



City of Chicago



O2018-3731

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 4/18/2018

Sponsor(s): Emanuel (Mayor)

Type: Ordinance

Title: Transfer of property and project ownership from Madison Renaissance Development Limited Partnership and assumption of debt and loan restructuring for 5628-5636 W Madison St, 5629-5635 W Madison St and 5645-5647 W Madison 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, the City programmed Community Development Block Grant funds for its Multi-Unit Rehabilitation Assistance Program ("Multi-Program") whereby acquisition and rehabilitation loans were made available to owners of rental properties containing five or more dwelling units located in low- and moderate-income areas, and the Multi-Program was administered by the City's Department of Housing ("DOH"), the successor of which is the Department of Planning and Development ("DPD"); and

WHEREAS, the City Council of the City (the "City Council"), pursuant to an ordinance enacted on July 29, 1998, and published at pages 74335 to 74340 of the Journal of the Proceedings of the City Council of that date, authorized DOH to provide Multi-Program financing, for the acquisition and rehabilitation of two buildings and parking facilities located at 5628-36, 5629-35 and 5645-47 West Madison Avenue, in Chicago, Illinois (the "Property"), which contain 30 residential dwelling units (the "Project"); and

WHEREAS, on November 23, 1998, the City made a loan in the amount of Five Hundred Thirty-Six Thousand Eight-One and No/100 Dollars (\$536,081) (the "City Loan") to Madison Renaissance Development Limited Partnership, an Illinois limited partnership (the "Original Borrower"), as modified by a Loan Modification Agreement, dated as of September 10, 2002, to finance a portion of the costs for the acquisition and rehabilitation the Project; and

WHEREAS, the City Loan was secured by, among other things, that certain Junior Mortgage, Security Agreement and Financing Statement, recorded on November 23, 1998, as document No. 08061511 made by the Original Borrower in favor of the City (the "City Mortgage") and Regulatory Agreement made by and between the Original Borrower and the City, recorded on November 23, 1998, as document No. 08061508 the ("City Regulatory Agreement"); and

WHEREAS, on November 23, 1998, the Chicago Low-Income Housing Trust Fund, an Illinois not-for-profit corporation (the "Trust Fund") also made a loan in the amount of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000) (the "Trust Fund Loan," collectively, hereinafter with the City Loan, the "Loans"), as modified by a Loan Modification and Assumption Agreement dated as of September 10, 2002; and

WHEREAS, the Trust Fund Loan was evidenced by that certain Note made by the Borrower in favor of the Trust Fund and secured by, among other things, a Junior Mortgage,

Assignment of Rents and Security Agreement, recorded on November 23, 1998, as document No. 08061513 (the "Trust Fund Mortgage" and collectively hereinafter with the City Mortgage, the "Mortgages") and Regulatory Agreement made by and between the Original Borrower and the Trust Fund, recorded on November 23, 1998, as document No. 08061508 the "Trust Fund Regulatory Agreement," collectively, hereinafter with the City Regulatory Agreement, the "Regulatory Agreements"); and

WHEREAS, the current balance on the City Loan is Five Hundred Thirty-Six Thousand and Eighty-One and No/100 Dollars (\$536,081); and

WHEREAS, the current balance on the Trust Fund Loan is approximately Two Hundred Fifty Thousand and No/100 Dollars (\$250,000); and

WHEREAS, the Original Owner desires to sell the Project to the New Owner and has requested that the City approve an assumption of the Loans to the New Owner, including but not limited to, restructuring of the Loans; and

WHEREAS, the City and the Trust Fund have agreed to (i) allow for the transfer of the Project and Property to the New Owner and (ii) the assumption of the Loans and affordability restrictions by the New Owner under restructured loan terms, including payments of up to fifty percent (50%) of the Project's cash flow, as determined in DPD's and the Trust Fund's discretion (collectively, the "Assumption and Restructuring"); 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 Assumption and Restructuring is hereby approved and authorized with such, additions, and/or deletions as are approved by the Commissioner of DPD (the "Commissioner") or a designee of the Commissioner (each, an "Authorized Officer").

SECTION 3. Each of the Authorized Officers is hereby authorized, subject to approval by the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Assumption and Restructuring, with such additions and/or deletions as are approved by, and as deemed necessary by the Authorized Officer.

SECTION 4. Each of the Authorized Officers is hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements, instruments, amendments to documents, and agreements and instruments relating to the Assumption and Restructuring, with such additions and/or deletions as are approved by the Authorized Officer, and to perform any and all acts as shall be necessary or advisable in connection with effectuating the Assumption and Restructuring.

SECTION 5. Notwithstanding anything to the contrary contained in the Municipal Code of Chicago (the "Municipal Code") or any other ordinance or mayoral executive order, no parties other than the owners of the Property as of the date following the date of the closing of the

Assumption and Restructuring (collectively, the "Owner"), any legal entities which are direct owners in excess of 7.5% of the Owner which changed in connection with the Assumption and Restructuring, 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 closing of the Assumption and Restructuring.

SECTION 6. To the extent that any ordinance, resolution, rule, order, or provision of 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 2-45-115 of the Municipal Code shall not apply in connection with the Assumption and Restructuring.

SECTION 7. 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

April 18, 2018

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 authorizing an amendment of debt-related provisions regarding Madison Renaissance Development.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

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CHICAGO May 23, 2018

To the President and Members of the City Council:

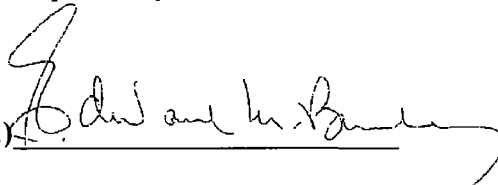
Your Committee on Finance having had under consideration an ordinance authorizing the Commissioner of the Department of Planning and Development to enter into and execute a Loan Restructuring Agreement for Madison Renaissance Apartments.

O2018-3731

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

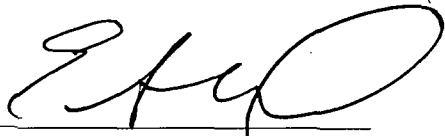
This recommendation was concurred in by _____ (a **viva voce vote** of members of the committee with _____ dissenting vote(s).

Respectfully submitted

(signed) 

Chairman

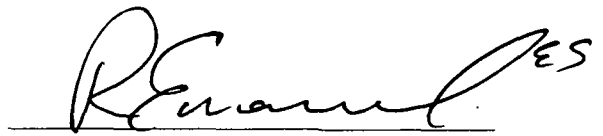
APPROVED



CORPORATION COUNSEL

DATED: 6/11/19

APPROVED



MAYOR

DATED: 6/11/19