

Selling City-Owned Land

Selling City-Owned Land: The City actively manages its real property portfolio and makes City-owned real estate available for purchase and redevelopment through a number of programs.

Background

The City provides public information concerning the City's real estate inventory based on the City's land inventory system (LIS) database.¹ The LIS includes the tax parcel identification number, ward, street address, zip code and lot dimension information. City-owned land is sold primarily through negotiated sales, the Adjacent Neighbors Land Acquisition Program (ANLAP), broker sales, sealed bids, and the Large Lot Program – all of which are described in greater detail below. All land sales, marketing, and related programs are managed by the Department of Planning and Development. City Council approval is required for any sale of City-owned land.

Negotiated Sale

Any entity or individual may qualify to purchase City property by negotiated sale. Negotiated sales can be completed to expand the City's open space inventory through the sale or transfer of City-owned land to community-managed land trusts or for the redevelopment of City-designated redevelopment project areas. The value of the property is established by a market value appraisal prepared by an independent appraiser hired and compensated by the City. All property purchased via negotiated sale requires a good faith deposit, detailed project budget, and a letter of support from the local alderman.

Adjacent Neighbors Land Acquisition Program (ANLAP)

ANLAP allows homeowners within the City of Chicago to purchase vacant City-owned lots for less than market value if the purchaser owns one parcel, or two or more contiguous parcels, of real property that is immediately adjacent to a City-owned parcel and at least one of the parcels is an improved parcel which the person occupies as a primary residence. The purchase price is dependent on the appraised fair market value (FMV), and the FMV of the ANLAP parcel must not exceed \$50,000. The application fee is a non-refundable \$150.00 with a 10% good faith deposit. A buyer can only purchase one parcel via ANLAP and cannot sell the ANLAP parcel separate from the adjacent property. Additionally, the ANLAP parcel must be improved within six months of conveyance. Improvements to the ANLAP parcel are limited to a garage, integrated home addition to adjacent property, and/or landscaping, with the restrictions expiring ten years after the day of conveyance. A letter of support from the alderman is required for all purchases.

Broker Sales

From time to time the City engages third party brokers to facilitate the sale of City-owned property. The City often reviews its portfolio and identifies high-value properties where a broker's efforts will garner a price higher than the appraised value. These are properties that the City does not have specific open space, public space, or development goals for and ones where City assistance is not needed to make a project viable. A broker is selected from a task order request sent to all qualified broker vendors. The broker markets the property, and the City places an official 30-day public notice in the Sun-Times. After a final round of bidding, the City presents the alderman with the highest bidder and asks for a letter of support.

¹ http://www.cityofchicago.org/city/en/depts/dcd/supp_info/city-owned_land_inventory.html

Sealed Bid

The City directs applicants to the sealed bid process when the applicant does not own property near the City parcel and desires to develop it. This is for small, market rate projects that do not require any City assistance and are too small to warrant a full redevelopment agreement. To initiate the sealed bid process, the applicant is directed to meet with the affected alderman to describe their project, their experience and financial capacity. The property is listed in the Sun-Times with a minimum bid equal to the appraised value. After 30 days the bids are opened and the winning bidder is directed to secure the alderman's support of the sale.

Large Lot Program

The Large Lot Program allows the City of Chicago to transfer City-owned lots in the Green Healthy Neighborhoods Planning Area to neighbors or nonprofits who own property on the block for \$1, adding up to two lots to their existing property. Applicants must own property on the same block as the lot they would like to purchase. To date the Large Lot program has sold 432 parcels in the Greater Englewood and East Garfield Park neighborhoods. Beginning September 15, 2015, more than 300 vacant, City-owned lots will be made available for purchase in Roseland and Pullman. Residents can submit applications via the Large Lot website (<https://largelots.org>).

Revenue Impact

The chart below shows statistics for each type of sale of City-owned land

	2013		2014		2015 (through August)	
RDA Negotiated Sales	36	\$2,248,698	27	\$1,398,769	12	\$618,035
Negotiated Sales for Open Space	28	\$652,075	25	\$1,086,350	23	\$460,578
ANLAP	40	\$97,303	40	\$113,151	21	\$62,251
Broker Sales	2	\$431,500	0	\$0	5	\$1,625,500
Sealed Bid	6	\$92,909	8	\$343,882	2	\$242,402
Large Lot Program	0	\$0	276	\$276	156	\$156
TOTAL	112	\$3,522,485	376	\$2,942,428	219	\$3,008,922

Legal Authority

Sections 2-158 and 2-159 of the Municipal Code set forth the procedures for the sale of surplus City-owned land and the Adjacent Neighbors Land Acquisition Program.