

# Wheatley Elementary School

## Amendment of Land Disposition Report

Zoning, Neighborhoods and Development Committee

June 11, 2019

# Former Wheatley School 2442 N. 20<sup>th</sup> Street



# File #171100

- Approved sale to Royal Capital Group
- Develop 82 affordable apartments (renovation of school building and new construction)
- Sale compensation to MPS: \$585,000
- Total investment: \$19 million



# Progress to date

- Obtained allocation of low income housing tax credits and secured tax credit investor
- Confirmed eligibility for Federal and State historic tax credits
- Received HOME reprogramming grant
- Secured construction and permanent financing
- Submitted application for Affordable Housing Program grant to Federal Home Loan Bank of Chicago
- Due diligence on building condition

# Request to amend LDR re: compensation

- Offer to purchase (\$585,000) based on appraiser's estimate of value
- Appraisal did not take environmental remediation costs into account
- Environmental remediation (asbestos, lead paint) estimated at \$475,000
- Developer requesting \$120,000 price reduction in light of remediation cost estimates
- File amends land disposition report to adjust sale compensation