

CL4WF Policies & Procedures

1. Application – First step

- Submit the list of [city-owned lots](#) on which you wish to construct homes with CL4WF Letter of Interest.
- When DOH approves your lot list, you and your architect will be required to attend a meeting with DOH and DPD staff to review the lots, review the characteristics of existing nearby housing stock, and to discuss the City's design standards. This meeting can either be in person, or online.

2. Application – Second step

- After step one is finished, complete the [application](#), confirming inclusion of all necessary information and documentation through the checklist provided and submit the \$1,000 application fee in the form of a non-refundable cashier's check, company check, certified check, or a money order made payable to the City of Chicago. All applications and drawings must be submitted electronically.
- After DOH's determines application is complete and approved, the developer must also obtain a Phase 1 environmental report (ASTM E1527-13) on all of the lots. The developer must obtain a [Right of Entry](#) from the City's Department of Assets, Information and Services (AIS) and have a Phase 1 Environmental Review undertaken at their own expense. The City will review the Phase 1 and will require a reliance letter from the environmental consulting firm.
- Separately, the developer will pay for the appraisal and title reports, which will be ordered by the City.
- Applications are accepted on an ongoing basis and approved based on merit and availability of resources.
- From time-to-time, the City may decide to issue a "Request for Applications" to develop homes under the program in a specific geographic area. In such circumstances, a Public Notice will be published and an informational meeting will be held with interested parties, either in person or online.

3. DOH review and approval of application

- The Department will only review applications that include all necessary documentation and will notify the applicant if the application is incomplete.
- A staff member will work with each applicant throughout the application process.
- Staff will complete a thorough review of the application using DOH underwriting standards. DOH reserves the right to negotiate with the developer regarding the specifics of any aspect of the proposed each development.
- The architectural design/construction review is a critical component of the application process and consists of:
 - DOH Architectural Design Review: review of design drawings, scope of work, project budget and context compatibility; approval will result in authorization of construction documents.
 - DPD Design Review: DPD reviews all developments tied to city land sales, to ensure conformance with design standards and neighborhood context.
 - Construction Document Review and Final Construction Review components occur at the construction phase as detailed in section 5.

4. City Council approval

- At least thirty (30) days after the required approval by the Chicago Plan Commission, and if necessary the Community Development Commission, an ordinance requesting the sale of land for a project is introduced by the Mayor to the City Council and then referred for a public hearing to a City Council committee.
- Economic Disclosure Statement, Ownership Disclosure Affidavit, and scofflaw checks must be completed prior to the City Council submission.
- Developer may be asked to appear before a City Council Committee, usually Housing and Real Estate, to answer questions or present his/her proposal; if passed, the ordinance is referred to the full Council.

5. Drafting and signing of legal agreements

- Financing commitments and required organizational documents pertaining to the project must be made available to DOH staff for review; Corporation Counsel will issue a closing document checklist to developer. The Corporation Counsel will prepare a Land Sale and Redevelopment Agreement which will define the land conveyance, scope of work, construction schedule, and the description of qualified purchasers, to be executed by the City and developer. Construction lenders must execute a Subordination Agreement.
- Developers must comply with the City's insurance requirements.
- DOH staff, in consultation with the City's Corporation Counsel, will review the financing commitment and loan documents.

6. Construction

- Construction Document Review: design confirmation and review of construction drawings and specifications; legal survey, soil report and environmental assessments, review of construction budget.
- Final Construction Review: verification of sworn statements from owners and contractors, agreements with architect and general and subcontractors, addenda and addenda approval, building permit, inspecting architect approval, fee waivers, and certificate of insurance. DOH Construction approval issued.
- DOH Pre-construction meeting held with Developer and Contractor, Notice-to-Proceed issued.
- Developer must start construction within 3 to 6 months of the execution of the Land Sale and Redevelopment Agreement. Construction must be completed within the period outlined in the Agreement.
- Construction phase will include progress, punch list and final inspections.
- Developer will submit monthly construction status and sales reports to assigned DOH staff.
- Developer Submits Certificate of Occupancy from Department of Buildings, which must be informed at time of permit application that a Certificate of Occupancy will be required.
- Developer requests Certificate of Compliance at 100% project completion as approved by developer's architect.

7. Sale and Closing of the newly constructed home

- Developer must submit a marketing plan to DOH Homeownership Center Division for approval
- Developers will supply DOH with a homebuyer application, along with supporting documentation for potential buyers. DOH staff will verify this documentation for affordability and eligibility purposes **prior to** a contract for purchase.
- Developer must submit a request to the DOH Closing Coordinator at least two weeks prior to closing date. This person will coordinate the City's role in the home sale closing among DOH, the Department of Law, outside counsel, the developer, and the title company.
- A homebuyer determined by the City to be eligible closes on the sale.
- Buyer will execute a mortgage recapture agreement or 5 year resale restriction if the land value is less than \$50,000.
- If any parcel is appraised over \$50,000 the land value will be recaptured upon re-sale of the home but is otherwise fully forgiven after 30 years of occupancy. In the City's sole discretion, non-market rate homes may be placed into the [Chicago Community Land Trust](#) when the underlying land value exceeds \$50,000.
- General Contractor issues a limited warranty (valid for a minimum of 1 year from date of first occupancy)
- From time-to-time the City may select certain targeted areas in which Purchase Price Assistance may be made available to a limited number of buyers of homes built under the City Lots for Working Families program.

8. Post-closing

- DOH monitors warranty compliance.
- Buyer is required to submit annual occupancy compliance documentation to DOH for (5) five to thirty years (typically (5) five years) depending on the amount of the land write down. This shall consist of an affidavit stating that the property is the owner's primary residence, and a copy of the owner's driver's license or state identification that displays the same address as the subject property.

General Guidelines

Neighborhood Selection

The priority areas for the CL4WF program are those that can leverage other City programs, recent development, and community assets to improve overall community development and include:

- Strongly consider selecting parcels within **Building Neighborhoods and Affordable Homes (BNAH)** areas to take advantage of the program’s financial assistance to potential purchasers.
- Prioritize areas that are experiencing other interventions, such as **INVEST South/West** Community Areas, in order to coordinate across investments and programs. The INVEST South/West Community Areas are: Austin, Humboldt Park, North Lawndale, New City, Quad Communities, Englewood, Auburn Gresham, South Shore, South Chicago, and Roseland.
- Prioritize areas near transit and other amenities
- Coordinate with City staff to ensure proposals align and respond to other ongoing neighborhood development

Block / Street Guidelines

Block / Street Guidelines aim to ensure coherent redevelopment strategies within a given neighborhood, with the goal of creating fully developed blocks and avoiding potential conflicts with future redevelopment goals.

- Cluster proposed development whenever possible, selecting parcels within adjacent blocks or along a single street
- If two or more contiguous parcels are selected, diversity of design must be employed to avoid architectural redundancy
- Select parcels that will fill in otherwise solid stretches of development (i.e. prioritize development on a vacant parcel surrounded by existing homes)
- Avoid selecting individual parcels that are surrounded by other vacant parcels in order to preserve larger sites for future redevelopment

General Design Guidelines

- Be mindful of site context – setbacks, building types, etc.
- Undertake basic site planning – match the setbacks of neighboring properties; as much as possible match the building proportions of neighboring homes
- Respond to architectural context with modern interpretations of the prominent features of neighboring homes
- Use high quality materials in your (2-3) model types
- Avoid fake treatments (i.e. parapet walls that suggest a flat roof but hiding a pitched roof)

Ignoring these General Design Guidelines will likely delay approval of your development plans, or may even result in rejection of your application.

Zoning Guidelines

	RS-1	RS-2	RS-3	RT-3.5	RT-4
Single Family	X	X	X	DEPENDS ON CONTEXT	
2-flat	Not allowed	Not allowed	X	X	X