



Office of the City Clerk



O2012-8230

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:	12/12/2012
Sponsor(s):	Emanuel, Rahm (Mayor)
Type:	Ordinance
Title:	Loan agreement for 104th Street, Limited Partnership for rehabilitation of building at 901 E 104th St
Committee(s) Assignment:	Committee on Finance



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OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 12, 2012

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

Ladies and Gentlemen:

At the request of the Commissioner of Housing and Economic Development, I transmit herewith an ordinance authorizing the execution of a loan agreement for 104th Street, Limited Partnership.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor



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CHICAGO January 17, 2013

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

A communication recommending a proposed ordinance concerning the authority to enter into and execute a Loan Agreement with 104th Street Limited Partnership.

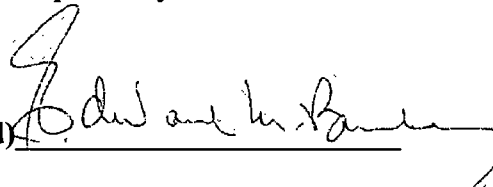
O2012-8230

Amount of Loan not to exceed: \$1,500,000

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).
Alderman Burke abstains from voting pursuant to Rule 14.

Respectfully submitted

(signed) 

Chairman

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 Housing and Economic Development ("HED"); and

WHEREAS, HED has preliminarily reviewed and approved the making of a loan to 104th Street Limited Partnership, an Illinois limited partnership (the "Borrower") of which 104th Street MM LLC, an Illinois limited liability company, (of which Mercy Housing Lakefront, an Illinois not-for-profit corporation is the managing member) is the sole general partner, in an amount not to exceed \$1,500,000 (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,

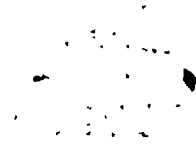
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

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 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. 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 2-45-110 of the Municipal Code of Chicago shall not apply to the Project or the Property (as defined on Exhibit A hereto).

SECTION 4. This ordinance shall be effective as of the date of its passage and approval.



APPROVED
Stephen R. Pitt
CORPORATION COUNSEL

APPROVED
Richard Emmert
1/31/13
Mayor

EXHIBIT A

BORROWER: 104th Street Limited Partnership, an Illinois limited partnership, with 104th Street MM LLC, an Illinois limited liability company (of which Mercy Housing Lakefront, an Illinois not-for-profit corporation ("Mercy") is the managing member), as the sole general partner (the "General Partner") and others as the limited partner

PROJECT: Rehabilitation of a building located at 901 East 104th Street in the City (the "Property") and of approximately 210 dwelling units contained therein as studios, one-, two- and three-bedroom units for low- and moderate-income families, certain common spaces and approximately 221 off-street parking spaces

LOAN:

Source:	Multi-Family Program Funds
Amount:	Not to exceed \$1,500,000
Term:	Not to exceed 43 years
Interest:	Zero (0%) percent per annum
Security:	Non-recourse loan; a mortgage on the Property (the "City Mortgage")

ADDITIONAL FINANCING:

1. Amount: \$9,570,000
Term: Not to exceed 40 years
Source: Red Mortgage Capital LLC, through an issuance of tax-exempt bonds by the Illinois Housing Development Authority (the "A Bonds"), or another source acceptable to the Authorized Officer
Interest: A fixed rate of interest not to exceed 3.52% percent per annum, or another interest rate acceptable to the Authorized Officer
Security: A mortgage on the Property that is senior to the City Mortgage, or other security acceptable to the Authorized Officer
2. Amount: \$4,520,000
Term: Not to exceed 3 years
Source: U.S. Bank National Association, through an issuance of tax-exempt bonds by the Illinois Housing Development Authority (the "B Bonds," and together with the A Bonds, the "IHDA Bonds"), or another source acceptable to the Authorized Officer
Interest: A variable rate of interest not to exceed 5.00% percent per annum, or another interest rate acceptable to the Authorized Officer
Security: A pledge of certain Borrower partnership interests, or other security acceptable to the Authorized Officer
3. Amount: \$4,050,000
Term: Not to exceed 3 years
Source: U.S. Bank National Association, or another source acceptable to the Authorized Officer (collectively with the B Bonds, the "U.S. Bank Financing")
Interest: A variable rate of interest not to exceed 5.00% percent per annum, or another interest rate acceptable to the Authorized Officer
Security: A pledge of certain Borrower partnership interests, or other security acceptable to the Authorized Officer

4. Low-Income Housing Tax Credit ("LIHTC")
 - Proceeds: Approximately \$7,343,653, all or a portion of which may be paid in on a delayed basis and all or a portion of which may be used to repay all or a portion of the U.S. Bank Financing
 - Source: Derived from the syndication of LIHTC generated by the issuance of the IHDA Bonds

5. Historic Tax Credit ("HTC")
 - Proceeds: Approximately \$3,396,299, all or a portion of which may be paid in on a delayed basis and all or a portion of which may be used to repay all or a portion of the U.S. Bank Financing
 - Source: Derived from the syndication of HTC generated by the Project

6. Source: Illinois Housing Development Authority, or another source acceptable to the Authorized Officer
 - Term: Not to exceed 43 years
 - Amount: \$2,000,000
 - Interest: Zero (0%) percent per annum, or another interest rate acceptable to the Authorized Officer
 - Security: A mortgage on the Property that is senior to the City Mortgage, or other security acceptable to the Authorized Officer

7. Source: Mercy, from proceeds derived from a grant from the Illinois Department of Commerce and Economic Development, or another source acceptable to the Authorized Officer
 - Amount: \$945,000
 - Term: Not to exceed 43 years
 - Interest: Three (3%) percent per annum, or another interest rate acceptable to the Authorized Officer
 - Security: A Mortgage on the Property junior to the City Mortgage, or other security acceptable to the Authorized Officer

8. Source: Mercy, through seller financing, or another source acceptable to the Authorized Officer
 - Amount: \$2,086,844
 - Term: Not to exceed 43 years
 - Interest: Two and eighty hundredths (2.80%) percent per annum, or another interest rate acceptable to the Authorized Officer
 - Security: A Mortgage on the Property junior to the City Mortgage, or other security acceptable to the Authorized Officer

9. Amount: \$486,000
 - Source: General Partner equity



APPROVED
Richard Emmel ^{SEP}
Mayor
1/31/13

APPROVED
Stephen R. Patton
CORPORATION COUNSEL