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KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 10/14/2022 09:35 AM PG: 1 OF 32

Grace Wanja
City of Chicago
Department of Law
Real Estate and Land Use Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

(Above Space for Clerk's Use Only)

NOTICE

THIS PROJECT IS SUBJECT TO SECTION 2-44-080 OF THE MUNICIPAL CODE OF THE CITY OF CHICAGO (THE AFFORDABLE REQUIREMENTS ORDINANCE). THE COVENANTS SET FORTH HEREIN RUN WITH THE LAND AND ARE BINDING ON AND ENFORCEABLE AGAINST SUCCESSORS AND ASSIGNS UNTIL THE EXPIRATION OF THE TERM.

THIS AFFORDABLE HOUSING AGREEMENT (this "Agreement") is made on or as of _____, 2022, by and between the CITY OF CHICAGO, an Illinois municipal corporation ("City"), acting by and through its Department of Housing ("Department"), and ZSD BONIFACE LLC, an Illinois limited liability company (together with its successors and assigns, the "Developer") and Zev Salomon, an individual, as the guarantor of Developer ("Guarantor"), personally, and jointly and severally liable with Developer. Capitalized terms not otherwise defined herein shall have the meanings given in Section 1.

RECITALS

A. The Developer is the owner of the property located at 1340-58 West Chestnut Street and 901-927 North Noble Street, Chicago, Illinois 60642, as legally described on Exhibit A attached hereto (the "Property").

B. The City Council, by an ordinance adopted on May 25, 2018, as amended by minor change approval on April 30, 2021, and September 12, 2022 approved the rezoning of the Property from RS3 Residential Single-Unit District to B2-3 Neighborhood Mixed Use District, and then to Residential Business Planned Development #1410 for the construction of forty-seven (47) dwelling units, including one (1) live/work unit, and one (1) commercial space in three subareas as follows: (i) a new mixed use building in Subarea A consisting of eight (8) condominium units, one (1) business live/work unit, and one (1) ground-floor commercial space; (ii) the rehabilitation and conversion the existing St. Boniface church building into a residential building with eighteen (18) condominium units in Subarea B; and (iii) the construction of a new residential building with twenty (20) condominium units in Subarea C (collectively, the "Project").

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C. The City previously owned the Property and initially sold the Property to a different developer for a senior housing project in 2010. The original developer failed to construct the senior housing project and the City subsequently consented to the transfer of the Property to the Developer, subject to that certain Redevelopment Agreement (the "RDA") dated March 30, 2021, and recorded in the Office of the Cook County Clerk, Recordings Division, on April 2, 2021, as Document No. 2109222024, pursuant to which the Developer agreed to construct the Project.

D. The Developer is donating the first floor of the building in Subarea A to Northwestern University Settlement House ("NUSH"), including the live-work unit on the first floor. The RDA contemplated that the Developer would also donate the second floor of the building with four (4) dwelling units to NUSH (the "NUSH Units"), but NUSH subsequently determined that it only wished to operate the first floor of the building. Since the donation of a two-story building to NUSH with affordable housing was a central term of the RDA, the Developer has since agreed with the City to build out the second floor of the building with housing as contemplated and add a third floor to provide a total of eight (8) for-sale Affordable Units in the building.

E. Section 2-44-080 of the Municipal Code (the "Affordable Requirements Ordinance" or the "ARO") obligates the City to impose certain affordability requirements upon developers who undertake Residential Projects that include ten (10) or more dwelling units and that receive City assistance in the form of the sale of City land, financial assistance, or approval of certain zoning changes.

F. The Developer acknowledges and agrees that the Project is a Residential Project (as defined in Section 1 below) within the meaning of the ARO, and that the rezoning of the Property for the Project constitutes Zoning Assistance (as defined in Section 1 below) within the meaning of the ARO, thereby triggering the requirements of the ARO.

G. The ARO divides the city into three (3) zones for purposes of applying the ARO's affordable housing requirements. The three zones are referred to in the ARO and this Agreement as Low-Moderate Income Areas, Higher Income Areas and Downtown Districts.

H. The ARO requires developers of Residential Projects in every zone to (i) set aside 10% of the housing units in the Residential Project as ARO Units, or provide the ARO Units in an approved off-site location; (ii) pay a fee in lieu of the development of the ARO Units; or (iii) any combination of (i) and (ii); provided, however, Residential Projects with twenty (20) or more Units ("Larger Projects") in Low-Moderate Income Areas (rental and for-sale), Higher Income Areas (rental and for-sale) and Downtown Districts (rental only) must provide a minimum of 25% of the ARO Units (the "Required Units") on-site or (for projects in Higher Income Areas and Downtown Districts) off-site. In other words, in such Larger Projects, the developer may not pay a fee in lieu of the development of the Required Units. If the developer elects to provide ARO Units in an off-site location, the off-site ARO Units must be located within a two-mile radius from the Residential Project and in the same or a different Higher Income Area or Downtown District.

I. The Project is located in a Higher Income Area and constitutes a Larger Project. As a result, the Developer's ARO obligation is five (5) Affordable Units (10% of 47, rounded up), one (1) of which is a Required Unit (2.5% of 47), which the Developer is obligated to construct on-site.

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J. The Developer has submitted, and the Department has approved, a proposal to provide eight (8) Affordable Units in Subarea A (five pursuant to its obligation under the ARO and three (3) additional units that previously constituted the NUSH units. The Developer has further agreed to: (i) establish a separate condominium association for the Affordable Units in Subarea A; (ii) provide funding for professional management of the Subarea A condominium association for a period of one year from the date the Affordable Units are fully occupied (\$4,800 management fee/year); (iii) fund one year of reserves (\$3,660) from the date the Affordable Units are fully occupied; and (iv) pay the first three months of condominium assessments for the each Affordable Unit following the date the Affordable Unit is occupied (\$8,775 total). The conditions set forth in (i) through (iv) above are referred to herein as the "Affordable Condominium Association Conditions".

K. Prior to the issuance of a building permit for any project subject to the ARO, the developer must do one or both of the following, as applicable: (i) execute and record an affordable housing agreement against the project (or off-site location) to secure the developer's obligation to provide Affordable Units, and/or (ii) pay the required in lieu Fee.

L. The Developer is executing this Agreement to satisfy the requirements set forth in (K)(i) above relating to the construction of the Affordable Units.

NOW THEREFORE, the Developer covenants and agrees as follows:

SECTION 1. INCORPORATION OF RECITALS; DEFINITIONS. The recitals set forth above are, by this reference, fully incorporated into and made a part of this Agreement. For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the following meanings.

1.1 "*Acquisition Assistance*" means the City's sale of real property to a developer (a) upon which a Residential Project is subsequently developed, or (b) any portion of which is incorporated into a Residential Project site in order to satisfy minimum off-street parking, minimum lot area, setback or other zoning or Municipal Code requirements or standards.

1.2 "*Affordable*" means a sales price or monthly rent less than or equal to the amount at which total monthly housing costs, as specified in the Rules, would total not more than 30% of the income of a Household whose income is the maximum allowable for an Eligible Household.

1.3 "*Affordable Condominium Association Conditions*" is defined in the Recitals.

1.4 "*Affordable Housing*" means rental or owner-occupied housing, as applicable, which is Affordable to Eligible Households.

1.5 "*Affordable Housing Profile Form*" means the form attached hereto as Exhibit B, specifying the number and types of Affordable Units required for the Project.

1.6 "*Affordable Requirements Ordinance*" or "ARO" is defined in the Recitals.

1.7 "*Affordable Units*" means those Units in the Project and/or, if applicable, an approved off-site location which will be sold to and occupied by Eligible Households, as more specifically identified in Section 4.1(a). The Affordable Units must comply with the requirements of Section 4.

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1.8 "*Agent*" means any contractor or other agent, entity or individual acting under the control or at the request of a party.

1.9 "*Agreement*" means this Affordable Housing Covenant and Agreement, as supplemented, amended and restated from time to time.

1.10 "*Area Median Income*" or "*AMI*" means the median household income for the Chicago Primary Metropolitan Statistical Area as calculated and adjusted for household size on an annual basis by HUD.

1.11 "*Authorized Agency*" means the Chicago Housing Authority, the Chicago Low-Income Housing Trust Fund, or another non-profit agency acceptable to the City, which administers subsidies under HUD's McKinney-Vento Homeless Assistance Grants program, or the Veterans Administration Supportive Housing program, or another housing assistance program approved by the City.

1.12 "*Authorized Agency Agreement*" means (a) a 30-year lease agreement if the Authorized Agency is leasing the Affordable Unit from the Developer or (b) a 30-year deed restriction or similar instrument if the Authorized Agency is purchasing the Affordable Unit from the Developer. In either case, the Authorized Agency Agreement shall (x) require the Authorized Agency to lease the Affordable Units to households that meet the income eligibility requirements for rental housing under the ARO for a minimum of 30 years, (y) prohibit the Authorized Agency from selling, transferring, or otherwise disposing of such Affordable Units, and (z) require the Authorized Agency to submit an annual report identifying: the number of Affordable Units in the Authorized Agency's inventory, the monthly rental rates for each Affordable Unit, each tenant's household size and gross income, the operating expenses and revenues for the Affordable Units, and such other information as the Department may reasonably request from time to time.

1.13 "*Certificate of Occupancy*" means a certificate of occupancy issued by the Department of Buildings of the City, certifying that a building conforms to the general, special, and structural requirements of the Chicago Building Code applicable to such building.

1.14 "*Chicago Housing Trust*" or "*CHT*" means the successor to the Chicago Community Land Trust, an Illinois not-for-profit corporation established by ordinance adopted on January 11, 2006, and published at pages 67997 through 68004 in the Journal of Proceedings of the City Council of such date, as amended, and having as its primary mission the preservation of long-term affordability of housing units, or any successor organization.

1.15 "*CHT Restrictive Covenant*" means an Affordable Housing Restrictive Covenant and Agreement in the CHT's then-current form.

1.16 "*City*" means the City of Chicago, Illinois, an Illinois municipal corporation and home rule unit of government, and its successors and assigns.

1.17 "*Commissioner*" means the commissioner of the Department of Housing of the City, or any successor department, or his or her designee.

1.18 "*Condominium*" means a form of property established pursuant to the Illinois Condominium Property Act, as amended.

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1.19 "*Department*" means the Department of Housing of the City or any successor department.

1.20 "*Developer*" is defined in the Recitals.

1.21 "*Downtown District*" means a "D" zoning district pursuant to the Chicago Zoning Ordinance, Chapter 17-4 of the Municipal Code.

1.22 "*Eligible Household*" means a Household whose combined annual income, adjusted for Household size, does not exceed 120% of AMI at the time of the purchase of an Affordable Unit.

1.23 "*Fee*" means a fee in lieu of the establishment of Affordable Units in the following amounts, adjusted annually, based upon the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for all Urban Consumers for the Chicago metropolitan area, or some other comparable index selected by the Commissioner in the Commissioner's reasonable discretion if this index no longer exists, and otherwise pursuant to the ARO:

- (a) \$56,130 per Unit in Low-Moderate Income Areas;
- (b) \$140,326 per Unit in Higher Income Areas; and
- (c) \$196,456 per Unit in Downtown Districts.

1.24 "*Financial Assistance*" means any financing provided by the City for a Residential Project, or any portion thereof, or any related infrastructure.

1.25 "*Higher Income Area*" means an area that is not a Low-Moderate Income Area, provided that, if any portion of a Higher Income Area is located in a Downtown District, that portion of the area will be treated as a Downtown District for purposes of the ARO.

1.26 "*Household*" means and includes an individual, a group of unrelated individuals or a family, in each case residing in one Unit.

1.27 "*HUD*" means the United States Department of Housing and Urban Development or any successor department.

1.28 "*Larger Project(s)*" is defined in the Recitals.

1.29 "*Low-Moderate Income Area*" means an area designated by the Commissioner as a low-moderate income area in accordance with the ARO, provided, that, if any portion of a Low-Moderate Income Area is located in a Downtown District, that portion of the area will be treated as a Downtown District for purposes of the ARO.

1.30 "*Market-Rate Unit*" means a Unit in the Project or, if applicable, at an Off-Site location that is not an Affordable Unit and that may be sold or rented at any price.

1.31 "*Municipal Code*" means the Municipal Code of the City of Chicago.

1.32 "*Off-Site*" means a location different from the site of the Project.

1.33 "*Off-Site Development*" is defined in the Recitals (if applicable).

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1.34 "On-Site" means the same location as the Project.

1.35 "Project" is defined in the Recitals.

1.36 "Property" is defined in the Recitals.

1.37 "Required Unit(s)" is defined in the Recitals.

1.38 "Residential Project" means one or more buildings that collectively contain ten or more new or additional housing units on one or more parcels or lots under common ownership or control, including contiguous parcels, as further described in the ARO.

1.39 "Rules" means rules and regulations adopted by the Commissioner from time to time during the Term pursuant to Section 2-44-080(O).

1.40 "Term" is defined in Section 2.

1.41 "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; provided that a "Unit" does not include dormitories, or a "hotel" as that term is defined in Section 13-4-010 of the Municipal Code.

1.42 "Zoning Assistance" means a change in the zoning of property in any of the following circumstances: (a) to permit a higher floor area ratio than would otherwise be permitted in the base district, including through transit-served location floor area premiums where the underlying base district does not change; (b) to permit a higher floor area ratio or to increase the overall number of housing units than would otherwise be permitted in an existing planned development, as specified in the Bulk Regulations and Data Table, even if the underlying base district for the planned development does not change; (c) from a zoning district that does not allow household living uses to a zoning district that allows household living uses; (d) from a zoning district that does not allow household living uses on the ground floor of a building to a zoning district that permits household living uses on the ground floor; or (e) from a Downtown District to a planned development, even if the underlying base district for the property does not change.

SECTION 2. TERM OF AGREEMENT. The Developer, for itself and its successors and assigns, agrees to be bound by the terms and provisions of this Agreement from the date hereof through the date on which the Developer closes the sale of all Affordable Units in accordance with this Agreement.

SECTION 3. AGREEMENT RUNNING WITH THE LAND. The Developer hereby declares its express intent that the covenants, restrictions and agreements set forth herein shall be deemed covenants, restrictions and agreements running with the land from the date hereof and shall pass to and be binding upon any person or entity to whom the Developer may sell or assign all or any portion of its interest in the Property or Project or any successor in title to all or any portion of the Property or Project (excluding purchasers of Units in the ordinary course of development). If the Developer sells or assigns all or any portion of the Property or Project (excluding the sale of Units to purchasers in the ordinary course of development) it shall notify the City within sixty (60) days of such sale or assignment.

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SECTION 4. AFFORDABILITY RESTRICTIONS.

4.1 Method of Compliance. The Developer acknowledges and agrees that the Project is subject to the ARO, and has agreed to comply with the ARO as follows:

(a) *Construction and Sale of Affordable Units in the Project.* The Developer shall construct and sell eight (8) Affordable Units in Subarea A to Qualified Households as follows: six (6) units containing two (2) bedrooms with a square footage of approximately 894 square feet for a price not to exceed \$237,000.00, one (1) unit containing three (3) bedrooms with a square footage of approximately 1,285 square feet for a price not to exceed \$271,000.00, and one (1) unit containing four (4) bedrooms with a square footage of approximately 1,507 square feet for a price not to exceed \$311,000.00.

(b) *Recalculation of Affordable Prices.* The foregoing affordable prices shall only be valid for a period of one (1) year from the date hereof. If any of the Affordable Unit(s) are not under contract within such one-year period, the Developer shall notify the Department and the Department shall re-calculate the affordable price(s) of such Affordable Unit(s) in accordance with the Department's formula used to calculate the affordable prices in section (a).

4.2 Standards for Construction of Affordable Units. The Affordable Units in the Project (and/or the Off-Site Development if applicable) shall be constructed or rehabilitated, as the case may be, in accordance with the following minimum standards:

(a) *Distribution.* The distribution requirement for this Project is waived pursuant to the RDA due to the City's interest in preserving the historic St. Boniface Church, subject, however, to the Affordable Condominium Association Conditions.

(b) *Comparable to Market-Rate Units.* The comparability requirement for this Project is waived pursuant to the RDA due to the City's interest in preserving the historic St. Boniface Church, subject, however, to the Affordable Condominium Association Conditions.

(c) *Interior Finishes and Features.* The Affordable Units may have different interior finishes and features than Market-Rate Units in the Project, as long as such finishes and features are durable, of good and new quality, and are consistent with then-current standards for new housing.

(d) *Amenities.* The Affordable Units shall have comparable on-site amenities as those available to the Market-Rate Units in the Project (and/or the Off-Site Development if applicable), including comparable common areas and facilities.

(e) *Parking.* The Affordable Units shall have functionally equivalent parking when parking is provided to the other Units in the Project (and/or Off-Site Development if applicable).

(f) *Timing of Construction of Affordable Units.* All Affordable Units in the Project shall be constructed, completed, ready for occupancy, and marketed concurrently with or prior to the Market-Rate Units in the Project. The Affordable Units

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must receive Certificates of Occupancy prior to the issuance of the first Certificate of Occupancy for any Market-Rate Unit in the Project. At the Department's request, the Developer shall provide a report, in a form acceptable to the Department, on the progress of the construction of the Affordable Units in relation to the construction of the Market-Rate Units. Notwithstanding the foregoing, the Commissioner may approve an alternative timing plan, provided the Developer posts a bond or similar security in accordance with Section 2-44-080(U)(7) of the ARO.

(g) *Budget for Construction of Off-Site Affordable Units.* Not applicable

(h) *Compliance with Rules and Regulations.* The Developer shall comply with the rules and regulations adopted by the Commissioner from time to time during the Term pursuant to Section 2-44-080(O).

4.3 Procedures for Sale of Affordable Units. The Developer shall sell the Affordable Units in accordance with the following procedures:

(a) *Pre Marketing Meeting.* At least 90 days before marketing any Units in the Project, and at least 180 days before the anticipated closing of the first Unit in the Project, the Developer shall meet with the Department to present its marketing plan for the Affordable Units. The Department must approve the Developer's marketing plan before the Developer begins to market any Units in the Project. It is the responsibility of the Developer to ensure that this pre-marketing meeting is scheduled and held within the appropriate time frame.

(b) *Marketing Plan.* The Developer must comply with the terms of the approved Marketing Plan. At a minimum, the Developer shall (i) market the Affordable Units to the general public for at least 30 days prior to accepting any offers or applications to purchase Units, and (ii) hold at least three open houses during such 30-day marketing period.

(c) *Lottery.* If demand for the Affordable Units is anticipated to be high, the Department may require the Developer to sell the Affordable Units via a lottery.

(d) *Minimum Household Size.* The Department may establish minimum household sizes for Affordable Units based on the number of bedrooms, and may require prospective purchasers to complete homebuyer education training or fulfill other requirements.

(e) *Determination of Income Eligibility.* The Department must verify in writing that each purchaser meets the income eligibility requirements of this Agreement. The Developer shall deliver to the Department any information required by the Department to confirm each purchaser's income eligibility. The Department shall have ten (10) business days from the date of receipt of a "complete information package" to qualify purchasers. A "complete information package" shall include, by means of illustration and not limitation, the fully-executed real estate sales contract between the Developer and the purchaser, the W-2 forms from each purchaser's employers, U.S. 1040 income tax returns for each purchaser from the previous two (2) years, an affidavit or verification from each purchaser with regard to Household size, and the employer verification form utilized by Fannie Mae.

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(f) Unless otherwise indicated by the Department, each purchaser of an Affordable Unit shall execute and record a CHT Restrictive Covenant at the time of such purchaser's closing.

(g) Within ten (10) days after the date of execution of a contract for the purchase of an Affordable Unit, the Developer shall provide the City with a copy of such contract.

(h) The Developer shall notify the Department in writing at least twenty (20) business days prior to the projected date of closing an Affordable Unit.

(i) The Developer shall offer the Affordable Units for sale in accordance with the requirements of the ARO and in accordance with any rules and regulations promulgated, or as may be promulgated, in furtherance of the ARO.

SECTION 5. REMEDIES AND ENFORCEABILITY.

5.1 Time of the Essence. Time is of the essence in the Developer's performance of its obligations under this Agreement.

5.2 Cure. If the Developer defaults in the performance of its obligations under this Agreement, the Developer shall have thirty (30) days after written notice of default from the City, or such longer period as shall be reasonably necessary to cure such default provided the Developer promptly commences such cure and thereafter diligently pursues such cure to completion. Notwithstanding the foregoing, no notice or cure period shall apply to defaults under Sections 5.3(a) and 5.3(c).

5.3 Event of Default. The occurrence of any one or more of the following shall constitute an "Event of Default" under this Agreement:

(a) The Developer fails to provide the number, and type of Affordable Units required pursuant to Section 4.1.

(b) The Developer fails to comply with the construction standards set forth in Section 4.2.

(c) The Developer sells an Affordable Unit at a price in excess of the affordable price set forth in Section 4.1 (or recalculated in accordance with such section), or to a Household that is not an Eligible Household.

(d) The Developer fails to sell the Affordable Units in accordance with the procedures set forth in Section 4.3.

(e) The Developer makes or furnishes a warranty, representation, statement or certification to the City (whether in this Agreement, an Economic Disclosure Statement, or another document) that is not true and correct.

(f) The Developer fails to perform, keep or observe any of the other covenants, conditions, promises, agreements or obligations under this Agreement or any other written agreement entered into with the City with respect to the Project.

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5.4 Remedies. If an Event of Default occurs, and the default is not cured in the time period provided for in Section 5.2 (if applicable), the City may, without further notice to the Developer, invoke any of the enforcement measures authorized by Section 2-44-080(N), including the imposition of a fine in an amount equal to two times the required Fee and, in the case of a residential real estate developer licensed pursuant to Chapter 4-40 of the Municipal Code or any successor chapter, the revocation of the Developer's residential real estate developer license. The City may also suspend or revoke any or all building or occupancy permits issued to the Developer for the Property, and/or suspend or deny the issuance of all subsequent permit requests by the Developer for the Property.

5.5 Cumulative Remedies. The City's remedies hereunder are cumulative and the exercise of any one or more of such remedies shall not be construed as a waiver of any other remedy herein conferred upon the City or hereafter existing at law or in equity.

SECTION 6. DEVELOPER'S REPRESENTATIONS AND COVENANTS.

The Developer hereby represents, warrants, covenants and agrees as follows:

6.1 The Developer is a(n) Illinois limited liability company duly organized, validly existing, and in good standing under the laws of the State of Illinois. The Developer has full power and authority to acquire, own and develop the Property, and the person signing this Agreement on behalf of the Developer has the authority to do so.

6.2 The Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement. The Developer's execution, delivery and performance of this Agreement has been duly authorized by all necessary action, and does not and will not violate the Developer's articles of organization or operating agreement, or any applicable laws, nor will such execution, delivery and performance, upon the giving of notice or lapse of time or both, result in a breach or violation of, or constitute a default under, or require any consent under, any other agreement, instrument or document to which the Developer, or any party affiliated with the Developer, is a party or by which the Developer or the Property is now or may become bound.

6.3 All of the statements, representations and warranties contained in the Affordable Housing Profile Form and any other document submitted by the Developer to the City in connection with this Agreement are true, accurate and complete.

SECTION 7. GENERAL PROVISIONS.

7.1 Governing Law/Binding Effect. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois without regard to its conflict of laws principles. Each of the parties hereto warrants and represents that this Agreement is valid, binding and enforceable against them in accordance with the terms and conditions of Illinois law.

7.2 Successors and Assigns. Except as otherwise provided in this Agreement, the terms and conditions of this Agreement shall apply to and bind the successors and assigns of the parties.

7.3 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

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7.4 Modification. This Agreement may not be modified or amended in any manner without the prior written consent of the parties hereto. No term of this Agreement may be waived or discharged orally or by any course of dealing, but only by an instrument in writing signed by the party benefited by such term

7.5 Notices. Unless otherwise specified, any notice, demand or communication required or permitted to be given hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) facsimile or email, provided that there is written confirmation of such communication; (c) overnight courier; or (d) registered or certified first class mail, postage prepaid, return receipt requested:

If to the City:	City of Chicago Department of Housing 121 North LaSalle Street, Room 1003 Chicago, Illinois 60602 Attn: Commissioner ARO@cityofchicago.org
With a copy to:	City of Chicago Department of Law 121 North LaSalle Street, Suite 600 Chicago, Illinois 60602 Attn: Real Estate and Land Use Division grace.wanja@cityofchicago.org
If to the Developer:	ZSD Boniface LLC 3151 North Halsted Street Chicago, Illinois 60657 Attn: Zev Salmon zev@zsdcorp.com
With a copy to:	Thompson Coburn LLP 55 E. Monroe Street, 37 th Floor Chicago, Illinois 60603 Attn: Katriina S. McGuire kmcguire@thompsoncoburn.com

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon confirmed transmission by facsimile or email, respectively, provided that such facsimile or email transmission is confirmed as having occurred prior to 5:00 p.m. on a business day. If such transmission occurred after 5:00 p.m. on a business day or on a non-business day, it shall be deemed to have been given on the next business day. Any notice, demand or communication given pursuant to clause (c) shall be deemed received on the business day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received three (3) business days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given. The refusal to accept delivery by any party or the inability to deliver any communication because of a changed address of which no notice has been given in accordance with this Section 7.5 shall constitute delivery.

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7.6 Indemnification. The Developer hereby agrees to fully and unconditionally indemnify, defend and hold harmless the City, its elected officials, officers, employees, agents and representatives, from and against any judgments, losses, liabilities, claims, suits, actions, causes of action, damages (including consequential damages), costs and expenses of whatsoever kind or nature (including, without limitation, attorneys' fees, court costs, expert witness fees, and any other professional fees and litigation expenses) suffered or incurred by the City arising from or in connection with: (a) the failure of the Developer to perform its obligations under this Agreement or to comply with the requirements of the ARO; (b) the failure of the Developer to comply with any other law, code, or regulation that governs the construction, occupancy, sale or lease of any Affordable Unit; (c) breaches of the Developer's representations and warranties contained in this Agreement; (d) the construction and management of the Project (and/or the Off-Site Development if applicable); (e) any misrepresentation or omission made by the Developer or any Agent of the Developer with respect to the Project (and/or the Off-Site Development if applicable); (f) the responses or documents provided by the Developer or any Agent of Developer pursuant to the terms of this Agreement; and (g) any activity undertaken by the Developer or any Agent of the Developer on the Property (and/or the Off-Site Development if applicable). This indemnification shall survive the expiration or any termination of this Agreement (regardless of the reason for such termination).

7.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same Agreement.

7.8 Effective Date. This Agreement shall be deemed to be in effect as of the date first set forth above.

7.9 Exhibits. All exhibits referred to herein and attached hereto shall be deemed part of this Agreement.

7.10 Form of Documents. All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

7.11 Headings. The headings of the various sections and subsections of this Agreement have been inserted for convenience of reference only and shall not in any manner be construed as modifying, amending or affecting in any way the express terms and provisions hereof.

7.12 No Third Party Benefits. This Agreement is made for the sole benefit of the City and the Developer and their respective successors and assigns and, except as otherwise expressly provided herein, no other party shall have any legal interest of any kind hereunder or by reason of this Agreement. Whether or not the City elects to employ any or all of the rights, powers or remedies available to it hereunder, the City shall have no obligation or liability of any kind to any third party by reason of this Agreement or any of the City's actions or omissions pursuant hereto or otherwise in connection herewith.

7.13 Joint and Several Liability. If this Agreement is executed by more than one party as the "Developer," together such entities agree that they are jointly and severally liable to the City for the performance of all obligations under the ARO and this Agreement. Each obligation, promise, agreement, covenant, representation and warranty of each entity comprising the Developer shall be deemed to have been made by, and be binding upon, the other entities

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comprising the Developer and their respective successors and assigns. The City may bring an action against any such entity with respect to the obligations under the ARO and this Agreement without regard to whether an action is brought against the other entities comprising the Developer.

7.14 No Waiver. No waiver by the City with respect to any specific default by the Developer shall be deemed to be a waiver of the rights of the City with respect to any other defaults of the Developer, nor shall any forbearance by the City to seek a remedy for any breach or default be deemed a waiver of its rights and remedies with respect to such breach or default, nor shall the City be deemed to have waived any of its rights and remedies unless such waiver is in writing.

7.15 Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

7.16 New Tax Parcels. If the Cook County Assessor's Office grants a Petition for Division and/or Consolidation of the Property, the Developer shall immediately (a) re-record this Agreement against any newly created tax parcels containing Affordable Units, and (b) deliver a copy of the re-recorded Agreement to the City.

7.17 Recordkeeping and Reporting. Upon request of the Department, the Developer shall promptly provide any additional information or documentation requested in writing by the Department to verify the Developer's compliance with the provisions of this Agreement. At the written request of the Department, the Developer shall, within a reasonable time following receipt of such request, furnish reports and shall give specific answers to questions upon which information is desired from time to time relative to the income, assets, liabilities, contracts, operations, and condition of the Property (and/or the Off-Site Development if applicable), and the Developer's compliance with this Agreement.

7.18 Additional Security to Secure Construction of Affordable Units. The Developer shall provide additional security for its obligations under Section 4.1 of this Agreement by providing either a personal guaranty from a principal of Developer, which may be an individual, or if the Department is provided with certified financials for same that are approved by the Department, a related corporate entity or a letter of credit. The Developer has elected to provide a personal guaranty pursuant to the terms set forth in Section 7.19 below. The additional security required by this Section 7.18 shall not be construed to limit in any way any other remedy or rights herein conferred upon the City or hereafter existing at law or in equity.

7.19 Personal Guaranty. Guarantor hereby personally guarantees to the City the performance of the construction obligations of Section 4.1(a) hereof as if Guarantor were Developer hereunder. This guaranty shall in all respects be Guarantor's absolute, continuing, unconditional and irrevocable guaranty of the construction of the Affordable Unit(s) in accordance with the terms of this Agreement. Guarantor will pay without the necessity of prior demand beyond the notice required by Section 5.2 hereof, any and all amounts due and owing under this Agreement pursuant to Developer's default in complying with Section 4.1(a) hereof. The City shall not be obligated to exhaust any right or take any action against Developer or any other person or entity prior to the enforcement of its rights under this guaranty. Except as set forth below, this guaranty shall in no way be impaired or affected by any assignment of this Agreement, delay in enforcing any of the terms, conditions and covenants of this Agreement, bankruptcy or receivership (either voluntary or involuntary) of Developer, or assignment by

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Developer for the benefit of creditors. This guaranty shall expire upon the City's inspection of the Project confirming Developer's compliance with Section 4.1(a) hereof. Such inspection shall occur within 30 days after the pre-marketing meeting described in Section 4.6 hereof and before occupancy of the Affordable Unit(s). Pursuant to Section 3, if the Developer sells or assigns the Property or the Project, the City shall release Guarantor from the obligations hereunder, within thirty (30) days of such purchaser providing either a personal guaranty from a principal, or if the Department is provided with certified financials for same that are approved by the Department, a related corporate entity, or a letter of credit, in a form approved by the Department. If the Guarantor involuntarily loses control of the Property or Project, this guaranty shall have no further force or effect, unless the Guarantor regains control of the Property or Project.

Signature Pages Follow

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EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

LOTS 3 AND 4 IN JACOB GENESER'S SUBDIVISION OF LOTS 45 TO 48 AND THE VACATED ALLEY LYING SOUTH AND ADJOINING SAID LOTS 45, 46, 47 AND THE WEST 7 FEET OF LOT 48 IN BLOCK 23 IN THE CANAL TRUSTEES' SUBDIVISION IN THE WEST 1/2 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 87 TO 94, BOTH INCLUSIVE, IN THE SUBDIVISION OF BLOCKS 23 AND 25 IN CANAL TRUSTEES' SUBDIVISION OF THE WEST 1/2 IN SECTION 5, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 1340-58 West Chestnut Street and 901-927 North Noble Street
Chicago, Illinois 60642.

PINs: 17-05-320-003-0000
17-05-320-034-0000

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EXHIBIT B

AFFORDABLE HOUSING PROFILE FORM

(ATTACHED)

(REMAINING PAGE LEFT BLANK)

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COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

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ARO Affordable Housing Profile Form (AHP)

Submit this form for projects that are subject to the 2015 ARO Near North/Near West Pilot, Milwaukee Pilot or Pilsen/Little Village Pilot Ordinances (all projects submitted to City Council after October 13, 2015). More information is online at www.cityofchicago.gov/ARO. Submit the completed form to the Department of Housing (DOH), 121 N. LaSalle Street, 10th Floor, Chicago, IL 60602. E-mail: denise.roman@cityofchicago.org or justin.root@cityofchicago.org. Applications that include off-site units should submit documentation listed on page two.

Date: September 22, 2022

DEVELOPMENT INFORMATION

Development Name: St. Boniface

Development Address: 1340-58 W. Chestnut/901-21 N. Noble

Zoning Application Number, if applicable: PD 1401

Ward: 27

If you are working with a Planner at the City, what is his/her name? Heidi Sperry

Type of City Involvement

check all that apply

City Land

Planned Development (PD)

Financial Assistance

Transit Served Location (TSL) project

Zoning increase

REQUIRED ATTACHMENTS: the AHP will not be reviewed until all required docs are received

ARO Web Form completed and attached - or submitted online on 9/8/22

ARO "Affordable Unit Details and Square Footage" worksheet completed and attached (Excel)

If ARO units proposed, Dimensioned Floor Plans with affordable units highlighted are attached (pdf)

If ARO units proposed are off-site, required attachments are included (see next page)

If ARO units are CHA/Authorized Agency units, signed acceptance letter is attached (pdf)

DEVELOPER INFORMATION

Developer Name St. Boniface, LLC

Developer Contact Zev Salomon

Developer Address 3151 N. Halsted, Chicago, IL 60657

Email zev@zsdcorp.com

Developer Phone 773-357-0167

Attorney Name Katriina S. McGuire/Thompson Coburn LLP

Attorney Phone 312-530-2326

TIMING

Estimated date marketing will begin

4th qtr. 2022

Estimated date of building permit*

Estimated date ARO units will be complete

4th qtr. 2023

*the in-lieu fee, recorded covenant and \$5,000 per unit administration fee (for off-site units) are required prior to the issuance of any building permits, including the foundation permit.

PROPOSED UNITS MEET REQUIREMENTS (to be executed by Developer & ARO Project Manager)

by: ZSD Boniface LLC
by: St. Boniface, LLC

[Signature]
its, Manager

Developer or their agent

[Signature]
Date

09/08/2022

ARO Project Manager, DOH

Date



AFFORDABLE REQUIREMENTS ORDINANCE

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ARO Web Form

Applicant Contact Information

Name: St. Boniface, LLC

Email: zev@zsdcorp.com

Development Information

Address

Printed Date: 07/29/2021

Number From: 1340 Number To: 1358 Direction: W

Street Name: Chestnut Street Postal Code: 60642

Development Name

St. Boniface

Are you rezoning to downtown?: No

Is your project subject to the ARO Pilots?: No

Information

Ward: 27

ARO Zone: Higher Income

Details

ARO Trigger: ZC and city land sale

Total Units 47

Development Type: Sale

TSL Project: TSL-or FAR doesn't exceed 3.5

Date Submitted: 09/08/2022

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Requirements

Affordable Units: 5 *On-site aff. Units: 1

How do you intend to meet your required obligation

On-Site: 8 Off-Site: 0

On-Site to CHA or Authorized Agency: 0 Off-Site to CHA or Authorized agency: 0

Total Units: 8 In-Lieu Fee Owed: 0

8 Affordable Units in Sub-Area A (5 ARO Units + 3 Additional Units pursuant to the RDA and minimum square footage requirements).

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COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

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Project Name	St. Boniface
Zoning Application number, if applicable	
Address	1350 W. Chestnut Ave. Chicago, IL
Is this a For Sale or Rental Project?	For Sale
Anticipated average psf rent/price?*	
Total Units in Project	47
Total Affordable units	3

unit type	market rate			ARO			affordable v. market square footage*
	how many?	% of total	avg. square footage	how many?*	% of total	avg. square footage	
Studio	1	3%	930	0	0%	0	0.0%
one-bed	0	0%	0	0	0%	0	0.0%
two-bed	0	0%	0	6	75%	894	0.0%
three-bed	24	62%	2,085	1	13%	1,285	61.6%
four-bed	14	36%	2,291	1	13%	1,507	65.8%

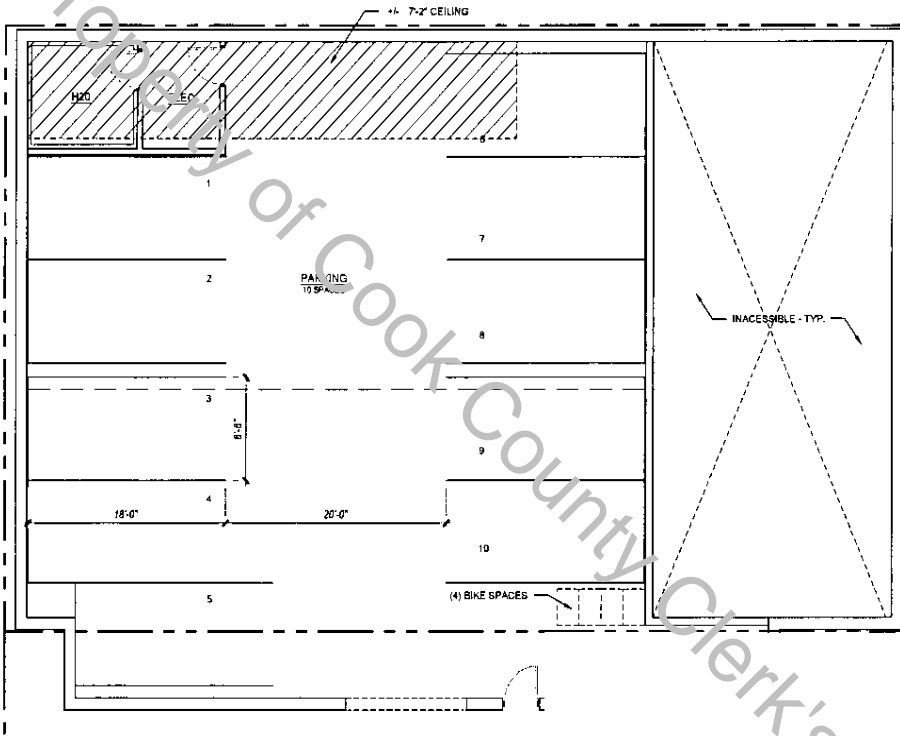
All projects with proposed ARO units must complete this tab

	Market Rate Units	Affordable Units
Parking	53 Total	10 Total
Laundry	In unit	In unit
Appliances		
Refrigerator <i>age/EnergyStar/make/model/color</i>	new, Energy Star compliant, Bosch or equal	new, Energy Star compliant, Frigidaire or equal
Dishwasher <i>age/EnergyStar/make/model/color</i>	new, Energy Star compliant, Bosch or equal	new, Energy Star compliant, Frigidaire or equal
Stove/Oven <i>age/EnergyStar/make/model/color</i>	new, Energy Star compliant, Thermador or equal	new, Energy Star compliant, Frigidaire or equal
Microwave <i>age/EnergyStar/make/model/color</i>	new, Energy Star compliant, Bosch or equal	new, Energy Star compliant, Frigidaire or equal
Bathroom(s) <i>how many?</i> <i>Half bath? Full bath?</i>	1 half bath in select units, 1-4 full baths in all units	2 bedroom units/ 1 full bath; 2 Bedroom units/2 full baths
Kitchen countertops <i>material</i>	Quartz	Quartz
Flooring <i>material</i>	porcelain tile, wood, carpet	Wood look LVT & Carpet
HVAC	High efficiency furnace & A/C compressor	High efficiency furnace & A/C compressor
Other		

Cook County Clerk's Office

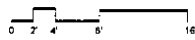
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1 RESIDENCES (SUBAREA A) - BASEMENT PLAN

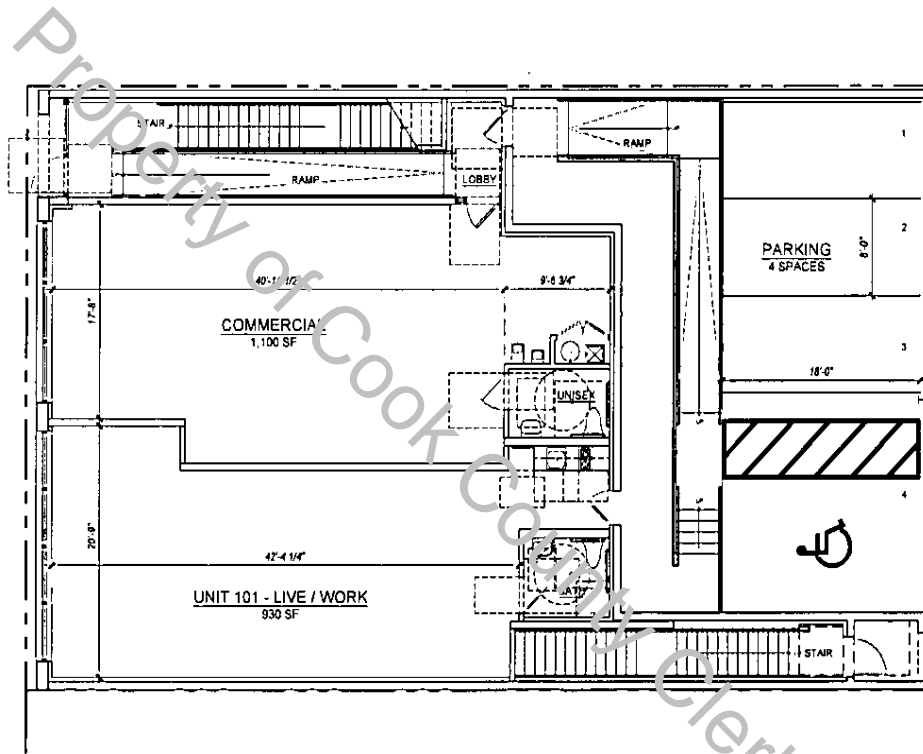
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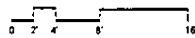
NUSH
 921 N. NOBLE ST.
 CHICAGO, ILLINOIS 60642

SPACE ARCHITECTS + PLANNERS
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 18.10.22

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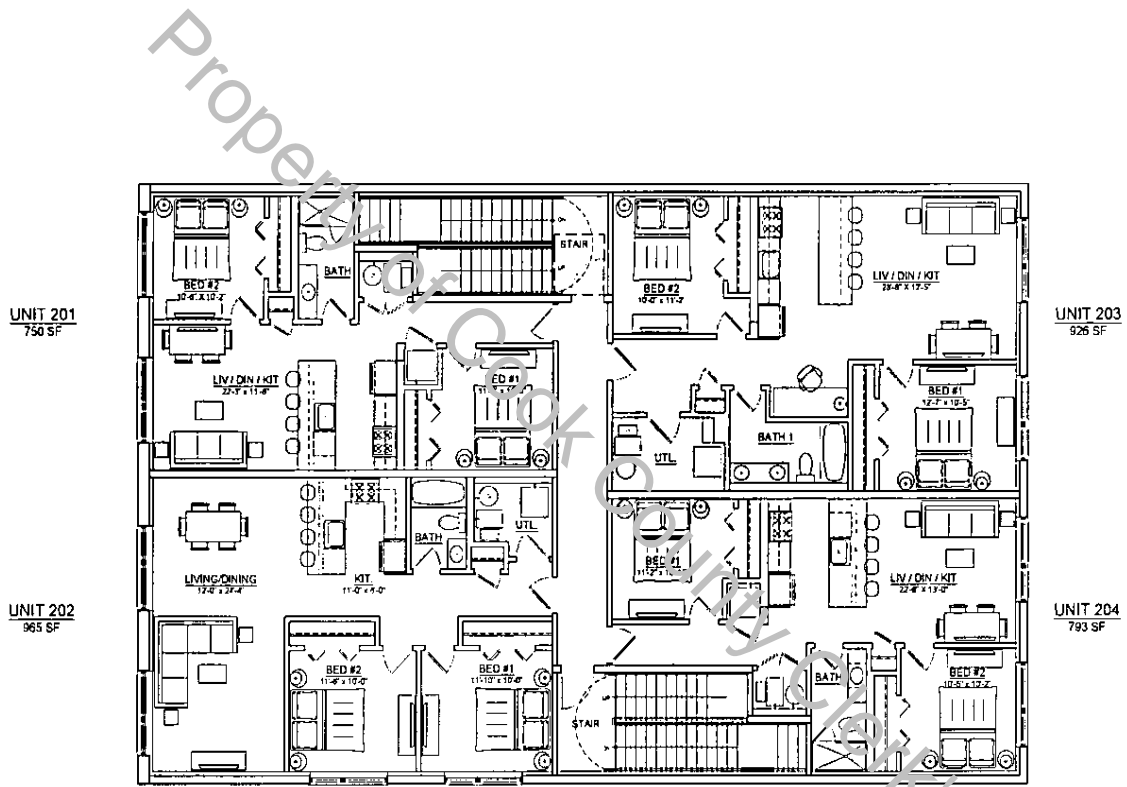
1 RESIDENCES (SUBAREA A) - 1ST FLR PLAN
SCALE: 1/8" = 1'-0"



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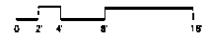
SPACE VERSION
 DPD.5
 DATE

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1 RESIDENCES (SUBAREA A) - 2ND FLR PLAN

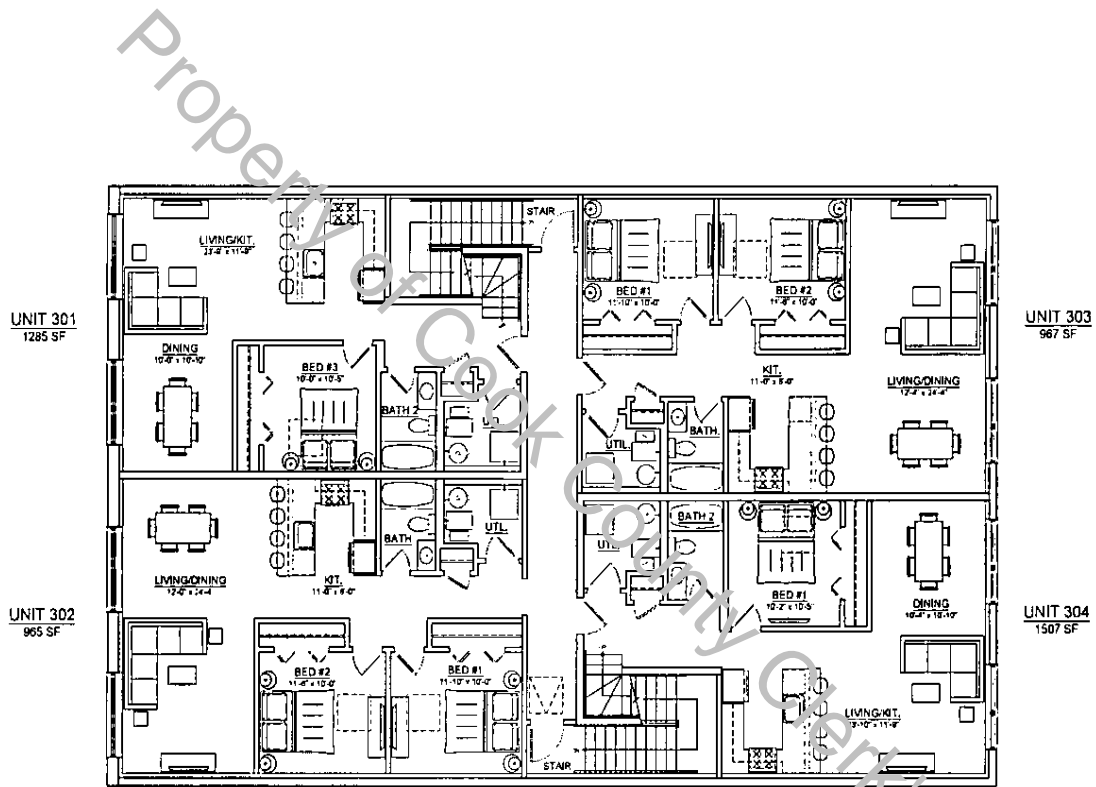
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 921 N. NOBLE ST.
 CHICAGO, ILLINOIS 60647

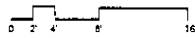
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 APC-111711-1 - 01-10-2014
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 10/10/2014
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 10/10/2014

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1 RESIDENCES (SUBAREA A) - 3RD FLR PLAN

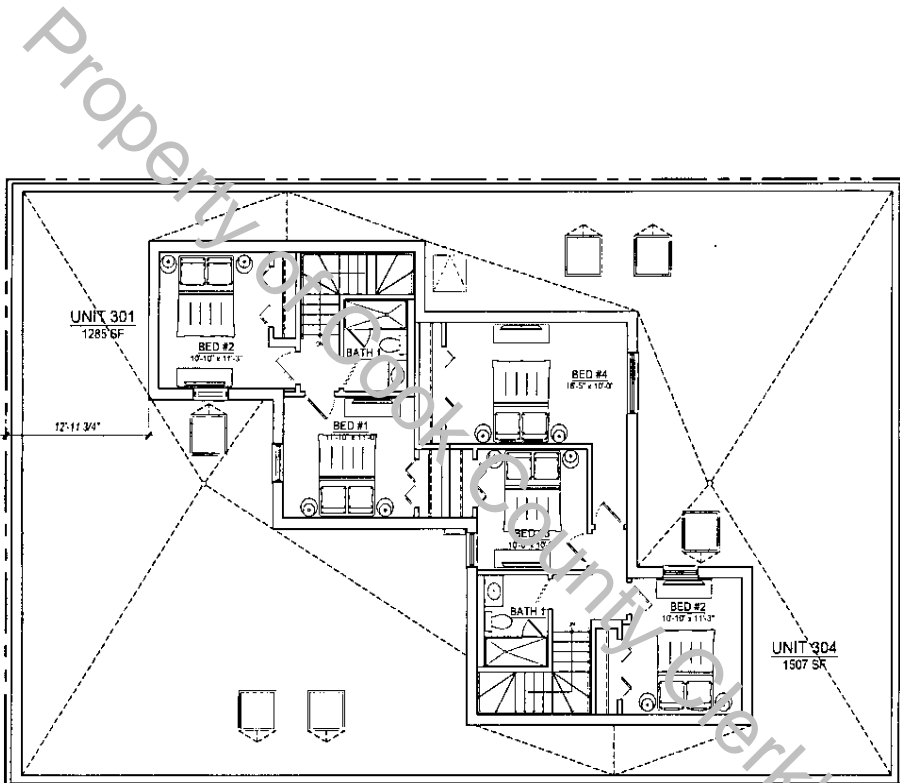
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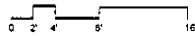
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 921 N. NOBLE ST.
 CHICAGO, ILLINOIS 60642

SPACE VERSION
 ARCHITECTS, P.L.L.C. **DPD.5**
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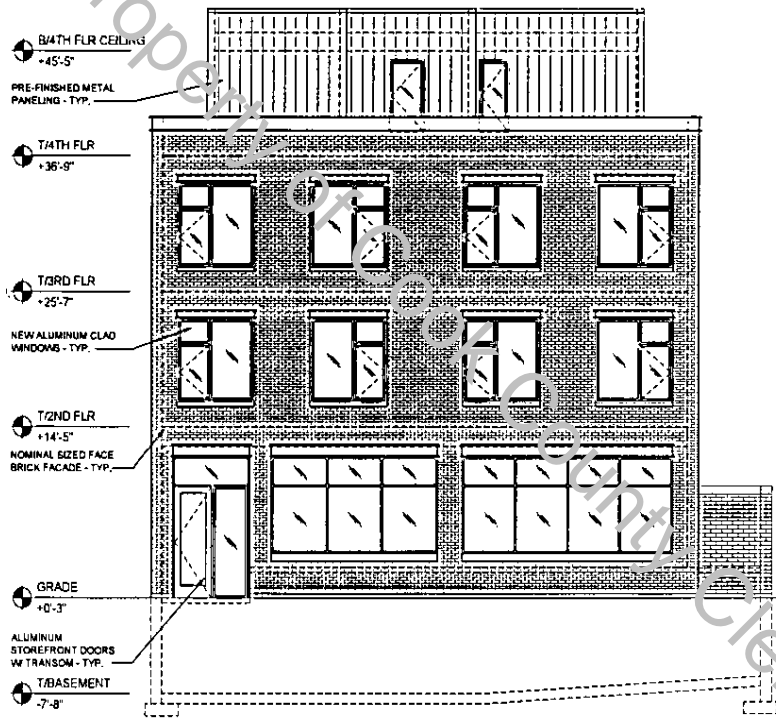
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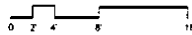
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 921 N. NOBLE ST.
 CHICAGO, ILLINOIS 60642

SPACE | **VERSION**
 ARCHITECTS & ENGINEERS
 400 N. LAUREL ST. CHICAGO, IL 60610
 TEL: 312.467.1000 FAX: 312.467.1001
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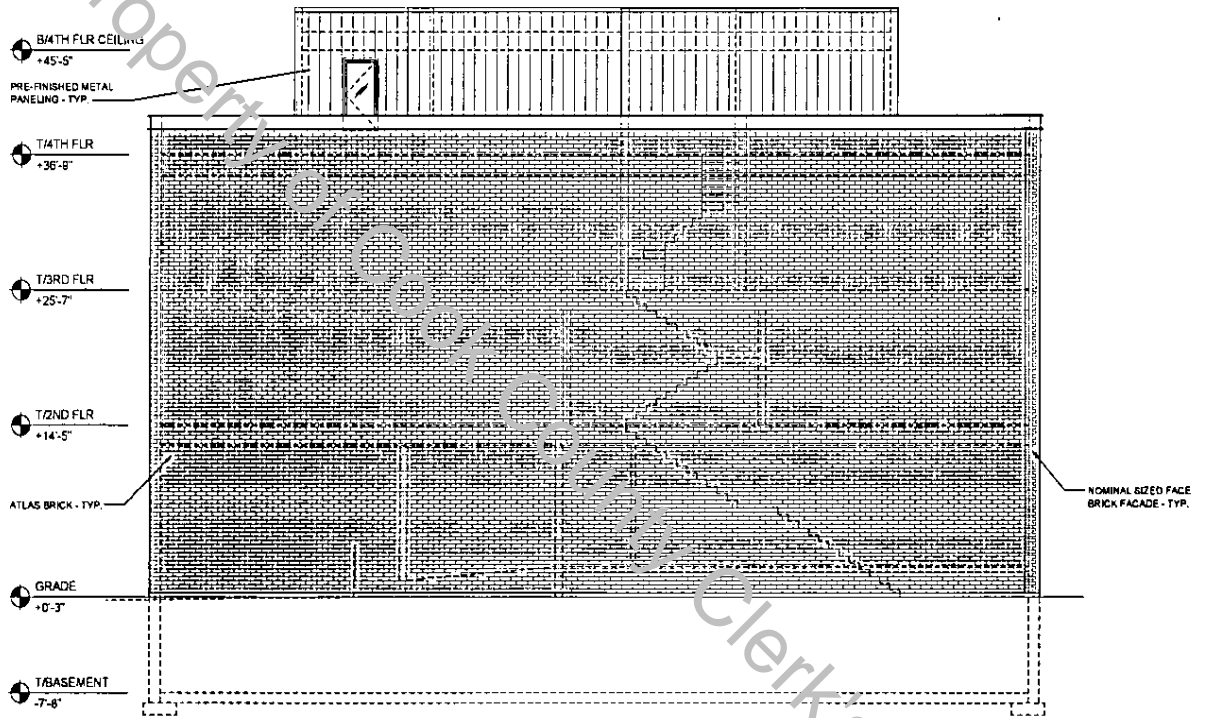
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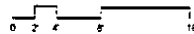
ST. BONIFACE
 N. NOBLE ST. AND W. CHESTNUT ST.
 CHICAGO, ILLINOIS 60642

SPACE | VERSION
 ARCHITECTS & PLANNERS
 1000 N. LA SALLE ST. SUITE 1000
 CHICAGO, IL 60610
DPD.5
 10.17.17

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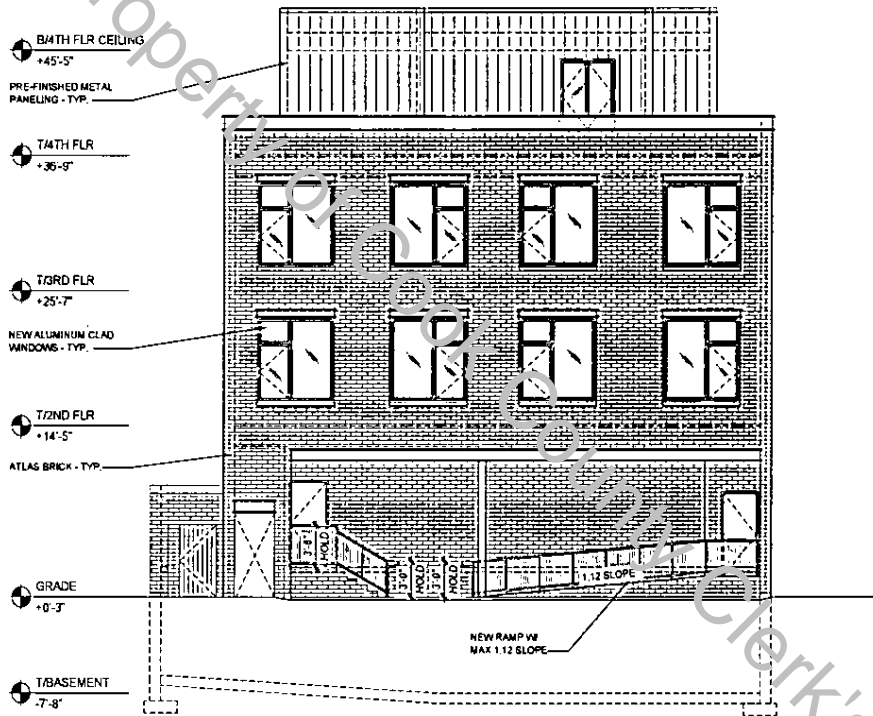
1 (SUBAREA A) - NORTH ELEVATION
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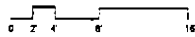
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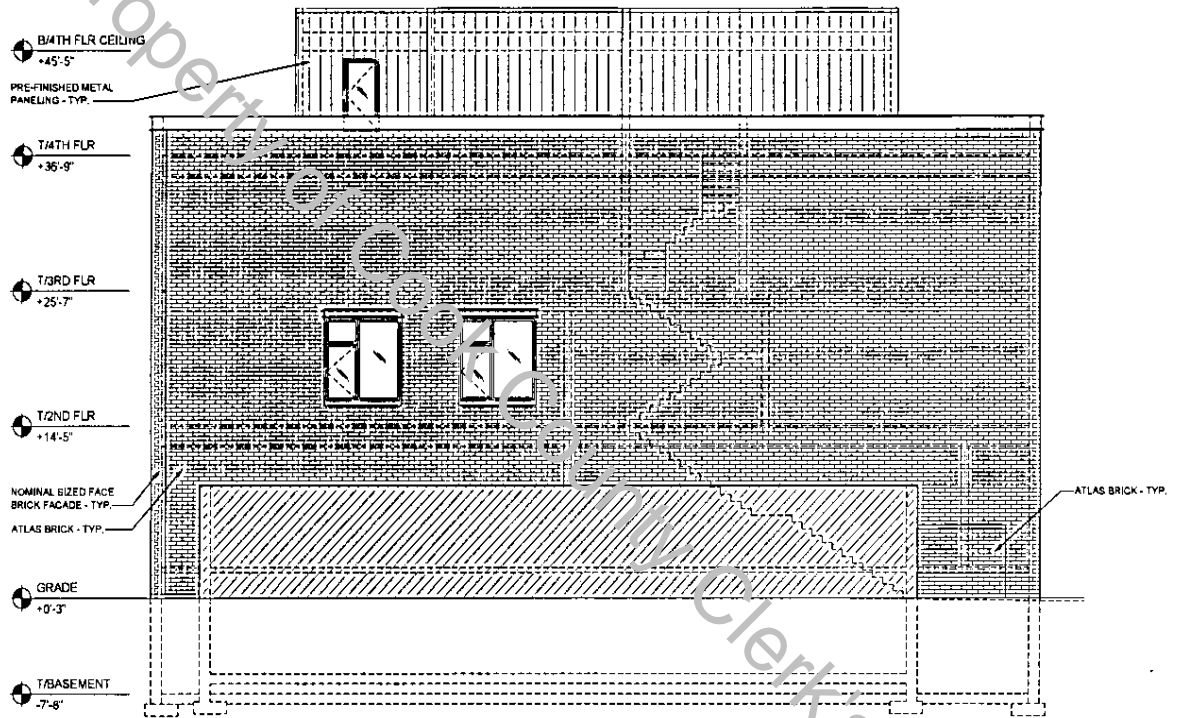
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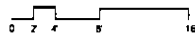
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1 (SUBAREA A) - SOUTH ELEVATION
SCALE: 1/8" = 1'-0"



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