



City of Chicago



O2018-9534

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 12/12/2018

Sponsor(s): Emanuel (Mayor)

Type: Ordinance

Title: Issuance of Multi-Family Program Funds loan to Cicero Senior Lofts LLC for acquisition and construction of senior housing at 4801-4857 S Cicero Ave

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 Cicero Senior Lofts, LLC, an Illinois limited liability company (the "Borrower") of which MV Cicero Senior Lofts LLC, an Ohio limited liability company, is the managing member, in an amount not to exceed \$2,300,000 (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. To the extent that the Borrower directly or indirectly receives any funding sources in connection with the Project which require the restriction of the rental of some or all of the Property's residential dwelling units to certain categories of veterans, the provisions of Chapter 5-8 of the Municipal Code of Chicago which prohibit discrimination based on "military status" because of "the fact of discharge from any such branch of the armed forces of the United States and the reasons for such discharge" as provided in subsection 3 of the definition of "military status" in Section 2-160-020 of the Municipal Code of Chicago, shall not apply to the Project or the Property

SECTION 5. This ordinance shall be effective as of the date of its passage and approval.

FINANCE/Cicero Senior Lofts/Ordinance/Ordinance v3.docx

EXHIBIT A

BORROWER: Cicero Senior Lofts, LLC, an Illinois limited liability company, of which MV Cicero Senior Lofts LLC, an Ohio limited liability company, is the managing member (the "Managing Member")

PROJECT: Acquisition of property located at 4801-57 South Cicero Avenue, Chicago, IL (the "Property") and construction thereon of a building with approximately 62 dwelling units contained therein for low-income seniors, certain common areas and parking. Notwithstanding the foregoing, approximately six (6) of the dwelling units will be market-rate units for seniors without income or rent restrictions.

LOAN:

Source:	Multi-Family Program Funds
Amount:	Not to exceed \$2,300,000
Term:	Not to exceed 35 years
Interest:	Zero percent per annum
Security:	Non-recourse loan; second mortgage on the Property ("City Mortgage")
Repayment:	Annual principal payments from available cash flow

ADDITIONAL FINANCING

- 1. Construction Loan**

Amount:	Approximately \$16,000,000
Term:	Not to exceed 42 months, or other term acceptable to the Authorized Officer
Source:	Citibank, N.A., or another entity acceptable to the Authorized Officer
Interest:	Variable rate not to exceed 6 percent per annum initially, or such other interest rate acceptable to the Authorized Officer
Security:	Mortgage on the Property senior to the City Mortgage, or such other security acceptable to the Authorized Officer
- 2. Low-Income Housing Tax Credit ("LIHTC")**

Proceeds:	Approximately \$16,465,000, all or a portion of which may be paid in on a delayed basis or such other amount acceptable to the Authorized Officer and used, among other purposes, to retire the construction loan
Source:	To be derived from the syndication of an annual LIHTC allocation of approximately \$1,715,000 by the City
- 3.**

Amount:	\$100
Source:	Managing Member

4. Permanent Loan
- Amount: Approximately \$1,750,000
 - Term: Not to exceed 15 years, or other term acceptable to the Authorized Officer
 - Amortization: Thirty-five years
 - Source: Citibank, N.A., or another entity acceptable to the Authorized Officer
 - Interest: Not to exceed 7.5 percent per annum, or such other interest rate acceptable to the Authorized Officer
 - Security: Mortgage on the Property senior to the City Mortgage, or such other security acceptable to the Authorized Officer



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OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 12, 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 issuance of Multi-Family Housing Loan Funds for Cicero Lofts, LLC.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

CHICAGO January 23, 2019

To the President and Members of the City Council:

Your Committee on Finance having had under consideration a proposed ordinance concerning the authority to enter into and execute a Loan Agreement with Cicero Senior Lofts, LLC.

O2018-9534

Amount of Loan
not to Exceed: \$2,300,000

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) *Patrick O'Connor*

Chairman

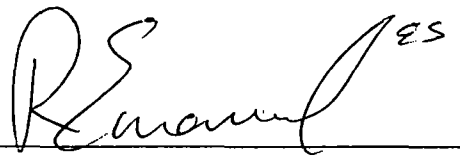
APPROVED



CORPORATION COUNSEL

DATED: 1/29/19

APPROVED



MAYOR

DATED: 1/29/19