



City of Chicago



O2016-8632

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	12/14/2016
Sponsor(s):	Emanuel (Mayor)
Type:	Ordinance
Title:	Reallocation of 2016 or 2017 City bond volume cap for Chicago Housing Authority to finance New Sterling Park LLC affordable housing development at 3301 W Arthington St
Committee(s) Assignment:	Committee on Finance

ORDINANCE

WHEREAS, the City of Chicago (the "City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low and moderate income; and

WHEREAS, the City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, the City, as a constitutional home rule city, is allocated a certain amount of volume cap per calendar year in connection with the issuance of tax-exempt bonds by the City; and

WHEREAS, the Illinois Private Activity Bond Allocation Act, 30 ILCS 345/1 et seq., as amended, provides, among other things, that the corporate authorities of any home rule unit may reallocate all or any portion of its unused allocation of volume cap; and

WHEREAS, the City may have available certain unused tax-exempt bond volume cap from calendar year 2016, 2017, or from such other calendar year as may be legally available at the time of the Reallocation (as hereinafter defined) (the "Cap"); and

WHEREAS, on October 8, 2014, the City Council of the City ("City Council") passed an ordinance published in the Journal of Proceedings of the City Council (the "Journal") for such date at pages 91424 to 91426 authorizing the reallocation of up to \$30,000,000 of the City's tax-exempt bond volume cap to the Chicago Housing Authority, and which such ordinance was amended on April 15, 2015 and published in the Journal for such date at pages 105792 to 105793 (collectively, the "Original Ordinance"); and

WHEREAS, pursuant to the Original Ordinance, the City reallocated certain tax-exempt bond volume cap to the Chicago Housing Authority, an Illinois municipal corporation (the "CHA"), and the CHA issued certain tax-exempt multi-family housing revenue bonds to finance a portion of the costs of the acquisition, rehabilitation and equipping of an affordable housing development anticipated to consist of approximately 181 residential rental dwelling units for low-income families (the "Project") located at 3301 West Arthington Street in the City (the "Property"), to be owned by New Sterling Park LLC, an Illinois limited liability company (the "Owner"), the managing member of which is New Sterling Park MM LLC, an Illinois limited liability company; and

WHEREAS, the Owner has experienced certain unanticipated costs in connection with the completion of the Project; and

WHEREAS, it is anticipated that the CHA will issue certain additional tax-exempt multi-family housing revenue bonds in an amount not to exceed \$10,000,000 to finance a portion of the costs of the Project (the "Additional Bonds"); and

WHEREAS, the Owner has requested that the City agree to reallocate an amount of its Cap, if available, in an amount not to exceed \$10,000,000 to the CHA in connection with the Project and the Additional Bonds; and

WHEREAS, the CHA has requested that the City reallocate a portion of its Cap, if

available, to the CHA for the Additional Bonds, pursuant to an intergovernmental agreement between the City and the CHA for that purpose; and

WHEREAS, it is anticipated that (i) the Owner will be eligible to claim low income housing tax credits (the "Tax Credits") pursuant to Section 42 of the Internal Revenue Code of 1986, in connection with the Project including the Additional Bonds, and (ii) the Tax Credits for the Project including the Additional Bonds will be administered by the City's Department of Planning and Development; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The City hereby authorizes the Chief Financial Officer of the City appointed by the Mayor or, if there is no such officer then holding said office, the City Comptroller (such officer being referred to herein as the "Chief Financial Officer"), to reallocate, effective on the date of issuance of the Additional Bonds, up to \$10,000,000 of the Cap (the "Reallocation") for application by the CHA to the Additional Bonds; provided that if the Additional Bonds are not issued as of or prior to 11:00 P.M. on December 31, 2018, the Reallocation shall not be made. The exact amount of the Reallocation shall be determined by the Chief Financial Officer based on the best interests of the City and on the amount of Cap available at the time of the Reallocation.

SECTION 3. The Chief Financial Officer is hereby authorized, subject to the approval of the Corporation Counsel, to enter into such agreements and other documents, including agreements with the CHA, in connection with the Reallocation as shall be deemed necessary or desirable by the Chief Financial Officer.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago (the "Municipal Code"), or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. Section 2-45-110 of the Municipal Code shall not apply to the Project or the Property.

SECTION 5. Notwithstanding anything to the contrary contained in the Municipal Code or any other ordinance or mayoral executive order, no parties other than the Owner, any legal entities which are direct owners in excess of 7.5% of the Owner which changed in connection with the Reallocation, and all legal entities who constitute the direct or indirect controlling parties of the Owner (as determined by the Corporation Counsel), shall be required to provide to the City the document commonly known as the "Economic Disclosure Statement and Affidavit" (or any successor to such document) in connection with the Reallocation.

SECTION 6. This ordinance shall be effective as of the date of its passage and approval.



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OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 14, 2016

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance ceding volume cap to the CHA for the Sterling Park Apartments Project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

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CHICAGO January 25, 2017

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

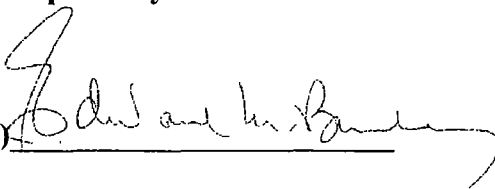
An ordinance authorizing the transfer of tax-exempt bond cap from the City of Chicago to the Chicago Housing Authority.

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Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed Ordinance Transmitted Herewith

This recommendation was concurred in by _____ (a viva voce vote of members of the committee with _____ dissenting vote(s).

Respectfully submitted

(signed) 

Chairman

APPROVED

Stephen R. Pith

CORPORATION COUNSEL

APPROVED

Robert Emanuel, Sr.

Mayer

1/27/17