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Karen A. Yarbrough
Cook County Recorder of Deeds
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AFFORDABLE HOUSING RESTRICTIVE COVENANT AND AGREEMENT, INCLUDING RESIDENCY, TRANSFER, FINANCING AND AFFORDABILITY COVENANTS

This Affordable Housing Restrictive Covenant and Agreement, Including Residency, Transfer, Financing and Affordability Covenants ("**Affordable Housing Covenant**") is made as of this 29th day of January, 2014, from THERESA N. BROY, individually (the "**Homeowner**"), to the CITY OF CHICAGO, an Illinois municipal corporation, acting by and through its Department of Housing and Economic Development (the "**Department**"), and having its principal office at 121 North LaSalle Street, Room 1000, Chicago, Illinois 60602 (the "**City**"). Capitalized terms not otherwise defined herein shall have the meanings set forth in Article 1.

RECITALS

A. The City and Karry L. Young Development, LLC, an Illinois limited liability company ("**Developer**"), have previously entered into that certain "Redevelopment Agreement, New Homes For Chicago Program, Karry L. Young Construction, Inc." entered into between the City and Developer as of January 27, 2005 and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on August 23, 2006 as document #0623532008, as amended by that certain Amendment to Redevelopment Agreement entered into between the City and Developer as of August 22, 2006 and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on August 23, 2006 as document #0623532009, as further amended by that certain Second Amendment to Redevelopment Agreement entered into between the City and Developer as of July 13, 2007 and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on August 8, 2007 as document #0722039136, as further amended by that certain Third Amendment to Redevelopment Agreement entered into between the City and Developer as of December 16, 2008 and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on January 20, 2009 as document #0902003117, as such agreement may be further amended (collectively the "**Redevelopment Agreement**"), pursuant to which the City sold certain City land to Developer at less than fair market

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value (the "**City Subsidy**") for the construction of affordable, new, high-quality, owner-occupied housing (single-family or two-flat), pursuant to the City's New Homes for Chicago Program, in accordance with an ordinance adopted May 9, 2007, by the City Council of the City (the "**City Council**") and published in the Journal of the Proceedings of the City Council for such date at pages 104881 through 104934 and as further amended from time to time, and the Developer agreed to sell certain housing at an affordable price to income-qualified purchasers (as further described in the Redevelopment Agreement).

B. The Homeowner has proposed to purchase the single-family home (the "**Home**") located at the property legally described in Exhibit A attached hereto (the "**Property**"). In addition to the City Subsidy, the Homeowner is receiving a benefit in the form of the City's providing a purchase price subsidy in the amount of **One Hundred Thirty Eight Thousand Dollars (\$138,000)**, which thereby reduces the dollar amount of the purchase price of the Home payable by the Homeowner.

C. Section 4.5 of the Redevelopment Agreement required the Homeowner to execute a City Junior Mortgage in favor of the City and in the amount of the subsidies provided to the Homeowner, as further described in the Redevelopment Agreement.

D. By ordinance dated May 4, 2011, the City Council has determined that the City junior mortgage requirement should be replaced with a deed restriction or declaration of restrictive covenants requirement in order to address the underwriting and appraisal concerns described in such ordinance, for certain previously unsold properties, including the Property.

E. In order to implement the affordability requirements of the Redevelopment Agreement, as modified by the May 4, 2011 ordinance, the Homeowner and the Department have agreed that the Homeowner will not grant the City a junior mortgage interest in the Property, but shall execute this Affordable Housing Covenant in favor of the City to impose the affordability covenants and requirements contained in Article 3 hereof and Exhibit B hereto (collectively, the "**Affordability Covenants**") upon the Property and give notice of the Affordability Covenants to Homeowner, to any subsequent purchaser of the Property, and to any lender having a mortgage secured by the Property.

F. This Affordable Housing Covenant secures the Affordability Covenants, which shall run with the Property.

G. The Affordability Covenants require, among other things, that the Property may only be sold to a Qualified Household. "**Qualified Household**" shall mean a single person, family or unrelated persons living together whose adjusted income is not more than 120% of the Chicago-area median income, adjusted for family size, as such adjusted income and Chicago-area median income are determined from time to time by the Department, and who occupies the Home as such homebuyer's principal residence until the home is sold (i.e., the home may not be owned as investment property or otherwise leased).

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H. Homeowner covenants to the City that it is a Qualified Household.

NOW, THEREFORE, in consideration of the benefits received by the Homeowner as a result of its purchase of the Home, which Home could not have been constructed by the Developer and purchased by the Homeowner but for the City's write-down of the land value of the Property and the above-noted subsidies, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Homeowner hereby intends, declares and covenants that the following covenants, conditions, rights and restrictions shall run with the land and shall bind the Homeowner and shall inure to the benefit of, and be enforceable by, the City.

ARTICLE I INCORPORATION OF RECITALS

The recitals set forth above constitute an integral part of this Affordable Housing Covenant and are incorporated herein by this reference with the same force and effect as if set forth herein as the agreements of the Homeowner.

ARTICLE II COVENANTS, REPRESENTATIONS AND WARRANTIES

2.01 Taxes and Assessments.

(a) Homeowner will pay when due all general taxes and assessments (including, without limitation, any condominium or homeowners' association assessments, if applicable), special assessments, water charges and all of the charges against the Home and shall, upon written request, furnish to the City receipts evidencing payment thereof, provided that Homeowner, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

(b) Homeowner will not suffer (unless bonded or insured over) any mechanic's, laborer's, materialmen's or statutory lien to remain outstanding upon the Home. Homeowner may contest such lien, provided that Homeowner shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Homeowner shall diligently prosecute the contested lien and cause the removal of the same.

2.02 Insurance. Homeowner shall keep the Home continuously insured (or shall use reasonable efforts to cause the condominium or homeowners' association, as applicable, to keep insured such parts of the Home as may be required to be insured by such association under the applicable declaration) in such amounts and against such risks as required of Homeowner by the Senior Lender (as defined in Section 2.04 below), paying the premiums for said insurance as they become due. Policies of insurance shall name City as an additional insured. All policies of insurance shall provide that the same shall not be canceled, except upon prior written notice of at least 30 days to City.

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2.03 Maintenance of the Property.

(a) Homeowner shall preserve and maintain the Home in good condition and repair, shall not commit or suffer any waste thereof, and shall keep the same in a clean, orderly and attractive condition. Homeowner shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Home or any part thereof.

(b) If the Home or any part thereof is damaged by fire or any other cause, Homeowner shall immediately give written notice of the same to City.

(c) City or its representatives shall have the right to inspect the Home to assure compliance with the terms of this Affordable Housing Covenant.

(d) Homeowner shall promptly comply, and cause the Home to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Home or any part thereof and with all instruments and documents of record or otherwise affecting the Home or any part thereof.

(e) If all or any part of the Home shall be damaged by fire or other casualty, Homeowner (subject to the rights of the Board of Managers of the condominium or homeowners' association, if applicable, with respect to any proceeds applicable to common elements or limited common elements), shall promptly restore the Home to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Homeowner for that purpose.

2.04 Subordination. This Affordable Housing Covenant shall be subject and subordinate in all respects to that certain mortgage dated of even date herewith between Homeowner and PAN AMERICAN BANK (the "Senior Lender"), recorded with the Office of the Recorder of Deeds of Cook County, Illinois on even date herewith (the "Senior Mortgage"), to secure indebtedness in the original principal amount of \$ 132,300.00. This Affordable Housing Covenant shall also be subordinate to any subsequent mortgage that refinances the Senior Mortgage.

2.05 Income Eligibility. Homeowner represents and warrants to the City that, based on Homeowner's household income, as of the time of Homeowner's execution of its purchase contract for the Home, Homeowner's household was a Qualified Household.

2.06 Foreclosure of Senior Mortgage. If Senior Lender acquires title to the Home through foreclosure or recording of a deed in lieu of foreclosure, the Affordability Covenants shall automatically terminate and thereupon have no further force or effect, provided that: (a) the Senior Lender has given written notice to the Homeowner of a default under the Senior Mortgage in accordance with its terms; and (b) the Homeowner shall not have cured the default under the Senior Mortgage within any applicable cure period(s) provided for therein. Any person (including the transferees, assignees or successors of the Senior Lender) receiving title to the Home through a foreclosure or deed in lieu of foreclosure of the Senior Mortgage shall receive title to the Home free

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and clear of such restrictions; provided, however, if the Homeowner or any member of Homeowner's household or family acquires an interest in the Home through foreclosure or subsequent to foreclosure or sale in lieu of foreclosure, then all such Affordability Covenants shall be revived according to the original terms.

ARTICLE III **RESIDENCY, TRANSFER, FINANCING AND AFFORDABILITY COVENANTS**

3.01 **Restrictions.** Homeowner covenants to comply with the residency, transfer, financing and affordability covenants set forth in **Exhibit B**, which covenants are materially related to the affordable housing objectives set forth herein.

3.02 **Term.** The term of this Affordable Housing Covenant shall begin on the date first set forth above and end thirty (30) years thereafter.

ARTICLE IV **DEFAULT**

4.01 **Events of Default.** The term "**Event of Default**," wherever used in this Affordable Housing Covenant, shall mean any one or more of the following events:

(a) a failure by Homeowner to comply with any of the Affordability Covenants set forth in **Exhibit B**;

(b) a failure by Homeowner to duly observe or perform any other material term, covenant, condition or agreement in this Affordable Housing Covenant after the expiration of the applicable cure periods provided in Section 4.02; or

(c) a default continuing beyond all applicable cure periods under the Senior Mortgage and permitting foreclosure thereunder.

4.02 **City Remedies.** The City shall have the following remedies, depending on the nature and timing of the Event of Default:

(a) cure the default and charge the cost thereof to the Homeowner, which amount shall then be payable within ten (10) business days after written demand;

(b) seek injunctive relief to prevent or remedy any threatened or actual violation or to recover damages, or both;

(c) seek specific performance;

(d) rescind or have declared void any sale or transfer that violates this Affordable Housing Covenant, or recoup any funds from any such sale or transfer;

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(e) void any rental arrangement that violates this Affordable Housing Covenant; and

(f) subject to the rights of the Senior Lender, and upon application to a court of competent jurisdiction, appoint a receiver to take possession of and operate the Home and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall otherwise have all of the rights and powers to the fullest extent permitted by law.

The Homeowner hereby mortgages, grants and conveys to the City a lien upon the Home to secure the payment of any amounts due under this Affordable Housing Covenant, which lien may be either foreclosed in the same manner as a mortgage lien or enforced in equity.

4.03 Purchase by City. Upon any foreclosure sale, the City may bid for and purchase the Home and shall be entitled to apply all amounts due under and secured by this Affordable Housing Covenant as a credit to the purchase price.

4.04 Remedies Cumulative. No right, power or remedy conferred upon or reserved to the City by this Affordable Housing Covenant is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity or by statute.

4.05 Waiver. No delay or omission of the City to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Affordable Housing Covenant to the City may be exercised from time to time as often as may be deemed expedient by the City. No consent or waiver, expressed or implied, by the City to or of any breach or Event of Default by Homeowner in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other obligations of Homeowner hereunder. Failure on the part of the City to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the City of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Homeowner.

ARTICLE V MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns. This Affordable Housing Covenant shall inure to the benefit of and be binding upon Homeowner and its respective legal representatives, successors and assigns. Whenever a reference is made in this Affordable Housing Covenant to Homeowner, such reference shall be deemed to include a reference to legal representatives, successors and assigns of Homeowner, as applicable.

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5.02 Terminology. All personal pronouns used in this Affordable Housing Covenant, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Affordable Housing Covenant, and all references herein to articles, sections or paragraphs shall refer to the corresponding articles, sections or paragraphs of this Affordable Housing Covenant unless specific reference is made to such articles, sections or paragraphs of another document or instrument.

5.03 Severability. If any provision of this Affordable Housing Covenant or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Affordable Housing Covenant and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the fullest extent permitted by law.

5.04 Modification. No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

5.05 Applicable Law. This Affordable Housing Covenant shall be interpreted, construed and enforced under the laws of the State of Illinois, without regard to its conflict of laws principles.

5.06 Administration. All consents, approvals, modifications, waivers, adjustments or other actions of the City described herein shall be made in writing by the City, acting through its Department of Housing and Development, or any successor department thereto, or any designee thereof. All notices, requests, or other communications to the City hereunder shall be made to the Department of Housing and Economic Development at the following address: 121 North LaSalle Street, Room 1000, Chicago, Illinois 60602, Attention: Commissioner.

5.07 Assignment of Rights and Delegation of Duties. The City may assign its rights or delegate its duties under this Affordable Housing Covenant, in whole or in part, without the consent of the Homeowner, to the Chicago Community Land Trust, an Illinois not-for-profit corporation, or its successor, or another not-for-profit corporation approved by the City. Any reference herein to the City shall include the City, its successors and assigns.

5.08 Exhibits. All exhibits attached hereto are incorporated herein by this reference and made a part hereof.

5.09 Covenants to Run With the Land. The covenants, conditions, rights and restrictions set forth in this Affordable Housing Covenant shall run with the land and shall be binding upon each Homeowner for the benefit of and enforceable by the City, its successors and assigns, for the term hereof. The Homeowner agrees that any and all requirements of the laws of the State of Illinois to be satisfied in order for the provisions of this Affordable Housing Covenant to constitute a restrictive covenant running with the land shall be deemed to be satisfied in full, and that any privity of estate

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requirements are also deemed to be satisfied in full. Each and every contract, deed or other instrument hereafter executed conveying the Home or any interest therein shall be deemed to include and incorporate by this reference the covenants, conditions, rights and restrictions contained herein.

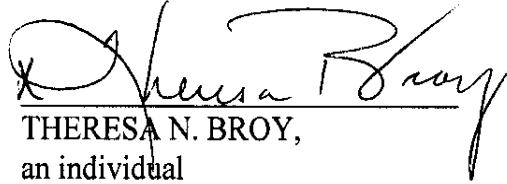
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IN WITNESS WHEREOF, the undersigned has caused this Affordable Housing Covenant to be executed on or as of the date first above written.

HOMEOWNER:


THERESA N. BRODY,
an individual

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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that **Theresa N. Broy**, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that he signed and delivered the foregoing instrument as his free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 29th day of January, 2014.

NOTARY PUBLIC



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EXHIBIT A

LEGAL DESCRIPTION

LOT 46 IN BLOCK 2 IN RICHARD S. COX, JR.'S SUBDIVISION OF 10 ACRES IN THE
SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 38 ✓
NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY,
ILLINOIS.

Commonly known as: 6120 S. Ada, Chicago, IL 60636 ✓

Permanent Index Number: 20-17-320-032-0000 ✓

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EXHIBIT B

RESIDENCY, TRANSFER, FINANCING AND AFFORDABILITY COVENANTS

In consideration of the subsidies provided by the City pursuant to the Redevelopment Agreement, Homeowner covenants to City that:

1. Homeowner qualifies as a Qualified Household.

2. Primary Residence Requirement; Leasing Prohibited. Homeowner shall own the Home, shall not lease the Home, shall use the Home as its primary residence (and the primary residence of Homeowner's Qualified Household), and will not let any other person occupy or use the Home without the prior written consent of the City, which shall be in the City's reasonable discretion, and which, if granted, will require that the total amount payable by any tenant household not exceed the amount set forth to qualify such housing as "affordable housing" as defined in the Illinois Affordable Housing Act, 310 ILCS 65/1 et seq.

3. Resale to Qualified Household at Affordable Price. Homeowner shall not sell or otherwise directly or indirectly transfer ownership of the Home, except to a Qualified Household, and provided that the transferee Qualified Household signs a restrictive covenant and agreement in similar form to this Affordable Housing Covenant. **Homeowner shall confer with the City's Department of Housing and Economic Development before entering into a sales contract involving the Home for assistance in determining the qualifications of any proposed transferee.** Any transfer of ownership resulting from Homeowner's death and occurring pursuant to the terms of a written land trust, personal trust or will, or state intestacy law, to a Qualified Heir (as defined below), or that simply consists of Homeowner's transfer (with the prior written consent of the City to such transfer) of the Home into a land trust or personal trust of which Homeowner is the sole beneficiary and holder of power of direction, as applicable, shall not be subject to the foregoing transfer restriction, provided, however, that the transferee in any such transfer shall be bound by all of the terms contained in this Affordable Housing Covenant. If Homeowner attempts or purports to transfer the Home to a transferee in violation of any one or more of the conditions set forth in this paragraph 3, such attempted or purported transfer shall constitute an immediate Event of Default under Section 4.01(a). "**Qualified Heir**" shall mean (a) the spouse or "qualified domestic partner" (as defined in Section 2-152-072 of the Municipal Code of Chicago) of Homeowner; or (b) the children of Homeowner, or, if such children are minors, a trustee or guardian for such children; or (c) other members of Homeowner's household who have resided in the Affordable Unit continuously for at least one (1) year immediately prior to Homeowner's death and are residing in the Affordable Unit at the time of such death.

Approval of Transfer. No sale or other transfer of the Home shall be valid until the City has verified in writing that such transfer is a permitted transfer. The Homeowner shall distribute to any prospective buyer any information and disclosure documents as the City may request. In order to determine whether a prospective buyer is income-qualified, the Homeowner shall deliver to the City any information reasonably required by the City to determine a prospective buyer's income

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eligibility. If the proposed sale does not occur within six (6) months after the date the City approves the transfer, the City's approval rights under this paragraph 4 shall be reinstated.

The Affordability Covenants in this **Exhibit B** may be waived or modified in writing by the City, upon a showing of undue hardship or changed circumstances that would make the enforcement of such covenants inequitable or impractical, as determined by the City in its sole discretion.

HOMEOWNER ACKNOWLEDGES AND AGREES THAT, TO THE EXTENT THE AFFORDABILITY COVENANTS, ANYTHING IN THIS **EXHIBIT B**, OR ANY OTHER PROVISION IN THIS AFFORDABLE HOUSING COVENANT COULD BE DEEMED A RESTRAINT ON ALIENATION, THAT ANY SUCH RESTRAINT (A) IS REASONABLE, (B) IS, AS EXPLAINED IN THE RECITALS HERETO, SUPPORTED BY ADEQUATE CONSIDERATION, (C) IS NECESSARY TO IMPLEMENT THE CITY'S PUBLIC POLICY OBJECTIVE OF DEVELOPING AND MAINTAINING AFFORDABLE HOUSING, (D) SHOULD BE ENFORCED AS WRITTEN, AND (E) WAS A MATERIAL INDUCEMENT TO THE CITY'S DECISION TO PROVIDE THE PROPERTY TO THE DEVELOPER, WHICH HAS ENABLED HOMEOWNER TO BUY THE HOME FOR AN AFFORDABLE PRICE. HOMEOWNER, THEREFORE, KNOWINGLY AND VOLUNTARILY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES THE RIGHT TO RAISE ANY DEFENSE TO THE ENFORCEMENT OF THE AFFORDABILITY COVENANTS, WHETHER AT LAW OR IN EQUITY.