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**ISSUE BRIEF: INCLUSIONARY HOUSING POLICIES IN CHICAGO**

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The City of Chicago Department of Planning and Development is responsible for administering two different types of inclusionary housing programs each governed by separate enabling legislation. Today in mid-2014, these are mature programs with administrative policies, clear-cut procedures, and transparent reporting. Their existence, however, results from 30 years of distinct but allied advocacy campaigns – each with common themes seeking equitable development and balanced attention between downtown growth and neighborhood needs.

The CRN Advocacy Committee in 1999 began research on other set aside programs throughout the country with the belief that Chicago’s real estate market was heating up. The effort was believed to be one important component of a comprehensive housing policy that would capture supporters of economic integration. It is important to note that it was not seen as a stand-alone solution to the lack of affordable rental housing. Of the CRN members who were development focused at that time, inclusionary housing policy would not benefit their efforts – but nonetheless – the interest was driven by mission and commitment.

In addition to our proposal – that all development over 10 units include 25% affordable housing – several other important coalitions developed similar proposals. Coinciding with this activity was the City’s effort to rewrite the Chicago Zoning Code. This leveraged many strategic opportunities to raise the need for affordable housing and to communicate the costs and benefits of development. When finalized in 2003, the new Zoning Code created a density bonus in downtown districts which required affordable housing as the first developer contribution.

Ultimately, the legislative leadership determined the direction and timing of introduction into City Council after many months of measured legal and political analysis. Importantly, there was a sense of urgency to craft a solution which avoid legal challenge under “takings” lawsuits. The first passage of the Affordable Requirements Ordinance was in 2003 and amended in 2007 created the Affordable Housing Opportunity Fund to capture fees in lieu which was defined as \$100,000 per unit.

Results to date according to City documents:

	Units	In Lieu of Fees
ARO before 2007	857*	
ARO 2011-present	55	\$14.1 million
Density Bonus	5	\$32.2 million

*\*Reported in 2007 document aggregating expected development pipeline in City Council process.*

The fees are to be used as follows:

60% for affordable housing development

20% to the Chicago Low Income Housing Trust Fund Corpus

20% to the Chicago Low Income Housing Trust Fund MAUI program

This Administration has increased transparency in its quarterly reporting to the City Council Committee on housing for these programs. While Density Bonus developments have been reported for many years, ARO developments have been listed since 2011. Last year the Department began listing the projects receiving funding from the Affordable Housing Opportunities Fund.

Certainly, Chicago is in dire need of affordable rental housing to provide a stabilizing force for families and communities. Considerations for program improvement should include:

Implementation of legislative requirement that \$100,000/unit in lieu of fee be pinned annually to inflation.

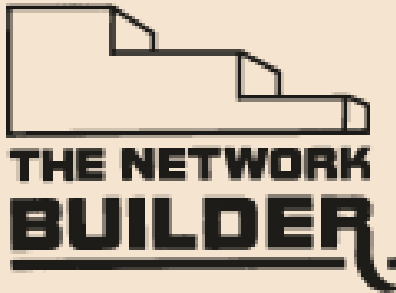
Is the per/unit in lieu of fee an appropriate level?

Have the resources raised by the policy increased overall availability of funds or reduced the City's corporate commitment to housing?

Allocations of funding from the Affordable Housing Opportunities Fund appear to be used as gap financing. Is this the best use of these funds?

## HISTORICAL EFFORTS TO LINK MARKET DEVELOPMENT TO HOUSING NEEDS

1986



The Chicago Rehab Network Newsletter

Issue No. 10

November/December 1986

### *Local groups press Pres. Towers demands*

*by Tom Carlson*

On October 22, more than 200 people demonstrated at the site of Presidential Towers, to call attention to the developers' misuse of public funds and to demand that they create low-income housing in exchange for favorable treatment from city and federal officials.

The Chicago Coalition for the Homeless, the Balanced Growth Coalition,

the Statewide Housing Action Coalition and the Chicago 1992 Committee participated in the action. Linda Haley, a spokesperson from South Austin, said the developers used taxpayer dollars to build luxury apartments for the rich, while demolishing housing for the poor.

Since McHugh, Levin and Shannon plan to construct a second phase — Presidential Towers II — the demonstrators aimed their demands at future

development. Presidential Towers II should not go forward, they say, unless the following conditions are met:

- **Save the Major Hotel:** This is the last remaining single-room occupancy hotel on the near west side, and is scheduled to be demolished by the developers. Instead, McHugh, Levin and Shannon should pay for its reha-

*(continued on page 10)*

# Presidential Towers

(continued from page 1)

bilitation.

- **620 low-income housing units:** The developers should either provide these units in Presidential Towers or fund neighborhood nonprofits to develop the units.

- **Jobs:** There must be an affirmative action plan for both construction and permanent jobs. The plan must include quotas for city residents, minorities and women. There must also be a strong affirmative action plan for construction and commercial contracts resulting from the new development.

- **Public review process:** The city must provide a public review process involving neighborhood hearings on all major, publicly-subsidized developments.

The demonstration has led to meetings with officials from the Mayor's office and the city's Dept. of Housing. The developers are currently in negotiations with the city to purchase additional land for the project's expansion. Coalition members are also pressing for a meeting with the developers. If there is an inadequate response to demands, coalition members have vowed to stage repeated actions.

The coalitions involved in the demonstration bring a number of different concerns into the effort. The Coalition

for the Homeless has been fighting for the past two years to save SROs, which are a rapidly-disappearing affordable housing option for lower-income single individuals. SHAC is working statewide to expand affordable housing. The 1992 Committee has watchdogged Presidential Towers and protested the misuse of public resources.

The Balanced Growth Coalition is a newly-formed effort on the part of Chicago community-based organizations to redress the imbalance in Chicago's economy so that neighborhood growth and development receives as much attention as downtown development.

Chicago's Central Business District is booming. Many are pointing to this explosion of new development, calling it economic revitalization. But simple growth in one area of the city does not make a healthy city, say coalition members. Not when there are disenfranchised communities who suffer with the reality of boarded-up housing, empty storefronts and manufacturers gone elsewhere.

There is no doubt that bold steps must be taken to improve Chicago's economy. But redevelopment should be balanced in a way that enables Chicago residents to build communities where they can live and work. The Balanced

Growth Coalition members met during this past summer to draft the following platform:

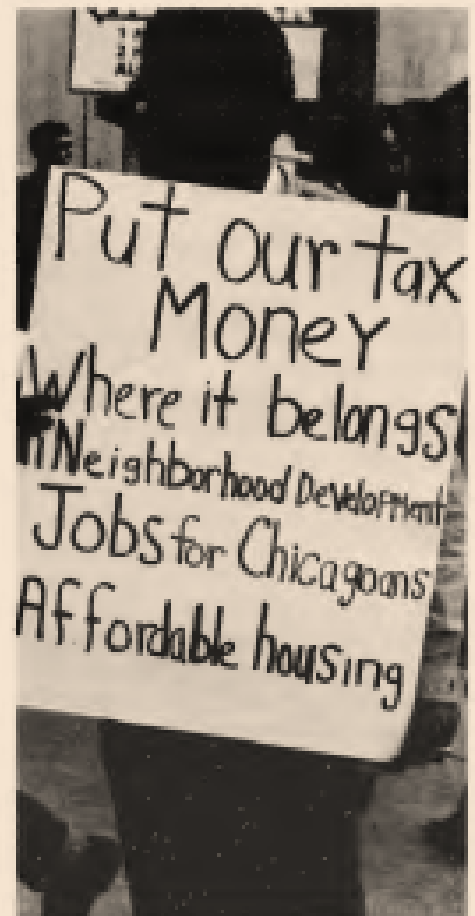
- **Local economic development:** That a fair share of capital improvements and other public subsidies be targeted to low- and moderate-income neighborhoods to support the creation of jobs and affordable housing.

- **Jobs:** That all publicly-subsidized development projects adopt a "First Source" hiring policy, offering Chicago residents a first crack at filling jobs created by the project.

- **Housing:** That the city enact a mandatory Linked Development program, with funds designated for affordable housing. That more public funds be targeted for low-income housing.

- **Neighborhood empowerment:** That neighborhood residents gain greater authority in setting priorities for local economic planning.

- **Anti-displacement:** That new development must not displace existing housing or jobs (directly or indirectly).



## BALANCED DEVELOPMENT PRINCIPLES

Members of the Public Private Finance Initiative assembled a set of principles to guide the investment of resources developed through the Initiative. These principles are grounded in the belief that balanced development will make healthier communities throughout the region. It is the role of government & private institutions to establish priorities, provide leadership and develop policies for the use of resources to support development consistent with these principles, beginning with housing for people with the greatest need.

The principles are:

Racially, culturally & economically diverse people can thrive within the same community.

All parts of the metropolitan area are appropriate for affordable housing and all areas are appropriate for market rate housing.

All workers should have opportunity to live in close proximity to employment.

Housing units and types should be heterogeneous so that different housing needs are met (ie. senior, family, purchase, rental).

Subsidized and market rate housing in the same development are designed to be indistinguishable to the greatest extent possible.

Long term residency & neighborhood stability should be supported.

Opportunities for the community to come together should be created.

The principles should be used to create a common understanding of the need for balanced development in planning and resource decisions. The principles will be forwarded to the decision making bodies of local and state governments. They should be incorporated into the evaluation of applications for resources created through the Public-Private Finance Initiative. They should also be incorporated into the development process on publicly and privately owned land whenever possible, and in the development of larger planning documents such as Consolidated Plans for the Department of Housing and Urban Development. The Public Private Finance Initiative will pursue a public education campaign to recognize projects developed in accordance with these principles.

# 25% Housing Set-Aside

## Concept Paper

### Our Vision

**25% of the units** in all new residential developments, substantial rehabilitations and condo conversions will be **set aside** for individuals as affordable. This will ensure that market rate development in all parts of the city includes a fair share of affordable housing. In addition, we will develop new strategies and resources for creating rental housing.

### Our Proposal

#### 1. General Requirements

In all new construction, substantial rehabilitation or condo conversions developments of 4 or more units, affordable housing must be supported through the following actions:

- **4 to 10 units** - 25% of the units must be set aside as affordable or the developer may make an in-lieu-of payment to a Neighborhood Housing Trust Fund (see below).
- **11 units or more** - 25% of the units must be set aside as affordable.
- **Special Exceptions** – While there is a clear preference for on-site set asides, in certain cases, in-lieu-of payments can be made to the Neighborhood Housing Trust Fund (see below).

#### 2. Definition of Affordability - Rental

As a minimum, set aside rental units must be affordable to individuals at or below 50% of the median income (currently \$35,250 for the Chicago PMSA) with rent at 30% of monthly income. In recognition of the need to serve individuals with very low incomes, fewer units will be required if they are set-aside at lower income levels.

#### 3. Definition of Affordability – For Sale

All set aside for sale units will be priced at a pre-determined affordable square foot construction cost for the housing type (attached, detached, multifamily), not including land costs.

#### 4. Right of First Refusal – Create Rental Opportunities

Non-profit developers and public agencies will have a right of first refusal to purchase half of all set aside for sale units at the affordable sales price to operate as affordable rental units.

#### 5. Construction and Floor Area Standards

Set aside units may have a smaller floor area and more modest finishes than market units, but should have a similar number of bedrooms. Construction standards will be established to ensure durable housing with mid-grade finishes.

#### 6. Term of Affordability

Set aside rental units must be kept affordable for 30 years. In for-sale developments, resale prices will be limited to the increase in the Chicago Consumer Price Index by for 20 years with a deed restriction. New buyers must also be income eligible.

#### 7. Neighborhood Housing Trust Fund

Developers may be permitted to pay into a Neighborhood Housing Trust Fund in lieu of creating affordable units. This Trust Fund money will create a new resource for affordable housing and not replace any existing public funds. Trust Funds will be created for all of Chicago's 77 community areas. Funds will be earmarked for use in the community area that the original development is located in. Use of the Trust Fund will be limited to rental housing development (including the purchase of setaside for sale units), limited equity co-op development and rental subsidy. All trust fund money will be targeted to tenants earning under 30% of the median income (currently \$21,150 for a family of four). The Trust funds will be administered by an accountable body such as the Chicago Low Income Housing Trust Fund.

## What is a housing set-aside?

A housing set-aside is a requirement that developers keep a portion of new or rehabilitated units affordable to people with low incomes. Sometimes called ‘inclusionary zoning’, set-asides *include* the cost of building affordable housing into the housing market. As communities develop, set-asides help create housing opportunities for a variety of income levels. With set-asides, new development will be more equitable and displacement of existing residents will be reduced.

## What is the cost of not providing affordable housing?

Housing, like health care and education is foundational for family, community and regional success. *Building new affordable housing in Chicago can:*

- *Prevent a family from becoming homeless.*
- *Keep children from switching schools due to family moves.*
- *Allow companies to stay in Chicago, near their workforce.*
- *Slow down suburban sprawl.*



One out of every five renters in Illinois spends more than 50% of their income on rent<sup>1</sup>. For them, ‘affordable housing’ translates into increased ability to put food on the table and clothes on their child’s back.

## How many units could this create?

Set-asides work with the private market to create mixed income communities. Over the last 25 years, the City of Chicago issued 262,333 building permits. Had a set-aside been in place, the private market would have created over 19,000 units<sup>2</sup>. The units would be located in the communities that have gained housing units such as Near South Side, Loop, Armour Square, West Town and Bridgeport<sup>3</sup>.



*“Housing is central to everything we’re trying to do in this city, because when people live in affordable, high-quality houses and apartments, they work harder to keep their neighborhoods clean, safe and livable.”*

**-Mayor Richard M. Daley  
May 15, 2001**

## Where has this strategy been successful?

Montgomery County, Maryland's housing set-aside has produced over 10,000 units of affordable for-sale and rental housing since 1974. In Boston, a Mayoral decree enforcing a set-aside is currently producing affordable units and payments to the city's housing trust fund. Like Chicago, Boston is experiencing a residential boom downtown that is forcing rents up across the city. Developers have the choice of setting aside affordable units or paying a \$52,000 per unit fee to the trust fund.

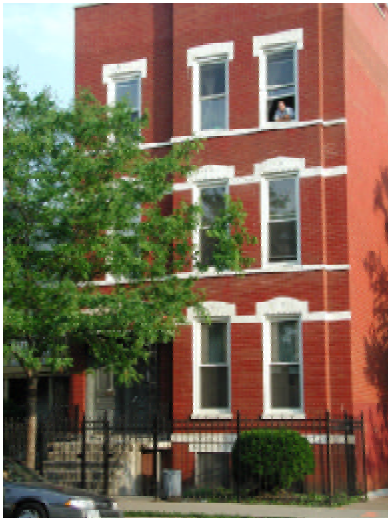
## Has this strategy ever worked in Chicago?

Yes. The City of Chicago has required some developers to set-aside units in exchange for tax increment financing (TIF), but not always. At the Montgomery Ward's redevelopment site 11% of the units will be affordable including some new CHA public housing. Alderman Walter Burnett and the Department of Planning and Development deserve praise for their hard work to craft a deal with the master developer, but affordability shouldn't come on a case-by-case basis. Chicago needs a set-aside law which applies evenly to all developers in the city.

*"When building commercial buildings, the law demands that the builder set aside a certain amount of space for parking and for places to walk, for public gardens, for all kinds of good things. In the same way, in the same exigent manner, we have to demand that affordable housing be protected by law itself."*

-Cardinal Francis George  
Valuing Affordability Conference  
June 28th, 2001

## Why now?



Chicagoans are being priced out of their neighborhoods. According to Census figures, Chicago is the only large city in the nation to gain population while losing rental housing over the last ten years. While Chicago lost 2,852 rental units, New York and Los Angeles gained 97,269 and 45,993 units each<sup>4</sup>. Unfortunately, new for-sale developments and condominium conversions are no longer an affordable option. The median sales price for condos and town homes sold in the last five years has grown 58% to over \$200,000, according to the Chicago Association of Realtors<sup>5</sup>.

1. 2000 Supplementary Survey, **U.S. Census Bureau**, Table H067: Gross rent as a percentage of household income in the past 12 months.

2. City of Chicago permit data and basis for set-aside estimate from *Expanding Housing Options through Inclusionary Zoning, Campaign for Sensible Growth* Ideas@Work vol. 3, June 2001. Set-asides estimates are based on the Montgomery County, MD inclusionary zoning ordinance, which has created over 10,000 affordable units since 1974.

3. Top 5 Chicago community areas gaining housing units from *Summary Tape File 1, U.S. Census Bureau*, 1990 and 2000.

4. *Profile of General Demographic Characteristics, U.S. Census Bureau*, Table DP-1, 1990 and 2000.

5. *Historical Home Sales Data, Chicago Association of Realtors*, comparison of median homes sales prices of single family attached units, 1996-2000.



# Inclusionary Housing in Chicago: the Affordable Housing Zoning Bonus



The Affordable Housing Zoning Bonus – or Density Bonus – was created in 2004 to enable developers in certain downtown zoning districts (DC, DX, and DR) to build additional square footage in exchange for providing on-site affordable housing OR contributing to the City’s Affordable Housing Opportunity Fund. Downtown developments that are subject to the Affordable Requirements Ordinance (ARO) may meet their ARO requirement by purchasing a Density Bonus.

Developments with on-site units receive four square feet of market-rate bonus space for every foot of affordable housing provided. The maximum allowed bonus is 20% of base FAR in dash-5; 25% in dash-7 or -10; and 30% of base FAR in dash-12 or -16 ([www.cityofchicago.org/zoning](http://www.cityofchicago.org/zoning) for zoning info).

Because of the high cost of downtown land, however, many exercise the in-lieu donation option. The formula for calculating the amount of that donation is here ▶

Formula for Off-site Affordable Housing Zoning Bonus	
$\text{Financial Contribution} = \frac{\text{Bonus floor area achieved via affordable housing bonus}}{\text{Median cost of land per buildable square foot}^*} \times 80\%$ <p style="text-align: right; font-size: small;">*cost will be updated regularly</p>	
Submarket (Table for use with the Density Bonus fees-in-lieu calculations)	Median Land Price per Base FAR Foot
<b>Loop:</b> Chicago River on north/west; Congress on south; Lake Shore Dr on east	\$31
<b>North:</b> Division on north; Chicago River on south/west; Lake Shore Dr. on east	\$43
<b>South:</b> Congress on north; I-55 on south; Chicago River on west; Lake Shore Dr. on east	\$22
<b>West:</b> Lake on north; Congress on south; Chicago River on east; Racine on west	\$29

Units must be affordable to households earning 100% of the area median income, as defined by the Department of Housing and Urban Development (HUD). Using these maximum incomes as a guide, the City defines affordable pricing for each development, based on the market price, assessments, and property taxes projected for the units. Affordable units must reflect the building’s overall unit mix.

HUD Median Income for Unit Type/Family Size (as of 2/2012)				
Number of Bedrooms	Assumed Family Size	60% of Median	80% of Median	100% of Median
Studio	1	\$31,860	\$42,500	\$53,100
1	1.5	\$34,140	\$45,525	\$56,900
2	3.0	\$40,980	\$54,600	\$68,300
3	4.5	\$47,310	\$63,100	\$78,850

and Urban Development (HUD). Using these maximum incomes as a guide, the City defines affordable pricing for each development, based on the market price, assessments, and property taxes projected for the units. Affordable units must reflect the building’s overall unit mix.

Affordable units are typically placed in the **Chicago Community Land Trust** (CCLT), which ensures the unit’s long-term affordability. The Department of Housing & Economic Development income-qualifies purchasers/renters, and may provide marketing assistance. **For more information** contact Kara Breems (312.744.6746 or [Kara.Breems@cityofchicago.org](mailto:Kara.Breems@cityofchicago.org)).

# Inclusionary Housing in Chicago: the Affordable Requirements Ordinance (ARO)



The ARO was created in 2003 and revised in May, 2007, to create affordable units in private-market developments. Developments subject to ARO (see below) must set aside 10% of residential units as affordable housing OR donate \$100,000 per required unit to the City's Affordable Housing Opportunity Fund. For projects receiving financial assistance from the City, 20% of the units must be affordable.

**Projects are generally subject to the ARO** if they include ten or more residential units AND:

- Receive a zoning change that:
  - permits a higher floor area ratio (FAR);
  - changes from a non-residential to a residential use;
  - permits residential uses on ground floor, where that use was not allowed;
- Include land purchased from the City (even if purchase was at the appraised value);
- Receive financial assistance from the City; **OR**
- Are part of a Planned Development (PD) in a downtown zoning district.

Generally, **Projects are exempt from the ordinance** if

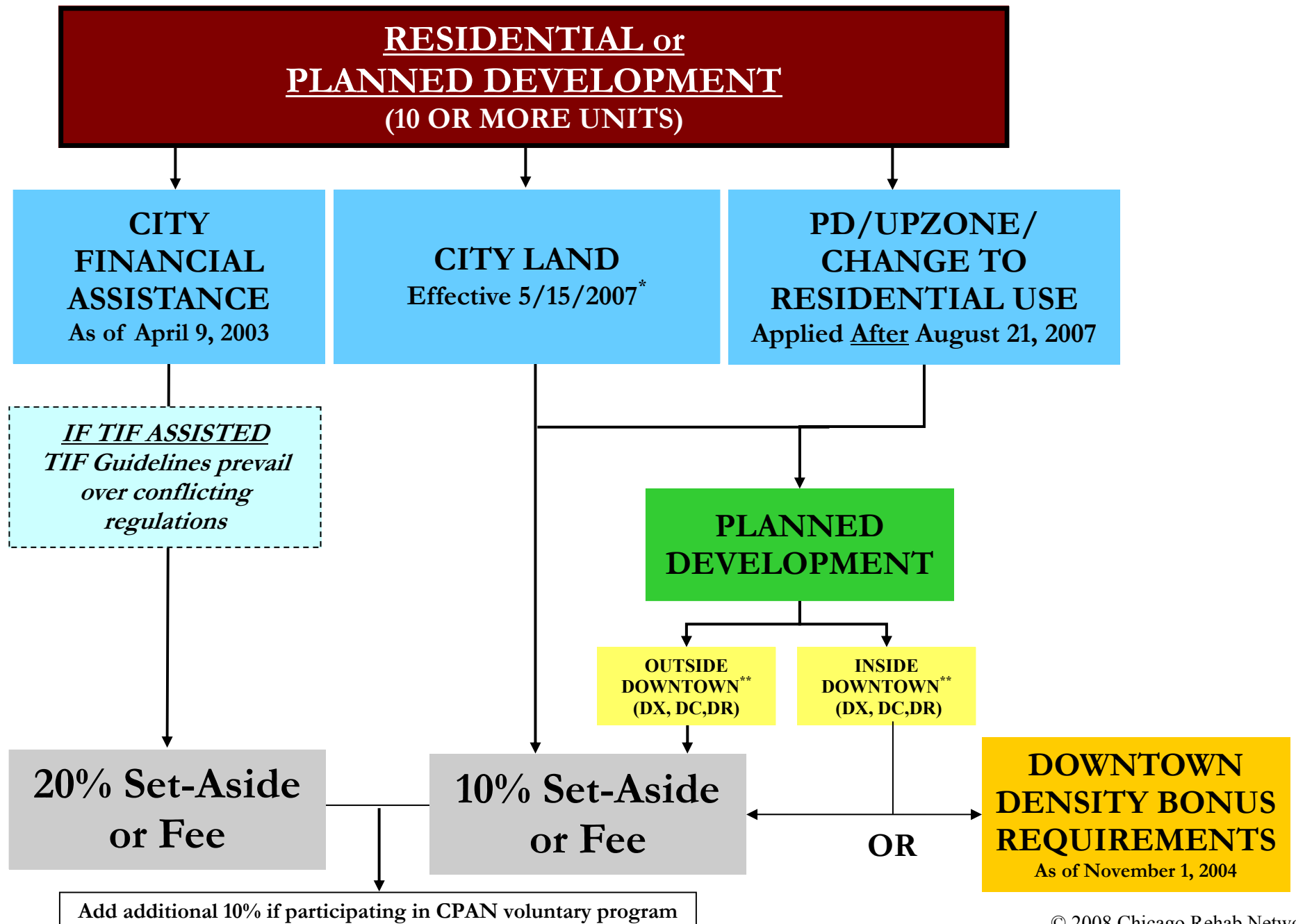
- Land was purchased between May 13, 2005 and May 13, 2007; **OR**
- Zoning Changes or PDs filed with the Zoning Administrator before August 21, 2007.

For-sale housing must be **affordable** to households earning 100% of the area median income (AMI) as defined by the US Department of Housing and Urban Development (HUD). Using these income guidelines, the City's uses a formula, based on the market price, assessments, and projected property taxes specific to each development to determine the unit's maximum affordable price. Rental housing must be affordable to households earning 60% of the AMI.

HUD Median Income for Unit Type/Family Size (as of 2/2012)				
Number of Bedrooms	Assumed Family Size	60% of Median	80% of Median	100% of Median
Studio	1	\$31,860	\$42,500	\$53,100
1	1.5	\$34,140	\$45,525	\$56,900
2	3.0	\$40,980	\$54,600	\$68,300
3	4.5	\$47,310	\$63,100	\$78,850

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# Affordable Requirements Ordinance Flow Chart



\* Discounted City Land 4/9/2003 - 5/13/2007

\*\* *Downtown* is defined as areas within the DC, DX, and DR zoning districts.

## Affordable Housing Opportunity Fund (AHOF) Expenditures and Commitments



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MULTI-FAMILY HOUSING PROJECTS			Total # Units	TOTAL Development Cost	AHOF Investment	Ward	Community Area
1999	PRAISE APARTMENTS	3622 W. Cermak	34	\$ 4,886,862	\$ 12,570	24th Ward	North Lawndale
2007	TCB LORINGTON APTS L.P.	2211 N. Kedzie, 2630-44 N. Spaulding	54	\$ 14,671,380	\$ 390,673	32nd Ward	Logan Square
2007	HARRIET TUBMAN APARTMENTS	5751-59 S. Michigan	28	\$ 4,779,990	\$ 145,741	20th Ward	Washington Park
2006	PARKSIDE NINE PHASE I	400 W. Division, 500 W. Division, 1100 N. Larrabee, Cleveland, Cambridge &	280	\$ 22,148,425	\$ 678,265	27th Ward	Near North
2006	THE PHOENIX HOUSE	1251 S. Sawyer	32	\$ 5,671,318	\$ 560,693	24th Ward	North Lawndale
2006	WESTHAVEN PARK PHASE IIB	Lake Street / Wood Street / Wolcott Avenue / Washington	127	\$ 34,716,232	\$ 747,622	27th Ward	Near West Side
2007	CLARA'S VILLAGE	1637 W. 59th, 1901 W. 59th, 2115 W. 63rd, 6355 S. Wood	24	\$ 15,238,209	\$ 723,850	15th Ward	West Englewood
2005	LEGEND SOUTH A1	40th Street / State Street / Federal Street / Root Street	181	\$ 48,602,882	\$ 67,974	3rd Ward	Grand Boulevard
2012	SARAH'S CIRCLE	4836-38 N. Sheridan Road	10	\$ 3,910,747	\$ 1,227,790	46th Ward	Uptown
2013	PULLMAN WHEELWORKS	901 E. 104th	210	\$ 36,285,634	\$ 975,000	9th Ward	Pullman
<b>DPD MULTI-FAMILY</b>			<b>980</b>	<b>\$ 190,911,679</b>	<b>\$ 5,530,179</b>		
SINGLE FAMILY HOUSING PROJECTS							
	CLARETIAN ASSOCIATES PROJECT #58	9108 S. BRANDON AVE.	25	Not included	\$ 500,000.00	10th Ward	South Chicago
<b>TOTAL Department of Planning and Development Investments</b>				<b>\$ 190,911,679</b>	<b>\$ 6,030,179</b>		

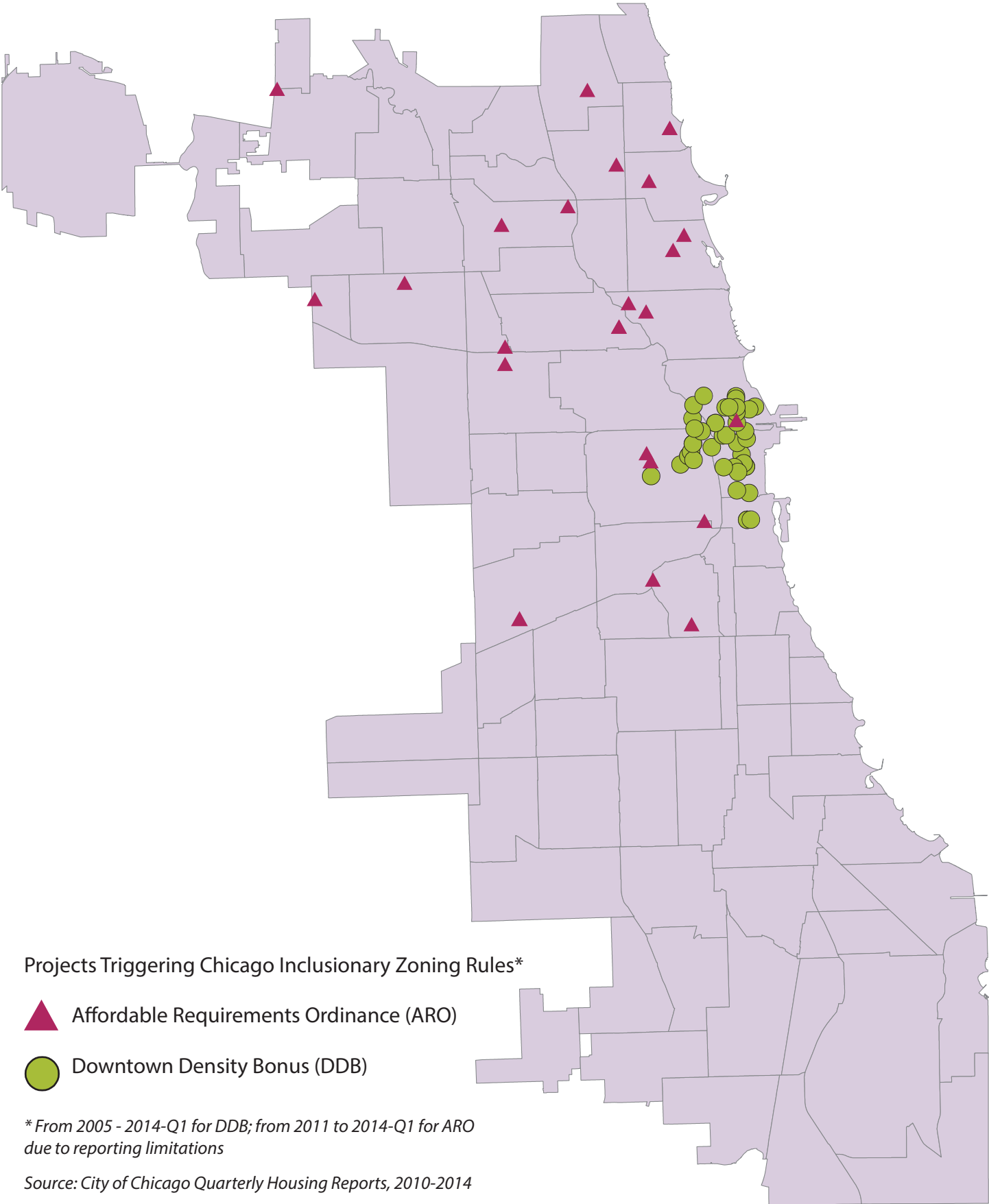
DENSITY BONUS REPORT (through 3/31/2014)						
Property Address	Developer	Plan Commission Approval	Type	Projected Payment	Cash Received	Number of Affordable Units
126 N. Des Plaines / 659 W. Randolph	Mesirov Stein Development Services	10/6/2006	units/payment	N/A -- initially built units rather than payment	\$555,124.90	5
2 W. Erie, Dana Hotel	Dana Hotel, LLC		payment	\$335,400.00	\$335,400.00	
10 East Delaware	Ten East Delaware, LLC, the Prime Group, Inc., Its Manager	6/1/2006	payment	\$2,376,420.00	\$2,376,420.00	
60 E. Monroe	Mesa Development	5/1/2005	payment	\$1,325,303.00	\$1,325,303.00	
111 W. Illinois	The Aller Group	As of Right	payment	\$922,420.00	\$922,420.00	
123 S. Green, The Emerald B	Greek Town Residential Partners LLC, 4104 N. Harlem, 60634	7/21/2006	payment	\$285,600.00	\$285,600.00	
125 S. Green, The Emerald A	Greek Town Residential Partners LLC, 4104 N. Harlem, 60634	7/21/2006	payment	\$224,400.00	\$224,400.00	
151 N. State Street (MOMO)	Smithfield Properties, LLC	7/1/2005	payment	\$299,000.00	\$299,000.00	
160 E. Illinois	Orange Blue RHA	As of Right	payment	\$639,828.00	\$639,828.00	
301-325 W. Ohio (Bowme)	Woodlawn Development LLC (Metropolitan Real Estate)	5/19/2005	payment	\$1,216,860.00	\$1,216,860.00	
550 N. St. Clair Street	Sutherland Pearsall Dev. Corp.	As of Right	payment	\$373,180.00	\$373,180.00	
600 N. Fairbanks Ct	Schatz Development, 610 N. Fairbanks	7/1/2005	payment	\$580,880.00	\$580,880.00	
611 S. Wells	TR Harrison, LLC	As of Right	payment	\$22,734.50	\$22,734.50	
642 S. Clark	Smithfield Properties, LLC	As of Right	payment	\$225,965.00	\$225,965.00	
1001 W. VanBuren	Smithfield Properties, LLC	6/1/2005	payment	\$87,451.81	\$87,451.81	
1255 S. State	13th&State LLC	5/1/2005	payment	\$247,254.00	\$247,254.00	
1400-16 S. Michigan	1400 S Michigan LLC	12/1/2005	payment	\$432,316.80	\$432,316.80	
1454-56 S. Michigan	Sedgwick Properties Deve. Corp	5/19/2005	payment	\$322,371.25	\$322,371.25	
1555 S. Wabash Avenue	Nine West Realty, 1300 Paulina St., 3rd Fl 60608	As of Right	payment	\$127,144.80	\$127,144.80	
1720 S. Michigan Avenue	1712THC, LLC by CK2 Development LLC	11/1/2005	payment	\$915,631.20	\$915,631.20	
2131 S. Michigan Ave/2138 S Indiana	Michigan-Indiana LLC by Chieftain Const.,	11/1/2005	payment	\$614,451.60	\$614,451.60	
2100 S. Indiana	Avalon Development Group, LLC	9/21/2006	payment	\$285,451.00	\$285,451.00	
205-15 W. Washington	Jupiter Realty Corporation	3/16/2006	payment	\$420,305.60	\$420,305.60	
212-232 E. Erie, 217-35 W. Huron (Flair Tower)	Newport Builders, Inc.	12/1/2005	payment	\$2,250,415.00	\$2,250,415.00	
161 W. Kinzie	Lynd Development	Not required	payment	\$1,211,280.00	\$1,211,280.00	
1-5 W. Walton / 2 W. Delaware (Scottish Rite - Walton on the Park )	The Enterprise Companies	Not required	payment	\$2,698,385.00	\$2,698,385.00	
200-218 W. Lake St/206 N. Wells St.	210-218 W. Lake LLC, 920 York Rd., #320, Hinsdale IL 60521	5/1/2007	payment	\$1,439,416.80	\$1,439,416.80	
118 E Erie	NM Project Company, LLC	Not required	payment	\$1,990,686.72	\$1,990,686.72	
501 N Clark 55-75 W Grand 54-74 W Illinois	Boyce II, LLC	11/19/2009	payment	\$2,920,843.80	\$2,920,843.80	
618-630 W. Washington/101-121 N. Des Plaines (the Catalyst )	The Cornerstone Group 70, LLC	12/1/2005	payment	\$540,630.00	\$540,630.00	
111 W Wacker		4/11/2007	payment	\$89,869.68	\$89,869.68	
171 N. Wabash/73 E. Lake Street	M&R Development, LLC	8/21/2008	payment	\$1,482,941.00	\$1,482,941.00	
212-232 W Illinois St., 501-511 N. Franklin St.	JLC Acquisitions, LLC, 906 N. Hanstea, Chicago	8/1/2008	payment	\$2,654,166.00	\$1,191,822.00	
1-19 E Chestnut	Loyola University of Chicago	3/21/2013	payment	\$220,607.00	\$220,607.00	
Arkadia 201-17 S Halsted 61-79 W Adams 758-78 W Quincy	White Oak Realty Partners	11/27/2012	payment	\$1,675,132.80	\$1,675,132.80	
118 - 128 W Chicago 801 - 819 N LaSalle	Smithfield Properties XVI LLC	5/16/2013	payment	\$714,892.20	\$714,892.20	
118 - 128 W Chicago 801 - 819 N LaSalle	Smithfield Properties XVI LLC	1/16/2014	payment	\$953,198.20	\$953,198.20	
150 N. Jefferson ( Randolph Hotel )	Atira Hotels/JHM Hotels		payment	\$474,621.19		
51-67 E Van Buren/401-419 S Wabash (Buckingham-Wabash II )	Buckingham/Wabash LLC	6/18/2009	payment	\$2,026,879.20		
1 South Halsted 723-741 W. Madison 1-41 S Halsted 760-778 W Monroe	Mid City Plaza LLC	8/16/2012	payment	\$2,587,291.80		
407 S Dearborn 35-39 W Van Buren	407 Dearborn LLC	7/18/2013	payment	\$605,556.48		
324 W. Harrison Street (Old Post Office )*	International Property Developers North America Inc	7/18/2013	payment/units	\$26,098,631.00		
200-214 N Michigan Ave (200 N. Michigan Avenue)	Buck Development 200 LLC	12/19/2013	payment	\$1,291,931.20		
723-729 W Randolph (725 Randolph Street )	725 Randolph LLC	12/19/2013	payment	\$541,640.40		
1149-1167 S State St (State/Elm Street )	Elm State Property LLC	1/16/2014	payment	\$1,178,544.00		
<b>Total</b>				<b>\$67,927,928.03</b>	<b>\$32,215,613.66</b>	<b>5</b>

\*Developer has agreed to provide at least 10% of bonus square footage as affordable housing - for a minimum of 281,235 square feet



DENSITY BONUS: PROJECTS ON HOLD						
Property Address	Developer	Plan Commission Approval	Type	Projected Payment	Cash Received	Number of Affordable Units
2346-56 S. Wabash	Dave Dubin	3/17/2005	units	N/A Units		10
400 N. Lake Shore Drive (The Spire)	Shelborne North Water Street LP	4/19/2007	payment	\$5,700,300.00		
1327 S. Wabash (Glashaus)	Wabash Street, LLC, c/o Piedmont Development, 327 S. Sangamon, 60607	7/5/2006	payment	\$412,351.00		
535 N. St. Clair	Sutherland Pearsall Dev. Corp.	6/1/2006	payment	\$3,595,112.35		
1-15 E. Superior	1 E. Superior, LLC	2/1/2006	payment	\$940,960.00		
150 E. Ontario	Monaco Development	5/19/2005	payment	\$3,880,870.40		
<b>Total</b>				<b>\$14,529,593.75</b>		

DENSITY BONUS: CANCELED PROJECTS					
Property Address	Developer	Plan Commission Approval	Type	Projected Payment	date canceled
100-106 S Sangamon, 933-943 W Monroe St	Campus Condominiums, LLC		payment	\$243,617	October-06
301-319 S. Sangamon Street / 925 W. Jackson	Heidner Properties	8/1/2006	units	N/A Units	March-10
501-517 W. Huron; 658-678 N. Kingsbury; 500-502 W. Erie (Park Kingsbury)	501 Huron Building Corporation	6/1/2006	payment	\$853,320	August-07
8 East Huron	8 E. Huron Associates	11/5/2006	payment	\$153,162	Apr-08
680 N. Rush (F/K/A 65 East Huron) (Canyon Ranch)	Huron-Rush, LLC	12/1/2005	payment	\$1,550,239	June-08
2100 S. Prairie Avenue	2100 S. Prairie, LLC	As of Right	payment	\$129,730	August-08
251 E. Ohio / 540 N. Fairbanks	Fairbanks Development Associates, LLC	1/1/2007		\$1,042,945	October-08
2056 S. Prairie (Chess Lofts/Aristocrat)	Warman Development	9/1/2005	payment	\$576,947.00	January-09
1712 S. Prairie	1712 S. Prairie LLC	2/1/2006	payment	\$699,890.00	September-09
630 N. McClurg	Golub & Company	5/1/2008	payment	\$7,920,806.40	December-09
<b>Total</b>				<b>\$13,170,655.60</b>	

# Spatial Distribution of Known Projects Subject to Chicago Inclusionary Zoning Rules, 2005 - 2014

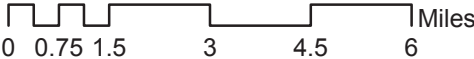


### Projects Triggering Chicago Inclusionary Zoning Rules\*

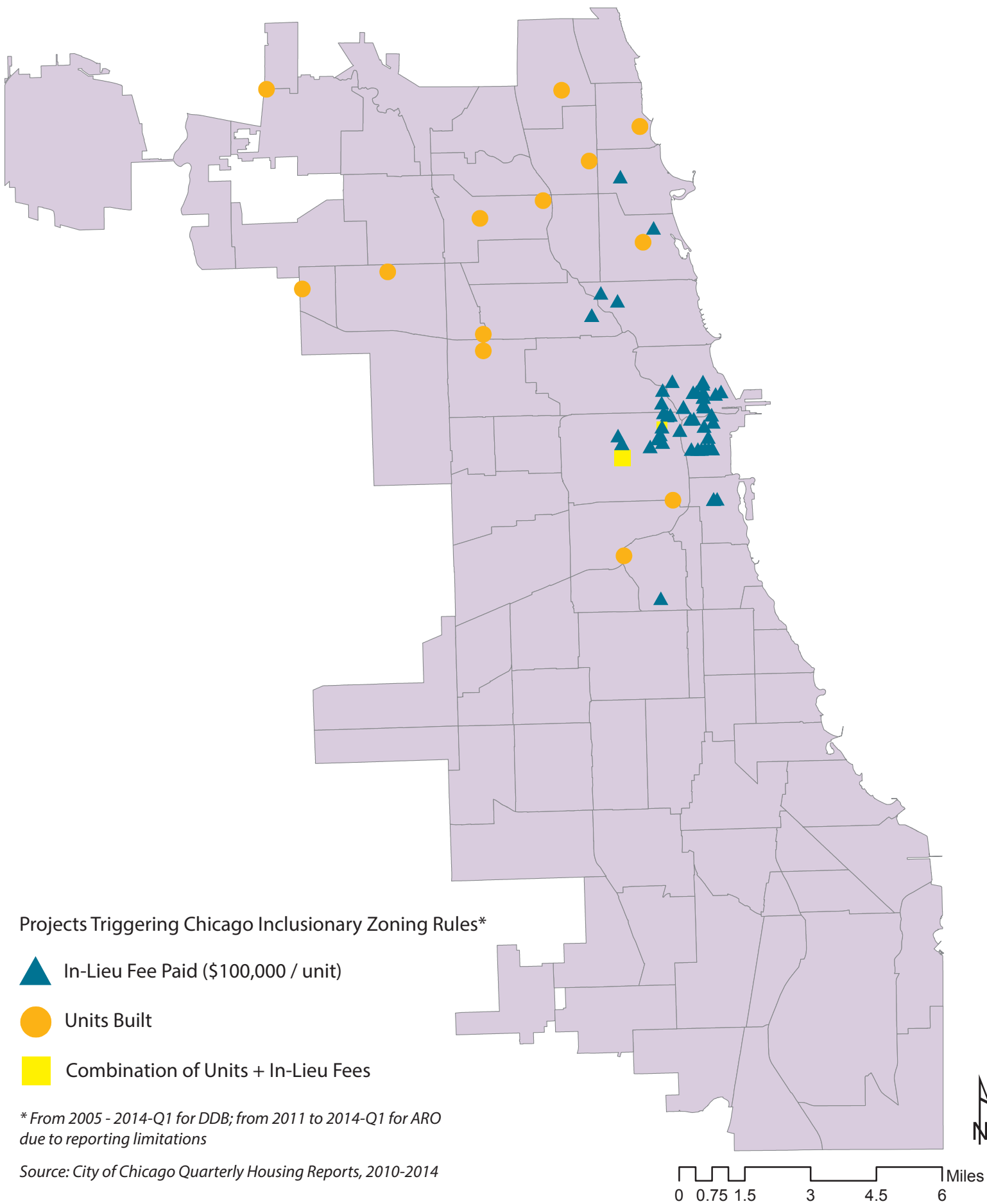
-  Affordable Requirements Ordinance (ARO)
-  Downtown Density Bonus (DDB)

\* From 2005 - 2014-Q1 for DDB; from 2011 to 2014-Q1 for ARO due to reporting limitations

Source: City of Chicago Quarterly Housing Reports, 2010-2014



# Spatial Distribution of Units Built vs. In-Lieu Paid as a Result of Known Projects Subject to Chicago Inclusionary Zoning Rules, 2005 - 2014



ADDRESS	ZIP	DEVELOPMENT NAME	DEVELOPER (IF KNOW)	APPROVAL DATE	UNITS OR PAYMENT?	IN-LIEU RECEIVED	UNITS BUILT	PROGRAM
60 E. Monroe St.	60603	The Legacy at Millenium Park	Mesa Development	1/5/2005	in-lieu	\$ 1,325,303		DDB
1255 S. State	60605	Vision on State	13th&State LLC	1/5/2005	in-lieu	\$ 247,254		DDB
1001 W. VanBuren	60607		Smithfield Properties, LLC	1/6/2005	in-lieu	\$ 87,452		DDB
8 E. Randolph St.	60601	The Residences at Joffrey Tower	Smithfield Properties, LLC	1/7/2005	in-lieu	\$ 299,000		DDB
600 N. Fairbanks Ct	60611	600 North Fairbanks	Schatz Development, 610 N. Fairbanks	1/7/2005	in-lieu	\$ 580,880		DDB
1720 S. Michigan Ave	60616	1720 S. Michigan	1712THC,LLC by CK2 Development LLC	1/11/2005	in-lieu	\$ 915,631		DDB
2131 S. Michigan Ave	60616		Michigan-Indiana LLC by Chieftain Const.,	1/11/2005	in-lieu	\$ 614,452		DDB
1400-16 S. Michigan	60605	Michigan Avenue Tower II	1400 S Michigan LLC	1/12/2005	in-lieu	\$ 432,317		DDB
222 W. Erie St.	60611	Flair Tower	Newport Builders, Inc.	1/12/2005	in-lieu	\$ 2,250,415		DDB
123 N. Des Plaines	60661	The Catalyst	The Cornerstone Group 70, LLC	1/12/2005	in-lieu	\$ 540,630		DDB
303 W. Ohio St.	60654	The Silver Tower	Woodlawn Development LLC (Metropolitan Real Estate)	5/19/2005	in-lieu	\$ 1,216,860		DDB
1456 S. Michigan Ave	60605		Sedgwick Properties Deve. Corp	5/19/2005	in-lieu	\$ 322,371		DDB
10 E. Delaware Pl	60611	Ten East Delaware	Ten East Delaware, LLC, the Prime Group, Inc., It's Manager	1/6/2006	in-lieu	\$ 2,376,420		DDB
215 W. Washington	60605	215 W. Washington	Jupiter Realty Corporation	3/16/2006	in-lieu	\$ 420,306		DDB
659 W. Randolph St.	60661	659WRandolph	Riverstone Residential	6/10/2006	units/in-lieu	\$ 555,125	5	DDB
123 S. Green St.	60607	The Emerald - B	Greek Town Residential Partners LLC, 4104 N. Harlem, 60634	7/21/2006	in-lieu	\$ 285,600		DDB
125 S. Green St.	60607	The Emerald - A	Greek Town Residential Partners LLC, 4104 N. Harlem, 60634	7/21/2006	in-lieu	\$ 224,400		DDB
2100 S. Indiana	60616		Avalon Development Group, LLC	9/21/2006	in-lieu	\$ 285,451		DDB
210 N. Wells St.	60606	Oakwood 200 Squared	210-218 W. Lake LLC, 920 York Rd., #320, Hinsdale IL 60521	1/5/2007	in-lieu	\$ 1,439,417		DDB
111 W. Wacker	60601	OneEleven	Related Companies	11/4/2007	in-lieu	\$ 89,870		DDB
212 W. Illinois	60654		JDL Acquisitions, LLC, 908 N. Halsted,	1/8/2008	in-lieu	\$ 1,191,822		DDB
73 E. Lake St	60601	73 East Lake	M&R Development, LLC	8/21/2008	in-lieu	\$ 1,482,941		DDB
401 S. Wabash	60605		Buckingham/Wabash LLC	6/18/2009	in-lieu			DDB
501 N Clark	60654		Boyce II, LLC	11/19/2009	in-lieu	\$ 2,920,844		DDB
1 S. Halsted	60661		Mid City Plaza LLC	8/16/2012	in-lieu			DDB
765 W. Adams	60661	Arkadia Towers	White Oak Realty Partners	11/27/2012	in-lieu	\$ 1,675,133		DDB
1 E. Chestnut St.	60611	Loyola Residential Tower - Gold Coast	Loyola University of Chicago	3/21/2013	in-lieu	\$ 220,607		DDB
801 N LaSalle	60654		Smithfield Properties XVI LLC	5/16/2013	in-lieu	\$ 714,892		DDB
407 S. Dearborn	60605	Old Colony Building	407 Dearborn LLC	7/18/2013	in-lieu			DDB
324 W. Harrison Street	60607	Old Post Office	International Property Developers North America Inc	7/18/2013	in-lieu/units			DDB
200 N. Michigan Ave	60601	200 N Michigan	Buck Development 200 LLC	12/19/2013	in-lieu			DDB
725 Randolph Street	60661		725 Randolph LLC	12/19/2013	in-lieu			DDB
118 W Chicago	60654		Smithfield Properties XVI LLC	1/16/2014	in-lieu	\$ 953,198		DDB
1149 S State St	60605		Elm State Property LLC	1/16/2014	in-lieu			DDB
111 W. Illinois St.	60654	One11 West Illinois	The Alter Group	As of Right	in-lieu	\$ 922,420		DDB
160 E. Illinois	60611	160 East Illinois	Orange Blue RHA	As of Right	in-lieu	\$ 639,828		DDB
550 N. St. Clair Street	60611	550 St. Clair	Sutherland Pearsall Dev. Corp.	As of Right	in-lieu	\$ 373,180		DDB
611 S. Wells	60607	611 S. Wells	TR Harrison, LLC	As of Right	in-lieu	\$ 22,735		DDB
642 S. Clark	60605	Dwight Lofts at Columbia College	Smithfield Properties, LLC	As of Right	in-lieu	\$ 225,965		DDB
1555 S. Wabash Avenue	60605		Nine West Realty, 1300 Paulina St., 3rd Fl 60608	As of Right	in-lieu	\$ 127,145		DDB
161 W. Kinzie	60654	EnV Chicago	Lynd Development	Not required	in-lieu	\$ 1,211,280		DDB
2 W. Delaware	60610	Scottish Rite - Walton on the Park	The Enterprise Companies	Not required	in-lieu	\$ 2,698,385		DDB
118 E Erie	60611	Ritz Carlton Residences Chicago	NM Project Company, LLC	Not required	in-lieu	\$ 1,990,687		DDB
660 N. State St.	60654	Dana Hotel + Spa	Dana Hotel, LLC		in-lieu	\$ 335,400		DDB
150 N. Jefferson	60661	Randolph Hotel I	Atira Hotels/JHM Hotels		in-lieu			DDB
2887 S. Hillock	60608	Riverbend Estates		2011	units		2	ARO
550 W Webster	60614	Webster Square - I		2011	in-lieu	\$ 1,700,000		ARO
1200 W Madison	60607	The Madison at Racine		2012	in-lieu	\$ 2,200,000		ARO
3740 N. Halsted	60613	Halsted Flats		2012	in-lieu	\$ 2,700,000		ARO
410 E. Grand	60611	410 E. Grand		2012	in-lieu	\$ 4,900,000		ARO
901 W 37th St	60609	Donovan Park Place		2012	in-lieu	\$ 200,000		ARO
1600 S. Jefferson	60616	Base Sixteen		8/2/2013	units		3	ARO
1512 W. Montana	60614	Montana Row		2/14/2013	in-lieu	\$ 200,000		ARO
2400 W. Cortland	60647	NA		3/22/2013	units		2	ARO



1801 W. Argyle	60640	NA		4/26/2013	units		15	ARO
6604 W. Diversey	60707	NA		4/30/2013	units		3	ARO
3223 N. Sheffield	60657	NA		5/14/2013	units		2	ARO
5822 N. Western Ave	60659	NA		5/31/2013	units		2	ARO
2040 W. North Ave	60647	Marvin Envelope Building		6/27/2013	units		2	ARO
1100 W. Adams	60607	NA		5/7/2013	in-lieu	\$ 400,000		ARO
550 W. Webster Ave	60614	Webster Square - II		7/17/2013	in-lieu	\$ 800,000		ARO
1307 Wrightwood	60614	NA		7/25/2013	in-lieu	\$ 200,000		ARO
7240 W. Devon	60631	NA		9/19/2013	units		1	ARO
3001 N. California Ave	60618	NA		11/14/2013	units		2	ARO
2101 W. Irving Park Rd	60618	NA		11/22/2013	units		2	ARO
4520 N. Beacon Street	60640	NA		12/17/2013	in-lieu	\$ 300,000		ARO
5009 N. Sheridan	60640	NA		1/7/2014	units		16	ARO
1116 W. Adams	60607	NA		2/20/2014	in-lieu	\$ 500,000		ARO
2917 N. Central	60634	NA		3/20/2014	units		3	ARO

**TOTAL**

**\$ 46,315,614**

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