



SECTION 3. Subject to the approval of the Corporation Counsel, and subject to the appropriation of funding, the Commissioner of DPD (the "Commissioner") and a designee of the Commissioner are each hereby authorized to execute and deliver grant agreements and lien covenants to individuals who qualify under the Building Neighborhoods and Affordable Homes Program for the purpose of financing the purchase of property that qualifies under the Building Neighborhoods and Affordable Homes Program, and to execute all such other agreements and instruments, including subordinations of the City lien covenants to later re-financings, and to perform any and all acts as shall be necessary or advisable in connection with the Building Neighborhoods and Affordable Homes Program.

SECTION 4. The Commissioner of DPD shall promulgate rules pertaining to the implementation of the Building Neighborhoods and Affordable Homes Program.

SECTION 5. The Building Neighborhoods and Affordable Homes Program is not subject to Sections 2-45-115, 2-45-117 or 2-45-119 of the Municipal Code of the City of Chicago (the "Municipal Code").

SECTION 6. The Building Neighborhoods and Affordable Homes Program is an

Eligible Program, and employees of the City who qualify for participation in the Program are Eligible Persons, as such terms are defined in Section 2-45-130 of the Municipal Code.

SECTION 7. The amount of \$5,000,000 is hereby appropriated for the Building Neighborhood and Affordable Homes Program from the fund referred to in Section 2-45-115(G) of the Municipal Code.

SECTION 8. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 9. This ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibit A

Building Neighborhoods and Affordable Homes Purchase Price Assistance Program

General Description:

The Program provides forgivable grants to qualifying buyers to assist in their purchase of primary, owner-occupied residences that are located within specific targeted geographic areas within the City, as set forth below and in implementing rules adopted from time to time by DPD.

Eligible Participant:

All of (1), (2) and (3) must be met:

- 1) A homebuyer (individual or jointly) who is purchasing a residential building built under the City of Chicago City Lots for Working Families Program within one of five Eligible Targeted Areas; and
- 2) who will dwell within one of the dwelling units within the building as her, his or their primary, owner-occupied home for a term, of ten (10) years; and
- 3) whose household income does not exceed 140% of the median household income for the Chicago Primary Metropolitan Statistical Area.

Eligible Locations:

The purchased building must be located within one of the eligible targeted areas set forth on Exhibit B

attached hereto.

Eligible Property Type:

The purchased building must be a newly constructed single family residential building containing no more than two dwelling units built under the City's City Lots for Working Family Program.

Forgivable Grant terms:

Grant amount: Not to exceed \$60,000 per Eligible Property

Term: 10 years from the date of the Grant agreement

Eligible costs: The grant proceeds may be used for any of the following costs, paid to others (not directly to the Eligible Participant), in connection with the purchase by Eligible Participant of the Eligible Property:

To seller: (i) the difference between the sale price and the appraised value of the Eligible Property (the "property appraisal gap"); (ii) down payment  
To others: title insurance, credit reports, recording fees, appraisal costs, points, transfer stamps, water certification settlement fees, third party property inspection fees, first year's pre-payment of mortgage insurance, pre-paid interest

And such other costs as approved by DPD at time of purchase

Cash out, or cash to Eligible Participant:

Buyer's equity:

Property appraisal:

Senior loan:

Other loans:

Not permitted

Not less than 3% of the purchase price

A copy of the property appraisal, prepared by a licensed appraiser, along with the negotiated purchase price of the Eligible Property, must be supplied to DPD for analysis of the property appraisal gap amount

A copy of the senior loan commitment to Eligible Participant must be supplied to DPD for analysis of the down payment amount

The Eligible Participant must be the named borrower on all other loans made in connection with the Eligible Property during the Term

An Affordable Housing Covenant and Agreement, entered into by the Eligible Participant and the City, will be recorded as a lien against the Eligible Property at the time of sale, to run for the Term of the Grant

Permitted, only by (i) the senior purchase mortgage, (ii) the second junior mortgage required under the City Lots for

Working Families program, and (iii) utility easements

The lien of the Affordable Housing Covenant and Agreement shall be (i) junior to the senior purchase mortgage, and (ii) senior to the second junior mortgage required under the City Lots for Working Families program

Permitted, only to any replacement senior purchase mortgage undertaken by the Eligible Participant during the Term

An amount equal to one tenth (1/10<sup>th</sup>) of the original Grant amount will be forgiven on each anniversary of the date of the Grant, provided that the Eligible Property continues to serve as the primary or principal dwelling of record of at least one Eligible Participant and the Eligible Participant continues to be an Eligible Participant as defined above

Recapture analysis and workouts of troubled Grants will be undertaken by DPD pursuant to hardship rules it adopts for the

Program

**Exhibit B**

**Eligible targeted areas**

An Eligible unit must be built under the City Lots for Working Families Program and located within one of these targeted areas:

<b>Target Areas</b>	<b>Target Area Boundaries</b>	<b>Ward(s)</b>
<b>Englewood Square</b>	North: 59th Street (both sides of the street) South: Marquette Rd. (both sides of the street) • East: Stewart Ave. (both sides of the street) West: Morgan Street (both sides of the street)	<b>16</b>
<b>North Lawndale</b>	North: Roosevelt Rd. South: Ogden Ave. East: Albany Ave. (both sides of the street) West: Homan Ave. (both sides of the street)	<b>24</b>
<b>South Lawndale</b>	North: 18th Street (both sides of the street) South: 27th Street (both sides of the street) East: Sacramento Ave. (both sides of the street) West: Kostner Ave. (both sides of the street)	<b>24 22 12</b>
<b>Humboldt Park / Garfield Park</b>	North: Division Street/Grand Avenue South: I-290 East: Kedzie Ave. (both sides of the street) West: Keeler Ave. (both sides of the street)	<b>27 28 37</b>
<b>Wood lawn</b>	North: 61 st Street (both sides of the street) South: 69 <sup>th</sup> Place (both sides of the street) East: Harper Ave. (both sides of the street) West: St. Lawrence Ave. (both sides of the street)	<b>20</b>