



Office of the Chicago City  
Clerk



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Office of the City Clerk

City Council Document Tracking Sheet

<b>Meeting Date:</b>	11/16/2011
<b>Sponsor(s):</b>	Emanuel, Rahm (Mayor)
<b>Type:</b>	Ordinance
<b>Title:</b>	Execution of loan agreement and associated fee waiver for Resurrection Project
<b>Committee(s) Assignment:</b>	Committee on Finance

FIN.



OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

November 16, 2011

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 and associated fee waiver for Resurrection Project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

## 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 Council of the City (the "City Council"), pursuant to an ordinance adopted on June 7, 1990, as amended and restated on April 26, 2006, established the New Homes for Chicago Program (as amended, the "New Homes Program") to assist with the construction of affordable, new, high-quality, owner-occupied housing; and

**WHEREAS**, City Council, pursuant to an ordinance adopted on March 29, 2006, approved the selection of Resurrection Homes, LLC, an Illinois limited liability company (the "Developer"), for participation in the New Homes Program and approved the allocation of various subsidies, including the below-market sale of City-owned land, to subsidize the development of certain owner-occupied residential units in the Pilsen, Douglas Park, Little Village, and Back of Yards neighborhoods (the "Original Project"); and

**WHEREAS**, on August 14, 2007, the City and the Developer entered into that certain Redevelopment Agreement, New Homes for Chicago Program, Resurrection Homes Development, recorded with the Office of the Recorder of Deeds of Cook County, Illinois, on November 16, 2007, as Document No. 0732031006 (the "Agreement") to implement the Original Project; and

**WHEREAS**, pursuant to the Agreement, the City conveyed certain vacant land to the Developer, upon which the Developer constructed eleven (11) residential units, consisting of four detached single-family homes, two 2-flat buildings and one 3-unit building; and

**WHEREAS**, the deeds conveying the City-owned land to the Developer include certain covenants which run with the land and require the Developer to redevelop the land in accordance with the New Homes Program and the Agreement (collectively, the "Deed Covenants"); and

**WHEREAS**, the Developer sold the detached single-family homes to income-eligible households in accordance with the terms of the Agreement and the Deed Covenants, but has been unable to sell the units in the 3-unit building or the two 2-flat buildings, or complete the Original Project, due to the depressed condition of the housing market; and

**WHEREAS**, the seven remaining unsold residential units (the "Units") are located on the real property legally described on Exhibit A attached hereto (such Units, together with such real property are sometimes hereinafter referred to as the "Property"); and

**WHEREAS**, the Developer received construction period financing from a financial institution (the "Construction Loan") to enable the construction of the Units; and

**WHEREAS**, The Resurrection Project, an Illinois not-for-profit corporation (the "Borrower"), is the sole member of the Developer; and

**WHEREAS**, the Borrower intends to acquire the Property from the Developer for the purpose of operating it as long-term affordable rental housing; and

**WHEREAS**, the Borrower has requested that the City (1) release the Property from the Agreement and the Deed Covenants, and (2) provide permanent financing for the Property to enable the conversion of the Property from owner-occupied housing to long-term affordable rental housing; 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 from the City to the Borrower (1) in an amount not to exceed \$800,000 (the "Loan") to be funded from Multi-Family Program Funds, (2) at a rate of zero percent interest per annum, (3) for a term not to exceed 30 years, (4) to finance (i) the repayment of the Construction Loan and certain carrying costs associated with the Property, and (ii) the conversion of the Property to long-term affordable rental housing (collectively, items 1 through 4 above are hereinafter referred to as the "Project"); 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 Commissioner of HED (the "Commissioner"), and a designee of the Commissioner (collectively, the "Authorized Officer") are each hereby authorized, subject to approval by the Corporation Counsel of the City (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, including, but not limited to, the negotiation and execution of a regulatory agreement imposing affordability restrictions against the Property for a period not to exceed 30 years and containing such terms and conditions as the Authorized Officer shall determine in his or her sole discretion. 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 of the Project. 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 Authorized Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate, enter into and execute such releases, agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the release of the Property from the Agreement and the Deed Covenants.

**SECTION 4.** In connection with the Loan by the City to the Borrower, the City shall waive those certain fees, if applicable, imposed by the City with respect to the Project and as more fully described in Exhibit B attached hereto and made a part hereof. The Project shall be deemed to

qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago. Section 2-45-110 of the Municipal Code of Chicago shall not apply to the Project or the Property.

**SECTION 5.** 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 6.** This ordinance shall be effective as of the date of its passage and approval.

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

LOT 5 IN BLOCK 16 IN THE RESUBDIVISION OF BLOCKS 6, 7, 16 AND 17 IN DOUGLAS PARK ADDITION TO CHICAGO, IN THE SOUTHWEST ¼ OF SECTION 24, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 1910 SOUTH ALBANY  
CHICAGO, ILLINOIS 60623

PERMANENT INDEX NO. 16-24-304-022-0000

LOT 90 IN EVAN'S SUBDIVISION OF BLOCK 43 IN THE SUBDIVISION OF SECTION 19, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 2124 WEST 19<sup>th</sup> STREET  
CHICAGO, ILLINOIS 60608

PERMANENT INDEX NO. 17-19-308-040-0000

LOT 13 IN BLOCK 3 IN KING, SCOTT AND WILSON'S ADDITION TO CHICAGO, A RESUBDIVISION OF LOTS 1 TO 40, BOTH INCLUSIVE OF CHARLES C. MOWRY'S SUBDIVISION OF THE EAST ½ OF THE NORTHWEST ¼ AND OF THE WEST ½ OF THE NORTHEAST ¼ OF SECTION 26, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THAT PORTION THEREOF OCCUPIED AND OWNED BY THE C.B. AND Q. RAILROAD), IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 2243 SOUTH CENTRAL PARK  
CHICAGO, ILLINOIS 60623

PERMANENT INDEX NO. 16-26-200-014-0000

## EXHIBIT B

### Fee Waivers

#### **Department of Construction and Permits**

Waiver of Plan Review, Permit and Inspection Fees:

- A. Building Permit:
  - Zoning
  - Construction/Architectural/Structural
  - Internal Plumbing
  - HVAC
  - Water for Construction
  - Smoke Abatement
- B. Electrical Permit: Service and Wiring
- C. Elevator Permit (if applicable)
- D. Wrecking Permit (if applicable)
- E. Fencing Permit (if applicable)
- F. Fees for the review of building plans for compliance with accessibility codes by the Mayor's Office for People with Disabilities imposed by Section 13-32-310(2) of the Municipal Code of Chicago

#### **Department of Water Management**

Tap Fees  
Cut and Seal Fees  
(Fees to purchase B-boxes and remote read-outs are not waived)

Permit (connection) and Inspection Fees  
Sealing Permit Fees

#### **Department of Transportation**

Street Opening Fees  
Driveway Permit Fees  
Use of Public Way Fees