



City of Chicago



O2017-6020

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 7/26/2017

Sponsor(s): Dept./Agency

Type: Ordinance

Title: Agreement with Concord Sheridan LP by JNB Concord Sheridan LLC for Multi-family program funds to acquire and construct building at 6438 N Sheridan Road

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, the City has certain funds available from a variety of funding sources ("Multi-Family Program Funds") to make loans and grants for the development of multi-family residential housing to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, and such Multi-Family Program Funds are administered by the City's Department of Planning and Development ("DPD"); and

WHEREAS, DPD has preliminarily reviewed and approved the making of a loan to Concord Sheridan LP, an Illinois limited partnership (the "Borrower") of which JNB Concord Sheridan LLC, an Illinois limited liability company, is the sole general partner, in an amount not to exceed Two Million Two Hundred Thousand and No/100 Dollars (\$2,200,000) (the "Loan"), to be funded from Multi-Family Program Funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; 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. Upon the approval and availability of the Additional Financing as shown in Exhibit A hereto, the Commissioner of DPD (the "Commissioner") and a designee of the Commissioner (collectively, the "Authorized Officer") are each hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Loan. The Authorized Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the proceeds of the Loan to the Borrower.

SECTION 3. The Project (as described on Exhibit A hereto) shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago. Section 2-45-115 of the Municipal Code of Chicago shall not apply to the Project or the Property (as defined on Exhibit A hereto).

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, 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 5. This ordinance shall be effective as of the date of its passage and approval.

EXHIBIT A

BORROWER: Concord Sheridan LP, an Illinois limited partnership, whose sole general partner, JNB Concord Sheridan LLC, an Illinois limited liability company (the "General Partner"), is currently owned jointly by (i) JNB LIHTC Parent, LLC, a Florida limited liability company, (ii) Concord LGG LLC, an Illinois limited liability company, (iii) 6418 Residential LLC, an Illinois limited liability company, and (iv) Cubit Development Group LLC, an Illinois limited liability company.

PROJECT: Acquisition and new construction of one (1) building to be located at 6438 North Sheridan Road in Chicago (the "Property") and of approximately 111 dwelling units contained therein as studio-, one- and two-bedroom units for low- and moderate-income and market-rate households.

CITY LOAN:

Source:	Multi-Family Program Funds
Amount:	Not to exceed \$2,200,000
Term:	Not to exceed 42 years
Interest:	Zero percent per annum
Security:	Non-recourse loan; junior leasehold mortgage on the Property

ADDITIONAL FINANCING:

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|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amount: | Not to exceed \$25,000,000 |
| Term: | Not to exceed 42 years |
| Source: | Citibank, N.A., or another entity acceptable to the Authorized Officer, to be funded through the issuance of multi-family housing revenue bonds issued by an entity, other than the City, acceptable to the Authorized Officer |
| Interest: | Not to exceed twelve percent per annum or such rate acceptable to the Authorized Officer |
| Security: | Leasehold mortgage(s) senior to the City Loan |
- | | |
|-----------|-----------------------------------------------------------------------------------|
| Amount: | Not to exceed \$21,000,000 |
| Term: | Not to exceed 42 years |
| Source: | Chicago Housing Authority, or another entity acceptable to the Authorized Officer |
| Interest: | To be determined at such rate acceptable to the Authorized Officer |
| Security: | Leasehold mortgage senior to the City Loan |
- | | |
|-----------|------------------------------------------------------------------------------------------------|
| Amount: | Not to exceed \$2,300,000 |
| Term: | Not to exceed 42 years |
| Source: | Illinois Housing Development Authority, or another entity acceptable to the Authorized Officer |
| Interest: | Zero percent per annum |
| Security: | Leasehold mortgage senior to the City Loan |

4. Amount: \$1,140,000 or such amount acceptable to the Authorized Officer
Term: Not to exceed 42 years
Source: The Burton Foundation, or another entity acceptable to the Authorized Officer
Interest: Not to exceed eight percent per annum or such rate acceptable to the Authorized Officer
Security: Leasehold mortgage junior to the City Loan

5. Amount: Not to exceed \$2,300,000
Term: Not to exceed 42 years
Source: Concord Sheridan Developer, LLC, or another entity acceptable to the Authorized Officer
Interest: Not to exceed four percent per annum
Security: Leasehold mortgage junior to the City Loan or unsecured

6. Amount: Not to exceed \$217,326
Term: Not to exceed 42 years, if any
Source: Illinois Department of Commerce and Economic Opportunity, ComEd or another entity acceptable to the Authorized Officer
Interest: Zero percent per annum or as a capital contribution to Borrower
Security: Leasehold mortgage junior to the City Loan

7. Low-Income Housing Tax Credit ("LIHTC")
Proceeds: Approximately \$8,666,797
Source: To be derived from the syndication of approximately \$864,287 LIHTC generated by the multi-family housing revenue bond funding

8. Amount: \$100
Source: General Partner



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DEPARTMENT OF PLANNING AND DEVELOPMENT
CITY OF CHICAGO

July 18, 2017

**TO THE HONORABLE CHAIRMAN, EDWARD M. BURKE AND MEMBERS OF THE
COMMITTEE ON FINANCE OF THE CITY COUNCIL**

Ladies and Gentlemen:

I transmit herewith an ordinance providing a multi-family loan to Concord Sheridan LP.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

David L. Reifman
Commissioner

CHICAGO July 26, 2017

To the President and Members of the City Council:

Your Committee on Finance having had under consideration an ordinance concerning the authority to enter into and execute a Loan Agreement with Concord Sheridan Limited Partnership.

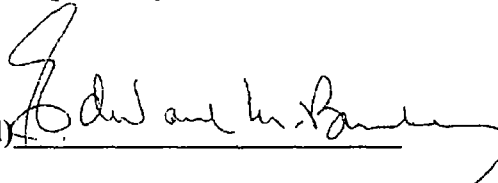
Direct Introduction

Amount of Loan
Not to exceed \$2,200,000

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

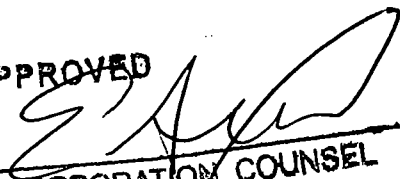
This recommendation was concurred in by _____ (a viva voce vote of members of the committee with _____ dissenting vote(s).

Respectfully submitted

(signed) 

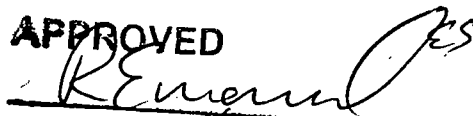
Chairman

APPROVED



CORPORATION COUNSEL

APPROVED



8/22/17

Mayor