one or more projects within the Woodlawn and South Shore Community Areas, as defined in Section 1-14-010 of the Municipal Code of Chicago, as shown on Exhibit D, and whose principal business offices are located within such area ("Woodlawn/South Shore Neighborhood Developers"); provided, however, in the event of a conflict between this Section 3(a) and the priorities, selection criteria and requirements in the Qualified Allocation Plan ("QAP"), the QAP shall govern and control for projects selected through the QAP. As used in this ordinance, "neighborhood resident" means any person who has a primary residence in the area shown on Exhibit D for at least the preceding 12-month period at the time the developer submits an application or proposal. The Department of Housing shall establish a process to verify the status of an applicant as a Woodlawn/South Shore Neighborhood Developer.

(b) *Neighborhood Hiring*. The Department shall require the developer of each project developed under this ordinance to include a specific plan for the hiring of residents in the Woodlawn and South Shore Community Areas, including employment outreach and/or training; provided, however, in the event of a conflict between this Section 3(b) and the priorities, selection criteria and requirements in the QAP, the QAP shall govern and control for projects selected through the QAP.

SECTION 4. Property Tax Debt Relief Grant Pilot Program.

(a) In recent years, assessed values of residential buildings in several areas of the City have increased significantly, resulting in significant increases in property tax bills for those building owners. The increases in property tax bills have caused hardship for low- and moderate-income homeowners in those areas. Those homeowners may now be at increased risk of losing their homes due to failure to pay their property taxes in full and on time.

(b) It is necessary, desirable and in the public interest to provide financial and other assistance to low- and moderate-income homeowners delinquent on their property taxes and living in areas of the City experiencing rapid gentrification and consequent higher assessment values on residential properties.

(c) The Property Tax Debt Relief Grant Pilot Program (the "Debt Relief Program") is hereby established, subject to the availability of appropriated funds as a pilot program for a dollar amount not to exceed $3,000,000, and located in the following community areas of the City: Lower West Side, Englewood, and South Shore, as defined in Section 1-14-010 of the Municipal Code of Chicago. The boundaries of each community area are shown on Exhibit E and incorporated herein by reference (the "Debt Relief Program Area"). The Debt Relief Program shall commence on a date announced by the

Commissioner of Housing (the "Commissioner") following the effective date of this ordinance and shall expire the soonest of (1) three years after the Commissioner's stated commencement date, (2) on December 31, 2030, or (3) when the maximum dollar amount for funds appropriated for the Debt Relief Program has been expended.

(d) The Debt Relief Program shall have the following requirements:

(i) Each Grant shall be in an amount equal to the lesser of (A) $5,000, and (B) the amount of delinquent property taxes on the applicable Eligible Building (as defined below); Eligible properties ("Eligible Buildings") are residential buildings: (A) located in the Debt Relief Program Area, (B) containing one to six residential dwelling units, (C) containing at least one unit occupied by the Grantee (hereinafter defined), (D) with a delinquent property tax bill of at least $500, and (F) not already sold at the Cook County annual tax sale;

(ii) Eligible applicants ("Grantees") shall be either individuals or legal entities. If the Grantee is one or more individuals, such individuals shall be (A) residing in (as their principal residence) and owning the Eligible Building that is the subject of the application (the "Grant-Funded Building") as of the application date, (B) jointly having an annualized gross income of not more than 100% of the median family income for the City's metropolitan statistical area as published annually by HUD; and (C) having at least one individual either (1) residing in the Grant-Funded Building for at least five years prior to the application date, (2) having inherited the Grant-Funded Building from another individual who had resided in the Grant-Funded Building for at least five years prior to the application date. If the Grantee is a legal entity, the Grantee shall have as its sole owners, partners, members or beneficiaries, as applicable one or more individuals who satisfy the requirements of the immediately preceding sentence

(iii) Each Grantee may receive only one grant under the Debt Relief Program;

(iv) Each Grantee shall either (A) reside in the Eligible Building as their principal residence for at least three years following payment of their Grant to Cook County, or (B) repay to the City a pro rata portion of the Grant allocable to the portion of the three-year period following the last date of residence by the Grantee in the Eligible Building; and

(v) The proceeds of each Grant shall be paid directly to Cook County to pay the delinquent taxes of the Grant-Funded Building, and shall not be used for any other purpose.

Section 1. The Commissioner is authorized to issue program guidelines (the "Program Guidelines") on behalf of the City with such policies and procedures and documentation as determined necessary to administer the Debt Relief Program in accordance with the provisions of this ordinance, including but not limited to those set forth in subsection (d) above. The Program Guidelines shall be updated from time to time as deemed necessary by the Commissioner to carry out the purposes of this ordinance.

(e) The Commissioner and the proper officers, officials, and employees of the City are hereby authorized, empowered and directed to do all such acts and things, and to execute all such

documents and certificates, as may be necessary to carry out and comply with the provisions of this Section 4 and the Program Guidelines. The Commissioner shall seek grant funding to fund the Debt Relief Program.

(f) The Debt Relief Program shall be included as an Eligible Program within the meaning of Section 2-44-110 of the Municipal Code of Chicago.

(g) The Commissioner is hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver an agreement (the "Program Agreement") with a program administrator (the "Administrator") to be selected by the Commissioner in the best interests of the City, to carry out the functions of the Debt Relief Program. The Program Agreement shall (i) have a term selected by the Commissioner but not to extend beyond the first anniversary following the expiration date of the Debt Relief Program, and (ii) provide for total compensation not to exceed $300,000.

SECTION 5. Chicago Rebuild – Jackson Park Pilot Program.

(a) The City has received and may continue to receive funds from various state, federal, and philanthropic sources to use for eligible uses in connection with the rehabilitation of vacant and abandoned residential housing under the Chicago Rebuild Program established pursuant to an ordinance adopted by the City Council of the City on June 12, 2019 and published at pages 754-756 of the Journal of the Proceedings of the City Council of such date. For the purposes of this section, these funds shall be known as "the Rebuild Grant." The City intends to use a portion of the Rebuild Grant, in an amount up to $3,000,000 in a pilot program to rehabilitate vacant and abandoned residential housing in the Jackson Park Area (the "Chicago Rebuild – South Shore Community Pilot Program"). The Chicago Rebuild – Jackson Park Pilot Program shall commence on a date announced by the Commissioner following the effective date of this ordinance and shall expire when such funds are expended and, in any case, no later than December 31, 2030.

(b) The Chicago Rebuild – Jackson Park Pilot Program shall have the following requirements:

(i) Grants by the City may be in any amount and shall be to non-for-profit organizations or for-profit organizations (each, a "Grantee") as determined by the Department pursuant to the Chicago Rebuild – Jackson Park Pilot Program Guidelines (as defined below);

(ii) Eligible properties ("Eligible Buildings") are residential buildings: (A) located in the Jackson Park Area, (B) containing one to four residential dwelling units, and (C) in need of rehabilitation;

(iii) Each Grantee shall implement an acquisition and rehabilitation subprogram (a "Subprogram"). Each Subprogram shall include: (A) recruiting and supporting developers to participate in the Chicago Rebuild – Jackson Park Pilot Program, (B) providing participating developers with grants for acquisition of Eligible Buildings by such developers, (C) using grant funds to support acquisition by the Grantee of Eligible Buildings which are then transferred to participating developers, (D)

providing grants to participating developers following completion of rehabilitation of an Eligible Building in order to reduce outstanding debt on such Eligible Building; and

(iv) *Neighborhood Developers*. The City shall give preference to applications and grant requests submitted by qualified developers (i) that are majority-owned by one or more neighborhood residents, and whose management and daily business operations are controlled by one or more such neighborhood residents; or (ii) that have completed one or more projects within the Woodlawn and South Shore Community Areas, as defined in Section 1-14-010 of the Municipal Code of Chicago, as shown on Exhibit D, and whose principal business offices are located within such area ("Woodlawn/South Shore Neighborhood Developers"); provided, however, in the event of a conflict between this Section 5(b)(iv) and the priorities and program requirements of the Chicago Rebuild program ordinance, the ordinance requirements shall govern and control. As used in this ordinance, "neighborhood resident" means any person who has a primary residence in the area shown on Exhibit D for at least the preceding 12-month period at the time the developer submits an application or proposal. The Department of Housing shall establish a process to verify the status of an applicant as a Woodlawn/South Shore Neighborhood Developer.

(v) Affordable Homeownership. Eligible properties rehabilitated through the Chicago Rebuild - Jackson Park Pilot Program shall be made available for sale at a price affordable for households earning up to 120 percent of the area median income (AMI) and sold to income eligible households earning at or below 120 percent of the AMI.

(vi) *Resale Price Restrictions.* All Eligible Properties rehabilitated and sold through the Chicago Rebuild – Jackson Park Pilot Program shall be subject to a resale price restriction for a period of ten (10) years. All property listings within the ten-year resale period shall be restricted in accordance with Chicago Rebuild – Jackson Park Pilot Area Program Guidelines as authorized under Section 5(c) of this ordinance and promulgated by the Commissioner.

(c) The Commissioner is authorized to issue program guidelines (the "Chicago Rebuild – Jackson Park Pilot Program Guidelines") on behalf of the City with such policies and procedures and documentation as determined necessary to administer Chicago Rebuild – Jackson Park Pilot Program in accordance with the provisions of this ordinance, including but not limited to those set forth in subsection (b) above. The Chicago Rebuild – Jackson Park Program Guidelines shall be updated from time to time as deemed necessary by the Commissioner to carry out the purposes of this ordinance.

(d) The Department is authorized to expend up to $3,000,000 for grants and administrative costs of the Chicago Rebuild – South Shore Community Pilot Program. The funding source(s) of Chicago Rebuild – Jackson Park Pilot Program shall be solely from the Rebuild Grant.

(e) The Commissioner and the proper officers, officials, employees of the City are hereby authorized, empowered and directed to do all such acts and things, and to execute all such documents and certificates, as may be necessary to carry out and comply with the provisions of this Section 5 and the Chicago Rebuild – Jackson Park Pilot Program Guidelines.

(f) The Chicago Rebuild – Jackson Park Pilot Program shall be included as an Eligible Program within the meaning of Section 2-44-110 of the Municipal Code.

SECTION 6. Section 2-44-110 of the Municipal Code of Chicago is hereby amended by deleting the language struck-through, and inserting the language underscored, as follows:

2-44-110 Participation by eligible persons in eligible programs.

(omitted text is unaffected by this ordinance)

(b) As used in this section:

(i) "Eligible Programs" shall mean: (1) programs administered by the Department (or by delegate agencies or other entities with funds provided, in whole or in part, by the Department) which provide various forms of economic assistance (including, but not limited to, land write-downs and financial assistance in the form of grants, loans, fee waivers and tax credits) directly to individuals who are tenants in residential buildings in the City or are owner-occupants of one- to four-unit residential buildings in the City (including individuals who are owner-occupants of a condominium unit in the City), or which provide for the rehabilitation of one- to four-unit residential buildings in the City (including one to four condominium units, without regard to the total number of condominium units in the building); ~~and~~ (2) rental subsidy assistance for very low-income households (as "very low-income" may be defined by United States Department of Housing and Urban Development), provided by the Department through The Chicago Low-Income Housing Trust Fund, an Illinois not-for-profit corporation, or through another entity selected by the Commissioner, and which is paid directly to owners of residential buildings in the City; (3) the Property Tax Grant Debt Relief Pilot Program adopted by the City Council on _____ and published in the City Council Journal of Proceedings for such date at page _____; and (4) the Chicago Rebuild – South Shore Community Pilot Program adopted by the City Council on _____ and published in the City Council Journal of Proceedings for such date at page _____.

(omitted text is unaffected by this ordinance)

SECTION 7. Chapter 5-10 of the Municipal Code of Chicago is hereby amended by deleting the language struck-through, and inserting the language underscored, as follows:

CHAPTER 5-10
TENANT OPPORTUNITY TO PURCHASE ~~WOODLAWN~~ JACKSON PARK PILOT PROGRAM

5-10-010 Title, purpose and scope.

This chapter shall be known and may be cited as the "Tenant Opportunity to Purchase ~~Woodlawn~~ Jackson Park Pilot Program", and shall be liberally construed and applied to promote its purposes and policies.

It is the purpose of this chapter and the policy of the city, in order to protect and promote the public health, safety and welfare of its residents, to empower tenants to purchase multi-family rental properties, at market prices, within a reasonable period of time and to thereby minimize tenant displacement, stabilize households facing displacement pressures and promote the preservation of affordable rental housing in neighborhoods at risk of gentrification.

5-10-020 Definitions.

For purposes of this chapter, the following definitions apply:

~~"Affordability preservation agreement" means an agreement between the owner and a tenant association (i) in which the tenant association agrees to maintain the rental property in a manner that preserves the property's existing affordability restrictions, or (ii) that would qualify the property as affordable housing, and (iii) in which the affordability restrictions set forth in the agreement are memorialized in covenants running with the land, in a form approved by the commissioner, enforceable by the city as a third party beneficiary. The affordability restrictions in each affordability preservation agreement shall extend for a period of not less than thirty (30) years from the sale, subject to such exceptions as the commissioner may provide for by rule issued hereunder.~~

"Affordable housing restrictive covenant" means an agreement between the purchaser and the City in which the purchaser agrees to affordability restrictions memorialized in an affordability covenant, in a form approved by the Commissioner, enforceable by the City as a third party beneficiary. The affordability restrictions in each affordable housing restrictive covenant shall extend for a period of not less than thirty years from the sale, subject to such exceptions as the Commissioner may provide for by rule.

"Affordability restrictions" means limits on rents and income for persons or families seeking to qualify as tenants in the rental property.

(omitted text is unaffected by this ordinance)

"Department" means the Department of Housing or any successor agency.

"Good faith negotiations" means:

(a) whether the party or any of its agents knowingly made any misrepresentations of material fact to the other party or of its agents during the negotiation period;

(b) whether the party or any of its agents failed to provide in a timely fashion any information legitimately requested by the other party or any of its agents during the negotiation period;

(c) whether the party or any of its agents failed to allow in a timely fashion any legitimate inspection of the property requested by the other party or any of its agents during the negotiation period;

(d) whether the party or any of its agents engaged in any other conduct that would constitute a lack of good faith under the standard imposed by the Uniform Commercial Code; and

(e) whether the party or any of its agents engaged in any other conduct that displays a price adjustment(s) that would substantially interfere with the tenants or tenants association rights under this chapter.

"Just cause eviction" means any eviction for serious or repeated violations of the terms and conditions of a lease or occupancy agreement, or for violation of applicable federal, state or local laws or for other good cause.

"Material change" means any change in contract terms that result in a new purchaser, terms and conditions changes based on the condition of the property, or a change in asking price of 10% or more from the original listing price.

"Owner" means the person(s), firm, partnership, corporation, trust, organization, limited liability company or other entity, or its successors or assigns, that holds title to a rental property.

"Public funds" means any financial support in the form of loans, grants, or other funds provided directly by the City of Chicago or by an authorized community partner using City funds.

"Purchaser" means a party who has entered into a purchase contract with an owner and who will, upon performance of the purchase contract, become the new owner of the rental property.

"Rental property" means any occupied residential rental building, or a group of residential rental buildings operated as one entity, within the areas shown in Exhibit B~~, with a total of 10 or more dwelling units~~. Rental property does not include:

(a) "assisted housing" or an "assisted housing development" or a "development", as those terms are defined in the City of Chicago Affordable Housing Preservation Ordinance, Section 2-44-120;

(b) housing accommodations in any hospital, convent, monastery, extended care facility, asylum or not-for-profit home for the aged, temporary overnight shelter, transitional shelter, or in a dormitory owned and operated by an elementary school, high school or institution of higher learning; student housing accommodations wherein a housing agreement or housing contract is entered into between the student and an institution of higher learning or student housing wherein the institution exercises control or supervision of the students; or student housing owned and operated by a tax exempt organization affiliated with an institution of higher learning;

(c) public housing units managed by the Chicago Housing Authority~~;~~

~~(d) owner-occupied buildings containing nine units or less~~.

"Rental unit" or "unit" means a room or suite of rooms designed, occupied or intended for occupancy as a separate living quarter with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of the occupants of the unit.

(omitted text is unaffected by this ordinance)

"Tenant association" means an association of tenants, whether incorporated or not, for which (a) written consent to forming a tenant association has been given by tenants representing (i) at least 75 percent of the occupied units in ~~the~~ a rental property with five or more units, or (ii) at least 50 percent of the occupied units in a rental property with four or fewer units, and ~~which association notifies the owner of the rental property and the department of its existence or establishment prior to the expiration of the 90-day period stated in subsection 5-10-060(b) and has provided to the owner and the Department the names, addresses and telephone numbers of at least two of the officers or representatives of such association~~ (b) the tenants agreeing to participate in the tenant association shall signify their consent to form a tenant association by signing a form provided by the Department. The percentage shall be calculated based on the number of occupied rental units in a rental property rather than the number of individuals listed on leases as tenants. Tenants agreeing to participate in a tenant association shall signify their consent to form a tenant association by signing a form provided by the Department. Any reference to a "tenant association" in this chapter shall be deemed to include any third party or assignee under Section 5-10-080.

(omitted text is unaffected by this ordinance)

5-10-030 Right of first refusal conferred.

This chapter shall be construed to confer upon each tenant association a right of first refusal to purchase any rental property for sale in the areas bound by 60th St. to the North, Dr. Martin Luther King Jr Dr. to the West, South Chicago Ave. to the Southwest, 71st St. to the South, and South DuSable Lake Shore Dr. to the East, pursuant to ~~upon~~ the terms set forth herein upon each tenant association or tenant(s) under Section 5-10-060(b)(3).

(omitted text is unaffected by this ordinance)

5-10-050 Notice of intent to sell.

(a) *Notice prior to listing required*. No less than 30 days prior to listing or otherwise offering a rental property for sale, the owner shall provide notice to the tenant association, or if no tenant association exists, to each tenant, and to the Department, of the owner's intent to sell: (i) no less than 60 days prior to listing or otherwise offering a rental property for sale for a multi-unit residential building with five or more dwelling units, or (ii) no less than 30 days prior to listing or otherwise offering a rental property for sale for a multi-unit residential building with four or fewer dwelling units. The notice required by this subsection shall be delivered in person or mailed, by certified or registered mail, return receipt requested, on a form provided by the Department, and shall contain the following information: (1) the name, address and telephone number of each owner of the rental property; (2) the address of the rental property; (3) a description of the rental property, including the number of units and the number of bedrooms within each unit; (4) the proposed asking price for the rental property; (5) a statement that the owner intends to sell the rental property; and (6) a summary of tenant rights under this chapter. The owner shall also post a notice of intent to sell in a form provided by the Department at all public entrances to the rental property. The owner shall keep all return receipts required by this subsection (a) for a period of three years after the sale of the rental property, and make such

receipts available for inspection by the ~~e~~Commissioner at all times during the owner's business hours.

(b) *Additional disclosures*. The tenant association, or if no tenant association exists, any tenant in the rental property, or the Department, may in writing, at any time after receipt of the owner's notice of intent to sell, request the following additional information:

(1) the most recent rent roll, including each unit number and the monthly rent charged for each unit;

(2) a list of vacant apartments, and a statement of the rental property's vacancy rate during the preceding 12 months;

(3) the income and expense report for the 12 month period prior to the notice, including capital improvements, real property taxes and other municipal charges; and

(4) any other information the ~~e~~Commissioner may specify by rule.

The owner shall have a period of 30 calendar days from receipt of such request to provide the information.

5-10-060 Right of first refusal.

(a) *Notice of offer*. If the owner receives and accepts a bona fide offer from a third party to purchase the rental property, then the owner shall promptly provide written notice of such offer ("Notice of Sale"), to the tenant association, or if no tenant association exists, to each tenant in the rental property, and to the Department. Any such third-party purchase agreement shall be contingent upon the right of first refusal set forth in this chapter. The Notice of Sale must include an executed duplicate original of the third-party purchase agreement, and the disclosures set forth in Section 5-10-050(b), unless the owner has previously made such disclosures and the disclosures remain accurate and complete.

(b) *Time for tenants to form organization and exercise right of first refusal*. ~~The tenants of the rental property shall have a period of 90 calendar days from receipt of the Notice of Sale to form a tenant association and exercise their right of first refusal to purchase the rental property. The tenant association shall exercise its right of first refusal by delivering written notice to the owner prior to the expiration of the 90-day period that the tenant association elects to purchase the rental property pursuant to this chapter. Any such notice from the tenant association shall be accompanied by any earnest money required under the terms of the third-party purchase agreement, subject to the cap set forth in Section 5-10-070. The contract formed by exercise of the right of first refusal shall be on the same terms and conditions as those set forth in the third-party purchase agreement, as modified by the terms of this chapter. Notwithstanding this general requirement or any term of the third-party purchase agreement, any such acceptance shall be presumed to be contingent upon the tenant association's ability to conduct due diligence and secure financing before the deadline in subsection 5-10-060(c) for completing the sale. Nothing in this subsection shall be construed to require any owner to extend any form of owner financing to a tenant association.~~ In order to exercise its right of first refusal to purchase a rental property:

(1) The tenants of a rental property consisting of five or more dwelling units shall have a period of 90 calendar days from receipt of the Notice of Sale to

(A) form a tenant association,

(B) inform the owner and the Department of its existence, and

(C) provide to the owner and the Department the names, addresses, and telephone numbers of at least two of the officers or representatives of such association.

(2) The tenants of a rental property consisting of four or three dwelling units shall have a period of 30 calendar days from receipt of the Notice of Sale to form a tenant association and inform the owner and the Department of its existence.

(3) At least one tenant of a rental property consisting of one or two dwelling units shall have 15 calendar days to inform the owner of its intent to exercise its right of first refusal.

(c) *Negotiation*. Any negotiations between the owner, or the owner's agents, and a tenant association or, in the case of a rental property consisting of one or two dwelling units, one or both tenants, or an agent as assigned under Section 5-10-080, shall require a continuing duty of good faith negotiations on the part of all parties involved in the negotiation and transaction.

(d) *Exercise right of first refusal*.

(1) A tenant association or, in the case of a rental property consisting of one or two dwelling units, at least one tenant, shall exercise its right of first refusal by delivering written notice to the owner prior to the expiration of the period required in subsection (b) that the tenant association or tenant(s), as applicable, elects to purchase the rental property pursuant to this chapter. The grant of time conferred only applies to an initial notice of intent to sell and subsequent exercise of right of first refusal.

(2) Any such subsection (d)(1) notice shall be accompanied by any earnest money required under the terms of the third-party purchase agreement, subject to the cap set forth in Section 5-10-070.

(3) The contract formed by exercise of the right of first refusal shall be on the same terms and conditions as those set forth in the third-party purchase agreement, as modified by the terms of this chapter.

(4) Notwithstanding this general requirement or any term of the third-party purchase agreement, any such acceptance shall be presumed to be contingent upon the tenant association's, or tenant's, ability to conduct due diligence and secure financing before the deadline in subsection (d) for completing the sale.

(5) Nothing in this section shall be construed to require any owner to extend any form of owner financing to tenants or a tenant association.

(e) *Time for closing*. ~~If the tenant association exercises its right of first refusal in accordance with subsection (b), the tenant association shall have a period of 120 calendar days from the date of such notice to conduct due diligence and secure financing, unless the owner and the tenant association have expressly agreed otherwise in writing. The owner must give the tenant association any information about the rental property that the tenant association reasonably requests, such as architectural and engineering plans and specifications (if available), and access to the rental property to inspect the same and conduct reasonable tests at reasonable times after reasonable notice. At the end of this 120-day period (or any other period to which the owner and the tenant association have expressly agreed in writing), the owner shall sell the rental property to the tenant association upon those terms. If the 120-day period (or any other period to which the owner and the tenant association have expressly agreed in writing) ends on a Saturday, Sunday or other legal holiday in the City of Chicago, then the closing shall occur on the first business day thereafter. If the rental property is conveyed to the tenant association under this right of first refusal, any prepaid rent shall be apportioned as of the closing date and applied on account of the purchase price.~~

~~(d)~~ (1) If a tenant association, or tenant(s) under subsection (b)(3), exercises its right of first refusal in accordance with subsection (d), then the tenant association or tenant(s) shall have a period of either:

(A) 120 calendar days from the date of such notice in rental properties consisting of five or more dwelling units, or

(B) 60 calendar days in rental properties consisting of four or fewer dwelling units,

to conduct due diligence and secure financing, unless the owner and the tenant association, or tenant(s), have expressly agreed otherwise in writing.

(2) The owner must give the tenant association or tenant(s) any information about the rental property that the tenant association or tenant(s) reasonably requests, such as architectural and engineering plans and specifications, if available, and access to the rental property to inspect the same and conduct reasonable tests at reasonable times after reasonable notice.

(3) At the end of this 120-day period, 60-day period, or any other period which has been agreed upon in writing, as applicable, the owner shall sell the rental property to the tenant association or tenant(s) upon those terms. If the applicable closing period ends on a Saturday, Sunday, or other legal holiday in the City, then the closing shall occur on the first business day thereafter. If the rental property is conveyed to the tenant association or tenant(s) under this right of first refusal, any prepaid rent shall be apportioned as of the closing date and applied on account of the purchase price.

(f) *Tenant association's rejection of offer*. If the tenant association or tenant(s) fails to exercise its right of first refusal on or before the deadline set forth in subsection (b), or terminates the contract pursuant to its terms, or defaults (unless there is a mutual default), then such right will be deemed waived and the owner may sell the rental property to the third-party purchaser identified in the third-party purchase agreement on the terms specified therein. If the sale to such third-party purchaser fails for any reason to close, or if there is any material change in the terms of sale from those set forth in the third-party purchase agreement, then the tenant association's, or tenant's, right of first refusal under this chapter shall be reinstated. Any sale of

the rental property by the owner to a different party or on any materially different terms shall be null and void.

(~~e~~g) *Third-party rights*. The right of a third-party to purchase a rental property is subject to the right of first refusal conferred by this chapter. Upon exercise of the right of first refusal, the third-party purchase agreement between the owner and the third-party purchaser shall automatically terminate, and neither the owner nor the tenant association or tenant(s), as applicable, nor the rental building shall be bound or in any way affected by any such agreement and such third-party purchaser shall not have any interest in the contract between the owner and the tenant association or tenant(s) formed by exercise of the right of first refusal. Without limiting the generality of the foregoing, the owner and the tenant association or tenant(s) may freely modify the terms and conditions on which the sale from the owner to the tenant association or tenant(s) may be made. For example, the time periods for exercising the right of first refusal under subsection (b) and for closing under subsection (~~e~~e) are minimum periods, and the owner may grant the tenants a reasonable extension of such period, without liability under a third-party agreement. Third party purchasers are presumed to act with full knowledge of tenant rights and public policy under this chapter.

(~~f~~h) *Continuing right*. The right of first refusal is a continuing right and shall apply ~~as often as the owner (including but not limited to any owner which acquired its interest in a sale to which the right of first refusal applied but was not exercised) shall sell the rental property~~ to each owner of a rental property. The right of first refusal applies to all owners of a rental property including, but not limited to, any owner that acquired its interest in a sale to which the right of first refusal applied but was not exercised. However, the extended timelines granted in this chapter for exercise of the right of first refusal may only be exercised once after an owner places the rental property for sale, or if there is a material change to the purchase price.

5-10-070 Financial assurances; deposit.

The owner may not require the tenant association or tenant(s) under Section 5-10-060(b)(3) to prove financial ability to perform as a prerequisite to entering into a contract. However, in a rental property of four units or fewer, the tenant association, tenant(s) under Section 5-10-060(b)(3), or assignee under Section 5-10-080 shall provide the owner with a preapproval letter from a lender to validate borrower capability to pay the mortgage. The owner shall not require the tenant association or tenant(s) under Section 5-10-060(b)(3) to pay a deposit of more than 5 percent of the contract sales price in order to make a contract. The owner must refund the deposit in the event of a good faith failure of the tenant association to perform under the contract.

5-10-080 Exercise or assignment of rights.

A tenant association or tenant(s) under Section 5-10-060(b)(3) may exercise the rights established under this chapter in conjunction with a third party or by assigning those rights to any party, whether private or governmental. Such an exercise or assignment may occur at any time in the process provided in this chapter and may be structured in any way the tenant association, or tenant(s) under Section 5-10-060(b)(3), in ~~the tenant association's~~ its sole discretion, finds acceptable. The tenant association or tenant(s) under Section 5-10-060(b)(3) shall give the owner written notice of such third party or assignee within ten (10) business days of entering into a written agreement. Any rights conferred upon tenant associations or tenant(s) under Section 5-10-060(b)(3) under this chapter shall extend to any such third parties or

assignees, and, upon receipt of notice of such third parties or assignees under this Section 5-10-080, owners shall treat such third parties or assignees in the same manner as tenant associations or tenant(s) under Section 5-10-060(b)(3) under this chapter.

5-10-090 Waiver of rights.

(a) An owner shall not request~~, and a tenant may not grant,~~ a waiver of the right of first refusal conferred by this chapter.

(b) An owner shall not require waiver of any other right under this chapter.

(c) An owner may not ask a tenant if the tenant intends to waive the right of first refusal during the period governed by Section 5-10-050. After the end of that period, an owner may ask, but not require, a tenant if the tenant intends to waive the right of first refusal.

(d) In a building with five or more dwelling units, if fifty percent of the tenants waive their right of first refusal, then the right of first refusal is waived and the owner does not need to wait for the period required by Section 5-10-060.

(omitted text is unaffected by this ordinance)

5-10-110 Preservation as rent-restricted affordable housing.

If a purchaser purchases a rental property and uses any public funds in the purchase, then the ~~Any~~ rental property ~~purchased by a tenant association under the right of first refusal conferred by this chapter~~ shall be maintained as ~~rent-restricted~~ affordable housing for no less than 30 years. The ~~c~~Commissioner shall establish procedures to ensure that each rental property acquired under this chapter is subject to an ~~affordability preservation agreement~~ affordable housing restrictive covenant that sets forth the manner in which the rental property shall be preserved as rent-restricted affordable housing.

(omitted text is unaffected by this ordinance)

5-10-130 Sale of property to third-party purchaser.

If the tenant association or tenant(s) under Section 5-10-060(b)(3) waives its right of first refusal, and the owner sells the rental property to a bona fide third-party purchaser, such purchaser shall allow the current tenants to remain in their respective dwelling units for the longer of six months from the effective date of the sale or until each tenant's lease expires, at the same terms and conditions as before such sale. Such purchaser may, with the agreement of the tenants, relocate such tenants to comparable units with comparable rents in accordance with procedures to be established by the rules of the Department.

5-10-140 Rules.

The ~~c~~Commissioner shall have the authority to promulgate rules necessary to implement the requirements of this chapter.

(omitted text is unaffected by this ordinance)

SECTION 8. Chapter 5-12 of the Municipal Code of Chicago is hereby amended by adding a new Section 5-12-135, as follows:

5-12-135. Jackson Park Expanded Fair Notice Pilot Program.

(a) *Purpose.* The purpose of this section is to establish a pilot program modifying the notice of rental agreement nonrenewal requirements in order to determine whether modified notice dates affect those in communities experiencing gentrification. The pilot program shall occur in the areas designated under subsection (c) that are experiencing gentrification. The goals of these modified requirements are to mitigate the displacement impacts associated with gentrification, better protect the interests of the area's economically vulnerable residents from demographic and housing market change, and preserve the economic diversity critical to a healthy economy.

(b) *Relationship To Residential Landlord Tenant Ordinance*. The requirements in this section supersede the notice requirements in Section 5-12-130(j) within the bounded area listed in subsection (c) of this section during the duration of the pilot listed in subsection (d) of this section.

(c) *Boundaries.* The pilot program shall cover the area bounded by 60th St. to the North, Dr. Martin Luther King Jr Dr. to the West, South Chicago Ave to the Southwest, 71St St. to the South, and South DuSable Lake Shore Dr to the East.

(d) *Duration*. The pilot program shall expire three years after the effective date of this section and no later than January 31, 2029. Upon the expiration of the pilot program, this section shall automatically be repealed without further action by the City Council.

(e) *Notice or Refusal to Renew Rental Agreement*. For any periodic residential lease within the pilot area beginning on or after the effective date of this section, the landlord shall notify the tenant in writing:

i. at least 180 days prior to the stated termination date of the rental agreement of the landlord's intent to terminate a periodic tenancy, not renew a fixed-term rental agreement, or increase the rental rate for a tenancy lasting a period of greater than three years;

ii. at least 120 days prior to the stated termination date of the rental agreement of the landlord's intent to terminate a periodic tenancy, not renew a fixed-term rental agreement, or increase the rental rate for a tenancy lasting a period of not less than twelve months but not more than three years;

iii. at least 90 days prior to the stated termination date of the rental agreement of the landlord's intent to terminate a periodic tenancy, not renew a fixed-term rental agreement, or increase the rental rate for a tenancy lasting a period of one year or less.

(f) *Right to Stay*. If the landlord fails to give the required written notice of nonrenewal of a rental agreement as provided in subsection (e) of this section, the tenant may not be evicted for up to (i) 180 days after the date on which written notice is given to the tenant for a year-to-year lease or a lease lasting a period of greater than a year, (ii) 120 days after the date on which written notice is given to the tenant for a lease lasting a period of not less than one month nor equal to or more than one year, and (iii) 30 days after the date on which written notice is given to the tenant for a lease lasting a period of one month or less, regardless of the termination date specified in the notice or in an existing rental agreement. Until the end of the relevant notice period, the terms and conditions of the tenancy shall be the same as the terms and conditions during the month of tenancy immediately preceding the notice; provided, however, that if rent was waived or abated in the preceding month or months as part of the original rental agreement, the rental amount during such relevant period shall be at the rate established on the last date that a full rent payment was made.

(g) *Report*. No later than 60 days prior to the expiration of the South Shore Expanded Fair Notice Pilot Program, the Chicago Department of Housing shall submit a written report to the City Council Committee on Housing and Real Estate, or its successor committee, regarding the performance of the Pilot Program. The report shall include, but shall not be limited to, information to assess the impact of the pilot program and the future potential of expanded fair notice requirements by the following criteria: comparative number of tenants moving out of the pilot area in the pilot area as compared with other areas in the City: number of evictions; feedback from tenants and landlords; and other relevant outcomes. The report shall also make recommendations to the City Council regarding the permanent expansion of notice requirements.

SECTION 9. Section 3 (c) of the Woodlawn Housing Preservation Ordinance, passed by the City Council on September 9, 2020, and published in the Journal of City Council proceedings for said meeting from pages 20074 to 20105, ("Woodlawn Housing Preservation Ordinance"), is hereby amended by adding the language underscored, as follows:

> (c) Reservation for Very Low-Income Households. Notwithstanding the affordability requirements set forth in subsections (a) and (b) above, for a period of twenty (20) years from the effective date of this ordinance, the City shall reserve 52 City-owned vacant lots (the "Reserved Lots"), representing 25% of the lots comprising the City Land, for the development of rental projects in which at least thirty percent (30%) of the residential units (the "Very Low-Income Units") shall be leased to households whose incomes do not exceed 50% of AMI, with at least Yi of the Very Low-Income Units reserved for households with incomes at or below 30% of AMI. The rents for the Very Low-Income Units shall be affordable to households at the 30% and 50% AMI income levels, as applicable. <u>The Reserved Lots are listed on Exhibit X attached hereto and incorporated herein.</u>

SECTION 10. The Woodlawn Housing Preservation Ordinance, passed by the City Council on September 9, 2020, and published in the Journal of City Council proceedings for said meeting from pages 20074 to 20105, ("Woodlawn Housing Preservation Ordinance"), is

hereby amended by adding a new Exhibit X, Reserved Lots for purposes of Woodlawn Housing Preservation Ordinance, which shall be attached to this ordinance and shall be incorporated in this ordinance and the Woodlawn Housing Preservation Ordinance by reference.

SECTION 11. Sections 1 through 6, and Sections 9, 10 and 11 of this ordinance shall take effect upon passage and approval. Section 8 shall take effect 60 days after passage and publication. Section 7 of this ordinance shall take effect 180 days after passage and publication or on February 1, 2026, whichever is later.

EXHIBIT A
"Jackson Park Pilot Area"

The Jackson Park Pilot shall cover the area bounded by 60th St. to the North, Dr. Martin Luther King Jr Dr. to the West, South Chicago Ave to the Southwest, 71St St. to the South, and South DuSable Lake Shore Dr to the East, referred to as "Jackson Park Pilot Area".

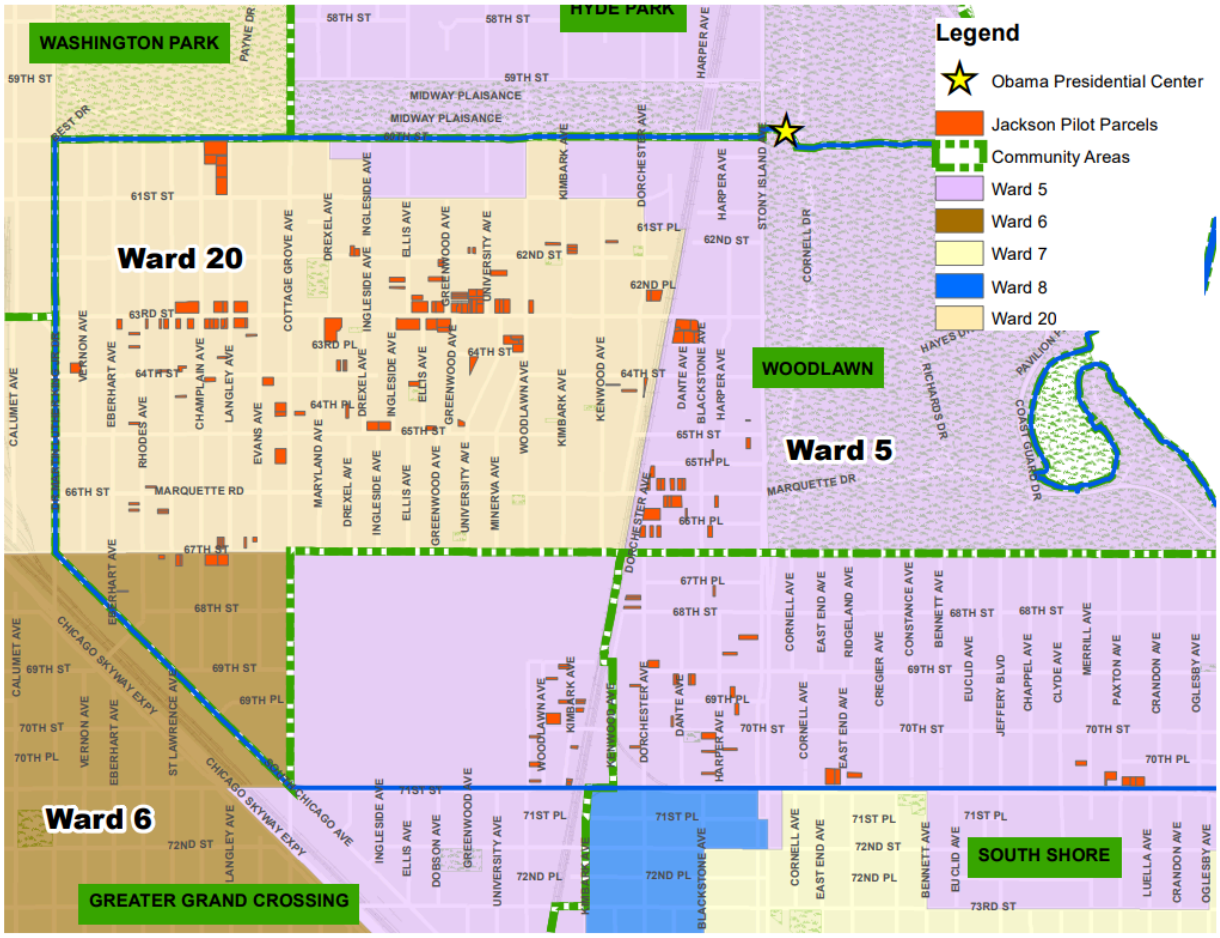
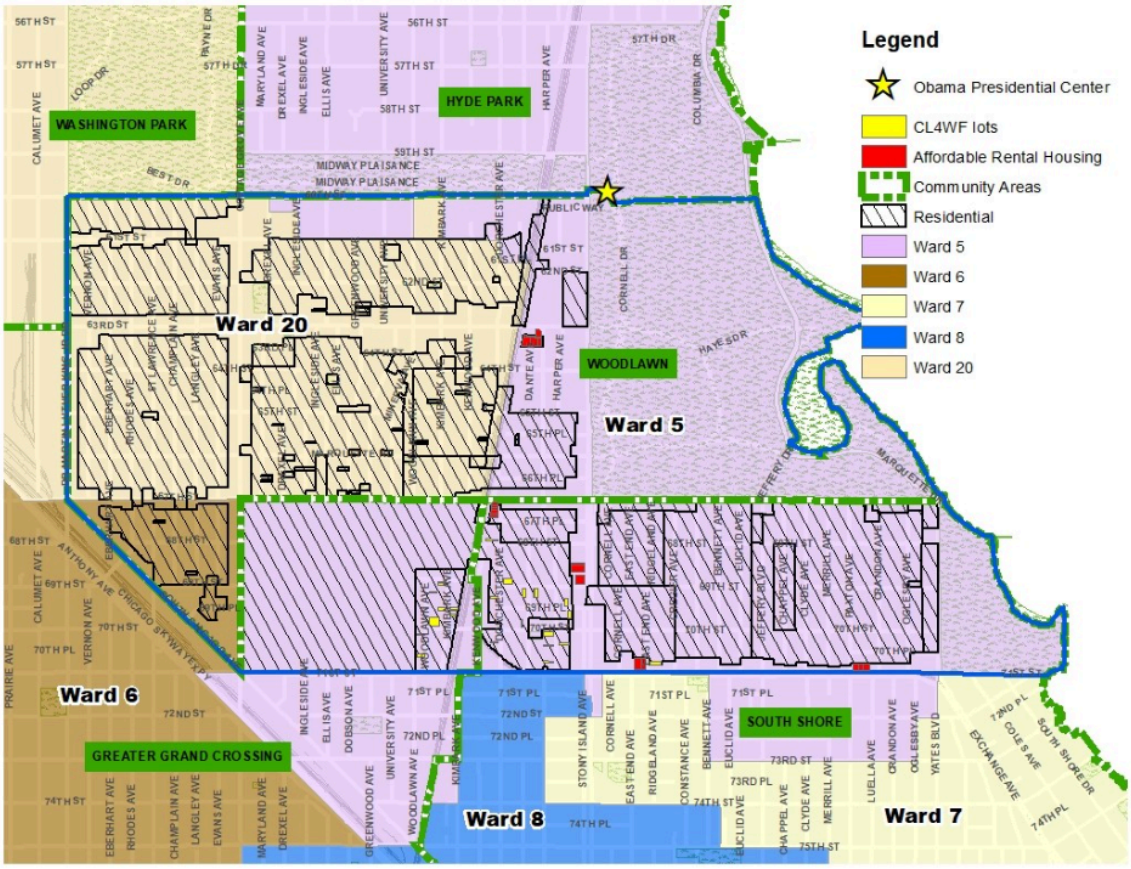


EXHIBIT B

Reservation of City Owned Land
City Lots for Working Families and Affordable Rental Housing



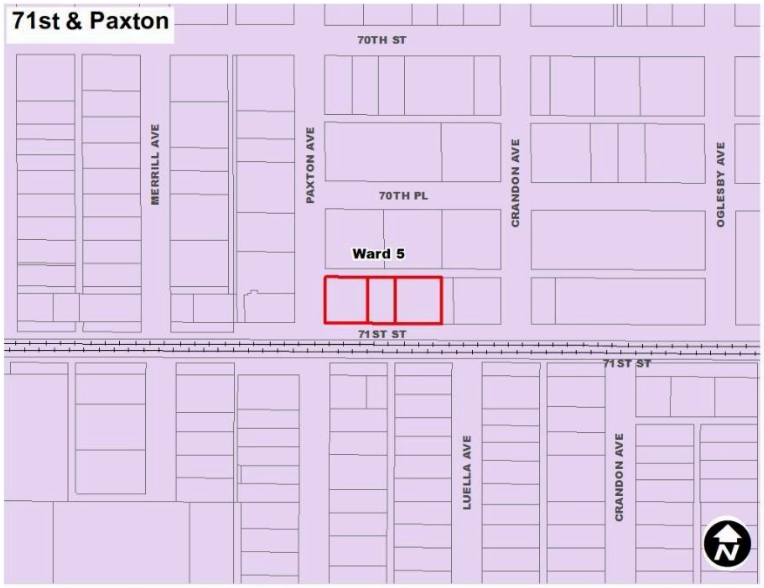
Parcel	*Address*
20-23-401-015-0000	*6746 S DORCHESTER AVE 60637*
20-23-406-017-0000	*6857 S DORCHESTER AVE 60637*
20-23-409-024-0000	*7002 S WOODLAWN AVE 60637*
20-23-409-035-0000	*7034 S WOODLAWN AVE 60637*
20-23-410-007-0000	*6917 S WOODLAWN AVE 60637*
20-23-410-020-0000	*6900 S KIMBARK AVE 60637*
20-23-410-021-0000	*6902 S KIMBARK AVE 60637*
20-23-410-035-0000	*6940 S KIMBARK AVE 60637*

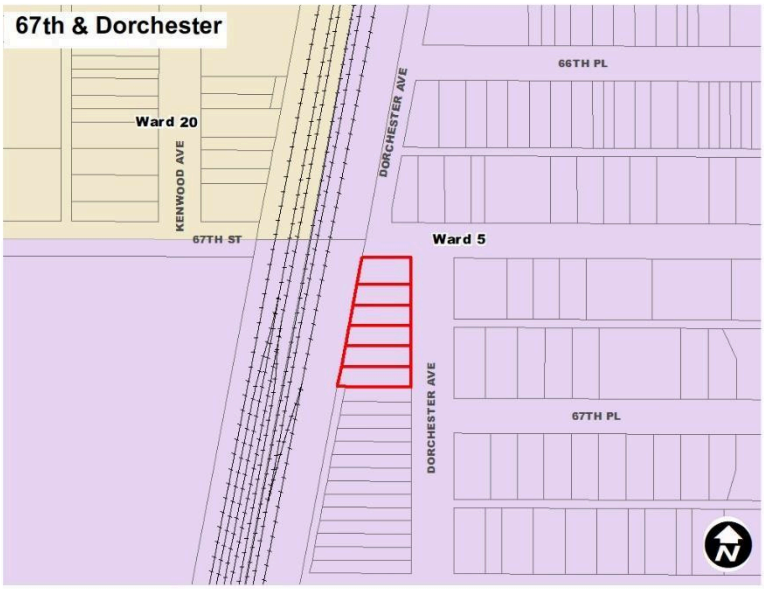
20-23-410-039-0000	*1202 E 70TH ST 60637*
20-23-411-017-0000	*6941 S KIMBARK AVE 60637*
20-23-411-018-0000	*6943 S KIMBARK AVE 60637*
20-23-411-021-0000	*6949 S KIMBARK AVE 60637*
20-23-413-014-0000	*1429 E 69TH ST 60637*
20-23-414-002-0000	*1447 E 69TH ST 60637*
20-23-414-003-0000	*1449 E 69TH ST 60637*
20-23-415-007-0000	*1510 E 69TH PL 60637*
20-23-416-026-0000	*1426 E 70TH ST 60637*
20-23-418-004-0000	*1515 E 69TH PL 60637*
20-23-421-007-0000	*7016 S DORCHESTER AVE 60637*
20-23-423-019-0000	*7000 S HARPER AVE 60637*
20-23-423-025-0000	*7020 S HARPER AVE 60637*
20-23-423-034-0000	*7046 S HARPER AVE 60637*
20-23-424-006-0000	*7015 S HARPER AVE 60637*
20-24-325-039-0000	*7047 S EAST END AVE 60649*
20-23-412-053-0000	6922 S DORCHESTER AVE 60637

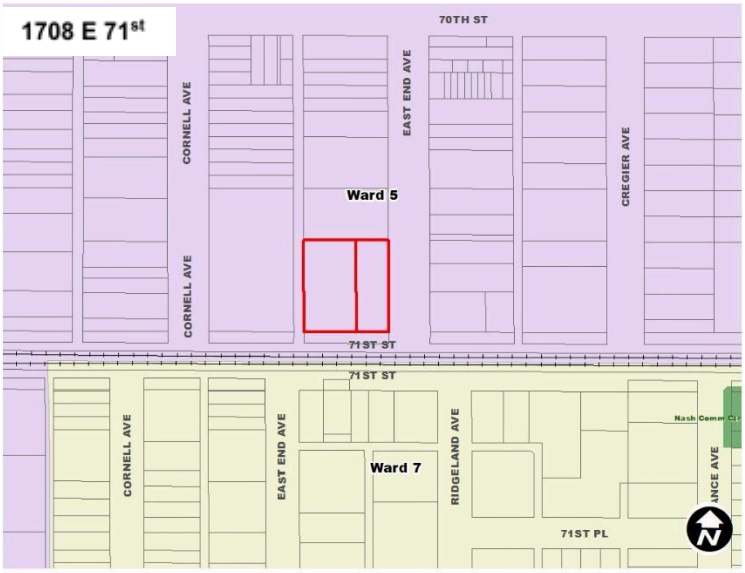
EXHIBIT C

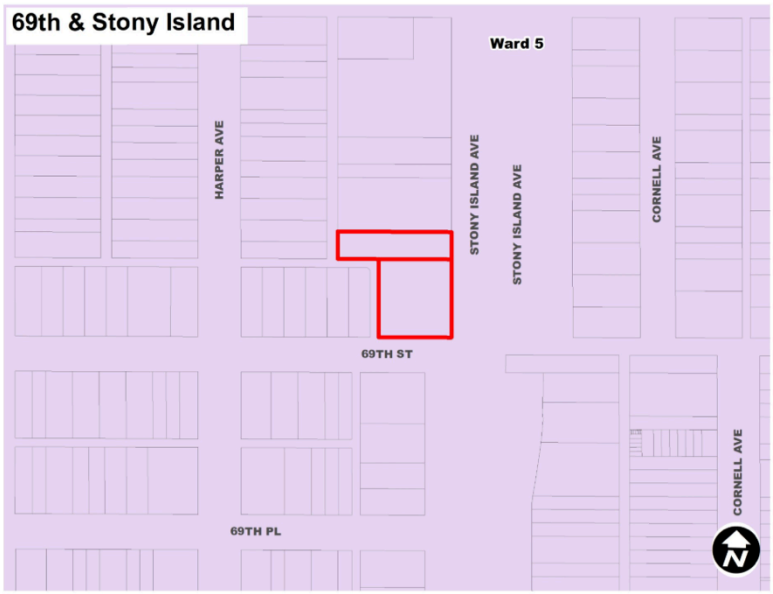
Rental Reserved City-Owned Lots

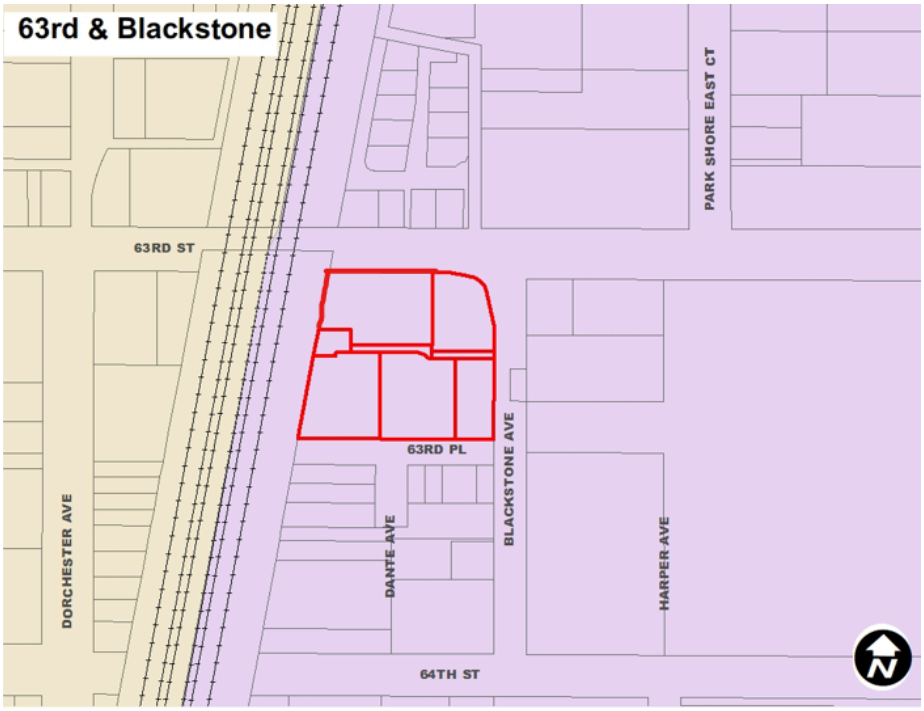
69th & Stony Island; 67th & Dorchester; 71st & Paxton; 1708 E 71stStreet; and 63rd & Blackstone






1708 E 71st
70TH ST
CORNELL AVE
EAST END AVE
CREGIER AVE
Ward 5
CORNELL AVE
71ST ST
71ST ST
CORNELL AVE
EAST END AVE
Ward 7
RIDGELAND AVE
71ST PL


69th & Stony Island
Ward 5
HARPER AVE
STONY ISLAND AVE
STONY ISLAND AVE
CORNELL AVE
69TH ST
69TH PL
CORNELL AVE



20-23-204-002
20-23-204-003
20-23-204-004
20-23-204-005
20-23-204-006
20-23-204-007
20-23-204-008

EXHIBIT D

Woodlawn and South Shore Community Areas, as defined in Section 1-14-010 of the Municipal Code of Chicago.

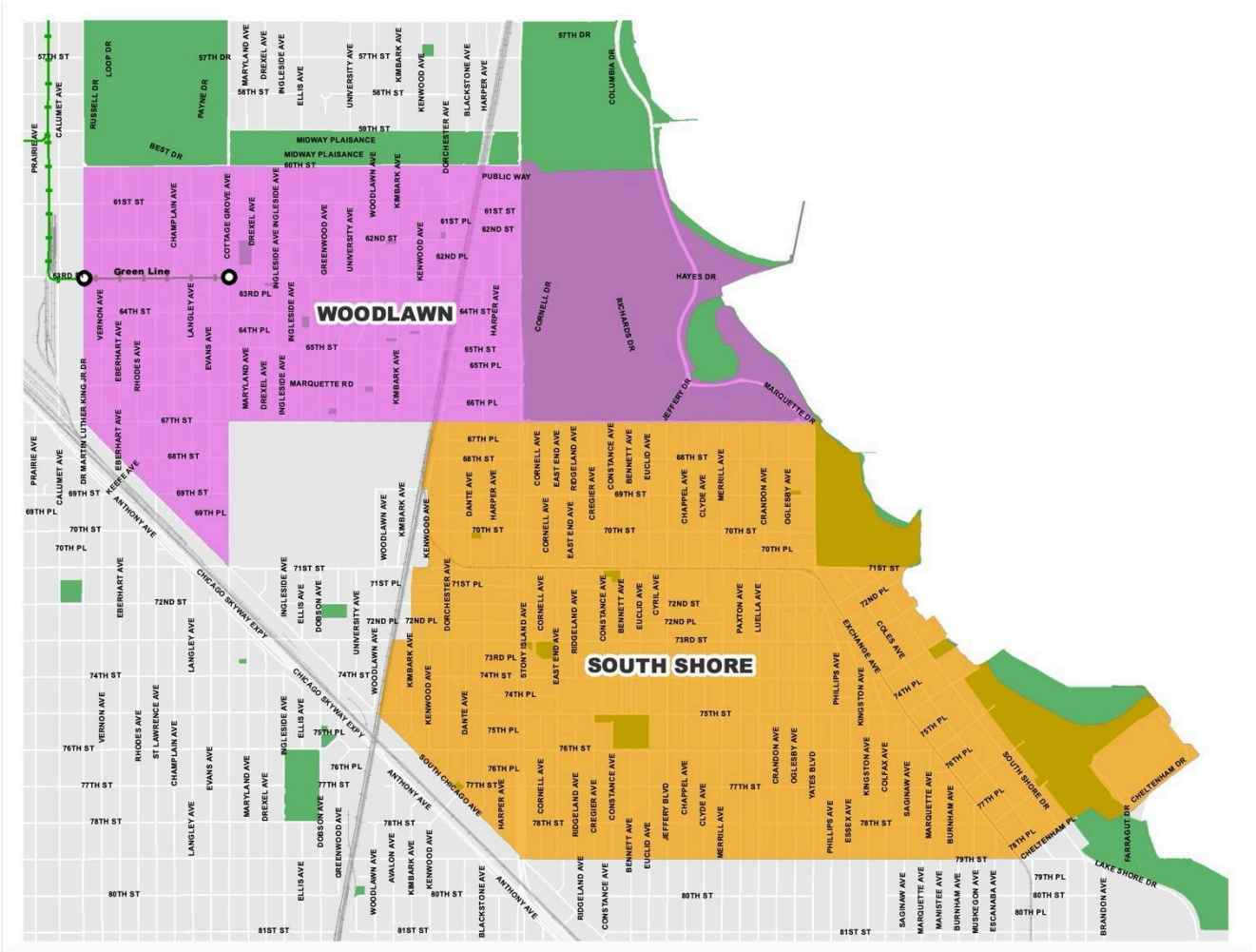


EXHIBIT E

The Property Tax Debt Relief Grant Pilot Program (the "Debt Relief Program") is located in the following community areas of the City: Lower West Side, Englewood, and South Shore, as defined in Section 1-14-010 of the Municipal Code of Chicago.

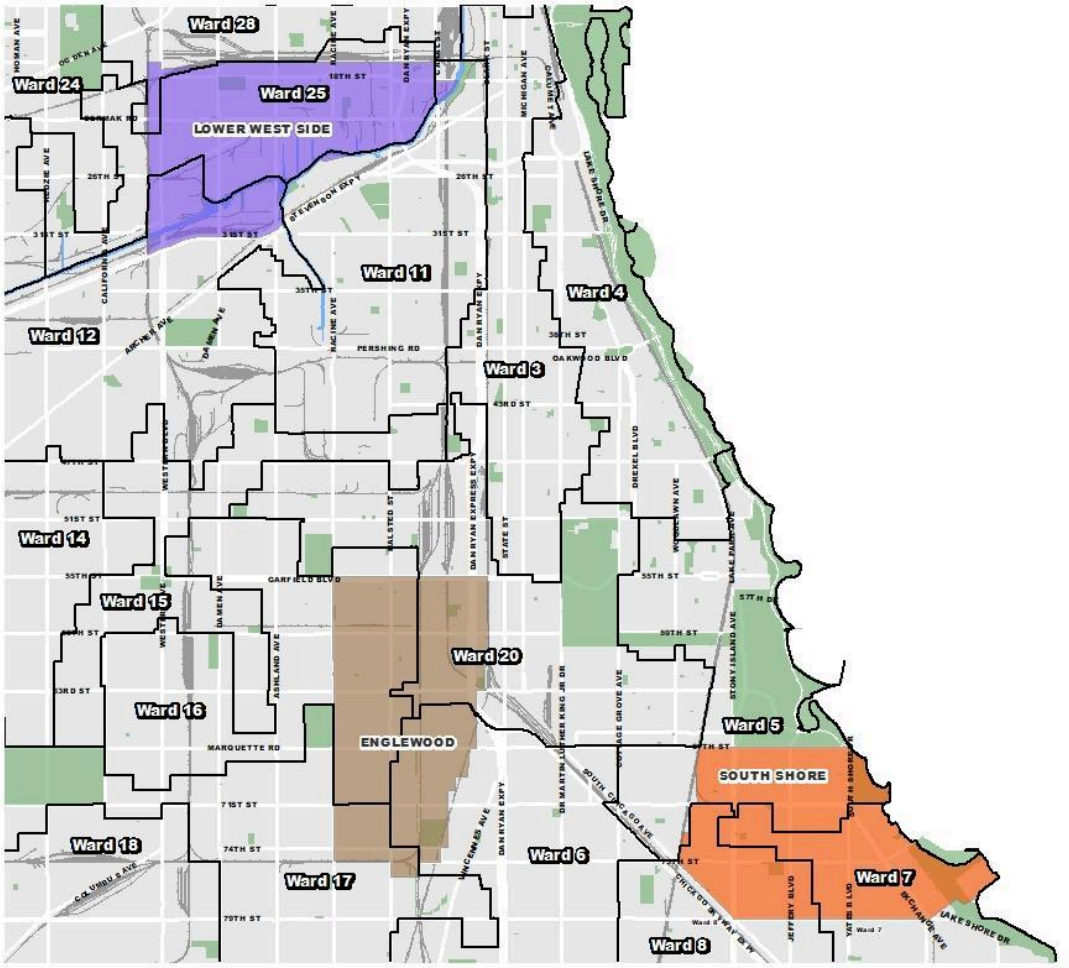
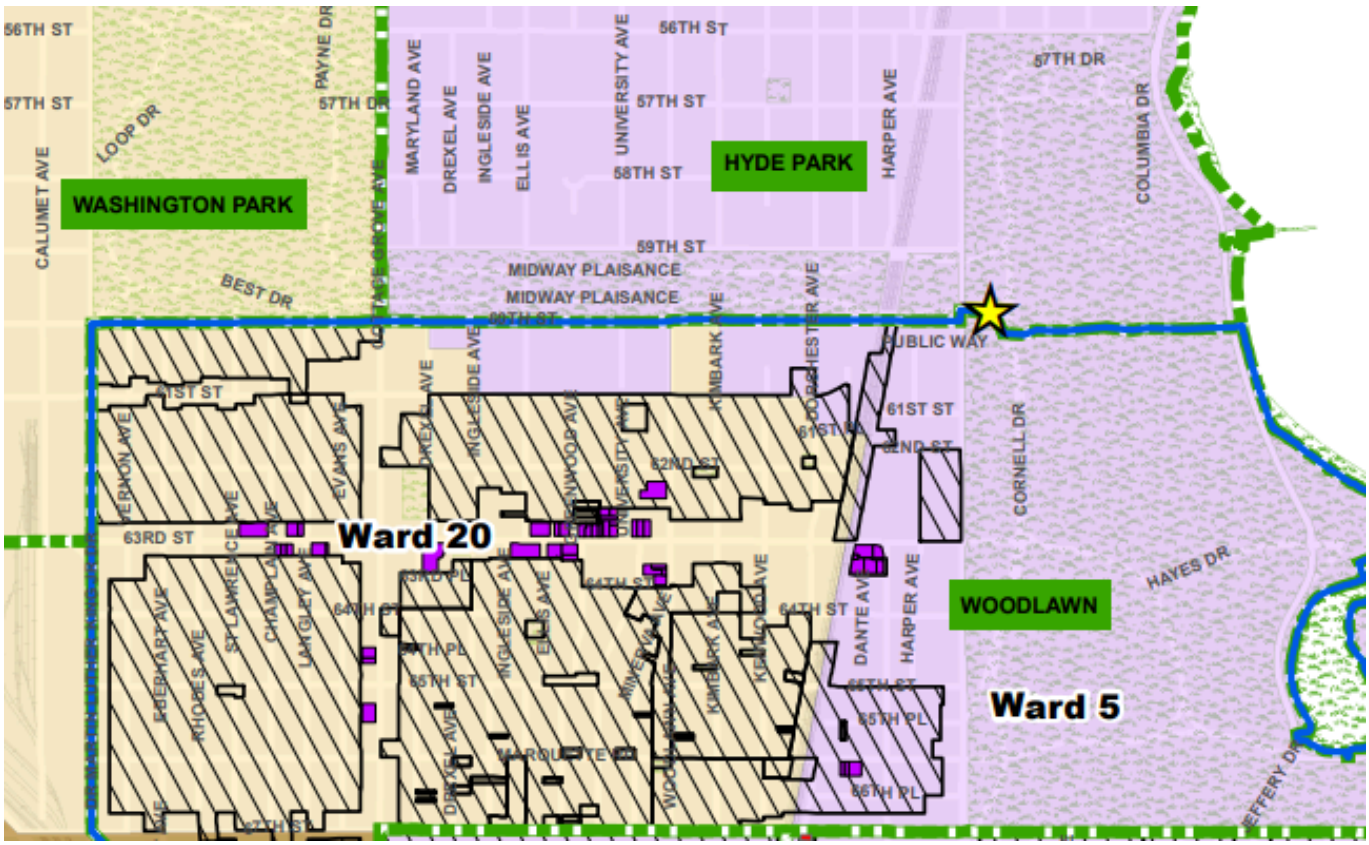


Exhibit X

Reserved Lots for purposes of Woodlawn Housing Preservation Ordinance



Parcel	*Address*
20-15-420-030	*616 E. 63rd Street*
20-22-205-001	*633 E. 63rd Street*
20-22-205-002	*639 E. 63rd Street*
20-22-205-003	*645 E. 63rd Street*
20-15-421-031	*652 E. 63rd Street*
20-15-421-032	*658 E. 63rd Street*
20-22-206-001	*703 E. 63rd Street*
20-22-206-002	*707 E. 63rd Street*
20-23-101-039	*839 E. 63rd Street (Completed)*
20-23-105-001	*935 E. 63rd Street*
20-23-106-001	*1017 E. 63rd Street*
20-23-106-038	*6300 S. Greenwood Ave.*
20-23-106-039	*6310 S. Greenwood Ave.*
20-14-316-026	*1000 E. 63rd Street*
20-14-316-028	*1022 E. 63rd Street*
20-14-316-029	*1028 E. 63rd Street*
20-14-317-031	*1100 E. 63rd Street*
20-14-317-032	*1106 E. 63rd Street*
20-14-317-015	*1116 E. 63rd Street*

20-14-317-022	*6228 S. University Ave.*
20-14-317-023	*6236 S. University Ave*
20-14-317-024	*6240 S. University Ave.*
20-14-317-025	*1122 E. 63rd Street*
20-14-317-026	*1126 E. 63rd Street*
20-14-317-027	*1128 E. 63rd Street*
20-14-317-029	*6244 S. University Ave*
20-14-317-030	*1134 E. 63rd Street*
20-14-318-013	*1148 E. 63rd Street*
20-14-318-015	*1154 E. 63rd Street*
20-14-318-016	*1160 E. 63rd Street*
20-23-108-008	*6320 S. Woodlawn Ave.*
20-23-108-014	*6328 S. Woodlawn Ave.*
20-23-108-016	*6327 S. Woodlawn Ave.*
20-23-108-011	*1166 E. 64th Street*
20-22-215-024	*6434 S. Cottage Grove Ave.*
20-22-215-025	*6440 S. Cottage Grove Ave.*
20-22-223-028	*6518 S. Cottage Grove Ave.*
20-23-204-001	*1204 E. 63rd Street (63rd & Blackstone Block)*
20-23-204-002	*6400 S. Blackstone (63rd & Blackstone Block)*
20-23-204-003	*6402 S. Blackstone (63rd & Blackstone Block)*
20-23-204-004	*6450 S. Blackstone (63rd & Blackstone Block)*
20-23-204-005	*6407 S. Blackstone Ave. (63rd & Blackstone Block)*
20-23-204-006	*6409 S. Blackstone Ave. (63rd & Blackstone)*
20-23-204-007	*6411 S. Blackstone Ave. (63rd & Blackstone Block)*
20-23-204-008	*6413 S. Blackstone Ave. (63rd & Blackstone Block)*
20-14-318-019	*6212 S. Woodlawn Ave*
20-22-404-001	*637 E. 67th Street*
20-22-404-002	*6700 S. Langley*
20-23-225-005	*1421 E. Marquette Rd*
20-23-225-006	*1425 E. Marquette Rd*
20-23-225-007	*1426 E. Marquette Rd*
20-23-225-010	*1400 E. 66th Place*