

May 24, 2023

**AMEND BOARD REPORT 18-0822-OP2**  
**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF PROPERTY LOCATED AT  
 412 S. KEELER AVENUE (FORMER MELODY ELEMENTARY SCHOOL)**

**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:**

That the Board request the Public Building Commission of Chicago ("PBC") and/or the City of Chicago ("City") convey to Single Room Housing Assistance Corporation ("SRHAC"), an Illinois Not-For Profit Corporation ("Purchaser"), the former Melody Elementary School site at 412 S. Keeler Avenue, Chicago, Illinois ("Property") as further described herein. The Offer to Purchase Real Estate contained in the bid solicitation, which has been executed by the Purchaser, will convert to a contract upon acceptance and execution by the Board. Information pertinent to this agreement is stated below.

This May 2023 amendment is necessary to extend and subordinate the Certificate of Occupancy ("C of O") deadline and revert to October 17, 2026. The Board conveyed the Property to SRHAC on October 17, 2019. The deed for the Property required SRHAC to obtain a C of O from the City of Chicago within four (4) years of the date of the deed. Due to Covid 19, financing requirements and increasing construction costs, SRHAC requires an extension and subordination of the C of O revert deadline to October 17, 2026. The no K-12 Charter School use restriction and revert in the deed shall not change and remain in effect.

The Property is to be redeveloped as the Melody Senior Apartments and West Garfield Park Community Senior Center providing 60 affordable service enhanced rental apartments for independent living seniors (age 55 plus) and include a public access senior community center. The project's estimated total development cost is \$25 Million Dollars. Funding will be provided by low income housing tax credits, equity and tax-exempt bonds from the Illinois Housing Development Authority, a Com Ed Energy Grant and private financing and philanthropy.

**LEGAL DESCRIPTION, PIN AND USE RESTRICTIONS:** See the attached Exhibit A.

**BID INFORMATION:** In accordance with 105 ILCS 5/34-21, the Property was advertised for sale from April 5, 2018, through May 14, 2018. Bids were received by the Procurement Department by 2:00 p.m. on May 14, 2018, and opened on the same date. One bid was received for the Property from the following bidder:

<u>Bidder</u>	<u>Offer</u>
Single Room Housing Assistance Corp., NFP	\$80,000.00

The Purchaser's proposal is to convert and redevelop the Property with ~~60-80~~ affordable rental units ~~mini studios style apartments~~ for independent living seniors (age 55+) ~~adults for low and very low waged earners, service veterans, single mothers, individuals suffering from physical disabilities and chronic illness.~~ In addition to housing, Purchaser will provide a senior center, daycare services and offer community access to the gymnasium and select classrooms and other public space.

**DISPOSITION APPRAISAL:** Disposition appraisal of the Property was obtained by the Board indicating the disposition value as of April 2018, subject to the restrictive covenant and revert described below was:

Appraiser:	KMD Valuation Group, LLC
Disposition Value Estimate:	\$50,000 to \$100,000

**RECOMMENDATION:** The Property is not needed for school purposes. The Property previously housed the Melody Elementary School, which closed in 2013. The sale of the Property is in the best interests of the Board in accordance with 105 ILCS 5/34-21. The Purchaser's proposal is to redevelop the property with 60 ~~80~~ units of affordable housing for independent living seniors (age 55+) and senior center ~~adults~~

~~low and very low wage earners, service veterans, single mothers and individuals suffering from physical disabilities and chronic illness.~~

The PBC and/or the City shall include a restrictive covenant in the deed prohibiting the Property from being used as K-12 Charter school and requiring that the Purchaser obtain a certificate of occupancy from the City of Chicago within seven (7) four (4) years of the date of the deed (October 17, 2026). The deed to the title will include this restriction. Title to the Property will revert back to the City of Chicago, in Trust for Use of Schools as legal title holder of record for the benefit of the Board if this restriction is breached without the Board's Chief Operating Officer or Administrative Officer's prior written approval. The Property shall be sold in "As Is "Where Is." The deed shall provide the Board, the PBC and City shall be released and discharged from any and all future responsibility and liability relating to the Property's physical and environmental condition.

The appraisal and the bid received were reviewed and it is recommended that the following bid be accepted:

Name: Single Room Housing Assistance Corp., NFP  
Address: 501 North Central Avenue, Chicago, Illinois 60644  
Contact: Eric Rubenstein, 312 212-1212, [ericrubenstein@srhac.org](mailto:ericrubenstein@srhac.org)  
~~Lexie Rodriguez~~ ~~Megan Fair~~, Special Projects Coordinator, 312 487-9555  
~~312 212 1212, Ext. 202, [mfair@srhac.org](mailto:mfair@srhac.org) [lrodriguez@srhac.org](mailto:lrodriguez@srhac.org)~~  
Amount: \$80,000

**AUTHORIZATION:** Authorize the President and Secretary to execute the Offer to Purchase agreement and to modify the legal description if necessary, upon receipt of a title commitment and survey. Authorize the PBC and/or the City to issue a deed in favor of Purchaser. Authorize the General Counsel to take any and all actions required to effectuate this transaction. Authorize the General Counsel and Chief Operating Officer or Administrative Officer to execute any and all ancillary documents required to administer or effectuate this transaction, including an extension and subordination of the Certificate of Occupancy deadline and revert to October 17, 2026.

**AFFIRMATIVE ACTION:** Exempt.

**LSC REVIEW:** Is not applicable to this transaction.

**FINANCIAL:** Proceeds (Purchaser's bid price, less closing costs and seller's brokerage fee) to be credited to the Capital Asset Fund.

**GENERAL CONDITIONS:**

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time shall be incorporated into and made a part of the agreement.


Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, Shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

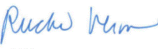
**Approved for Consideration:**


DocuSigned by:  
  
EF57B76ABC90427...  
Charles E. Mayfield  
Interim Chief Operating Officer

**Approved:**

DocuSigned by:  
  
AA17786A4B2446C...  
Pedro Martinez  
Chief Executive Officer

**Approved as to legal form:**

DocuSigned by:  
  
50B562E0FFA44C9...  
Ruchi Verma  
General Counsel

  
DS

**EXHIBIT A**

**PROPERTY OFFERED FOR SALE  
THE BOARD RESERVES THE RIGHT TO MAKE CHANGES, AS NECESSARY.**

**PROPERTY:** FORMER MELODY ELEMENTARY SCHOOL,

**ADDRESS:** 412 S. KEELER (MAIN SCHOOL BUILDING) AND 4153-4159 W. VAN BUREN 407-09 S. KEELER (PARKING LOT) AND 4222 W. CONGRESS PARKWAY (VACANT LOT), CHICAGO, IL. 60624

**LEGAL DESCRIPTION:**

LOTS 12 THROUGH 33 AND THE VACATED EAST-WEST ALLEY WHICH LIES NORTH OF AND ADJACENT TO LOTS 25 THROUGH 33 (EXCEPT THE WEST 16 FEET OF SAID LOT 33) AND SOUTH OF AND ADJACENT TO LOTS 16 (EXCEPT THE WEST 16 FEET THEREOF) AND LOTS 17 THROUGH 24 ALL IN BLOCK 1 IN COLORADO SECOND ADDITION TO CHICAGO, BEING A SUBDIVISION OF LOTS 3 AND 4 OF CIRCUIT COURT PARTITION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 15, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PINs:** 16-15-225-048 and 16-15-225-049  
(TITLE HELD BY THE PUBLIC BUILDING COMMISSION OF CHICAGO)

LOT 34 IN BLOCK 1 IN COLORADO SECTION ADDITION TO CHICAGO, BEING A SUBDIVISION OF LOTS 3 AND 4 IN CIRCUIT COURT PARTITION OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 15, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PIN:** 16-15-225-038  
(TITLE HELD BY THE CITY OF CHICAGO, IN TRUST FOR THE USE OF SCHOOLS)

LOTS 1, 2 AND 3 IN BLOCK 2 IN COLORADO ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH HALF OF THE SOUTH EAST QUARTER AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTH EAST QUARTER OF THE NORTH EAST QUARTER OF SECTION 15, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PINs:** 16-15-226-001 and 16-15-226-002  
(TITLE HELD BY THE CITY OF CHICAGO, IN TRUST FOR THE USE OF SCHOOLS)

**USE RESTRICTION:**

***THE PROPERTY MAY NOT BE USED AS A K-12 CHARTER SCHOOL.***

THE DEED FOR THE PROPERTY WILL INCLUDE THIS USE RESTRICTION. TITLE TO THE PROPERTY WILL REVERT BACK TO THE CITY OF CHICAGO, IN TRUST FOR USE OF SCHOOLS, AS LEGAL TITLE HOLDER OF RECORD FOR THE BENEFIT OF THE CHICAGO BOARD OF EDUCATION ("BOARD") IF THIS RESTRICTION IS BREACHED WITHOUT THE PRIOR WRITTEN APPROVAL OF THE BOARD'S CHIEF OPERATING OR CHIEF ADMINISTRATIVE OFFICER.

GRANTEE MUST OBTAIN A CERTIFICATE OF OCCUPANCY FROM THE CITY OF CHICAGO WITHIN ~~FOUR~~ SEVEN (7) YEARS OF THE DATE OF THE DEED (ON OR BEFORE OCTOBER 17, 2026).