



City of Chicago



O2016-7520

Office of the City Clerk Document Tracking Sheet

Meeting Date: 10/5/2016
Sponsor(s): Emanuel (Mayor)
Type: Ordinance
Title: Reallocation of 2016 or 2017 City bond volume cap for Chicago Housing Authority to finance affordable housing development at 3916 W Washington Blvd
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, pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, the City, as a constitutional home rule city, is allocated a certain amount of volume cap per calendar year in connection with the issuance of tax-exempt bonds by the City; and

WHEREAS, the Illinois Private Activity Bond Allocation Act, 30 ILCS 345/1 et seq., as amended, provides, among other things, that the corporate authorities of any home rule unit may reallocate all or any portion of its unused allocation of volume cap; and

WHEREAS, the City has available unused volume cap from calendar year 2016 ("2016 Cap") and may have available certain unused volume cap from calendar year 2017 ("2017 Cap"); and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City of Chicago (the "City Council") on October 14, 2015, and for the benefit of the Chicago Housing Authority (the "CHA"), an Illinois municipal corporation, the City authorized the reallocation of up to \$35,000,000 unused tax-exempt multi-family housing revenue volume cap ("2015 Cap") to the CHA to issue bonds (the "Bonds") to finance a portion of the costs of acquisition, rehabilitation, and equipping of an affordable housing development located at 3916 W. Washington Boulevard in the City (the "Property"), which will consist of approximately 181 residential rental dwelling units for low-income senior families (the "Project") owned by Fannie Emmanuel Senior Housing Limited Partnership, an Illinois limited partnership (the "Owner"), the general partner of which is Fannie Emanuel Housing Development, LLC, an Illinois limited liability company; and

WHEREAS, on December 21, 2015, the City reallocated the 2015 Cap to the CHA and the CHA issued the Bonds; and

WHEREAS, due to unforeseen increases in construction costs, the CHA now desires to issue up to an additional \$8,000,000 of tax-exempt multi-family housing revenue bonds (the "Additional Bonds") to finance the Project, and has been advised by its bond counsel that all or a portion of the Additional Bonds requires the allocation of volume cap; and

WHEREAS, the CHA has requested that the City reallocate a portion of its unused 2016 Cap, if available, or a portion of its unused 2017 Cap in 2017, if available, to the CHA for the Additional Bonds, pursuant to an intergovernmental agreement between the City and the CHA for that purpose; and

WHEREAS, it is anticipated that (i) the Owner will be eligible to claim low income housing tax credits (the "Tax Credits") pursuant to Section 42 of the Internal Revenue Code of 1986, in connection with the Project, and (ii) the Tax Credits for the Project will be administered by the City's Department of Planning and Development; and

WHEREAS, this ordinance now sets forth the request for City Council's authorization of the reallocation to the CHA of a portion of the City's unused 2016 Cap in 2016, if available, or a portion of its unused 2017 Cap in 2017, if available; 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 City hereby authorizes the Chief Financial Officer of the City appointed by the Mayor or, if there is no such officer then holding said office, the City Comptroller (such officer being referred to herein as the "Chief Financial Officer"), to reallocate, effective on the date of issuance of the Additional Bonds, up to \$8,000,000 of the City's unused 2016 Cap (the "2016 Reallocation") for application by the CHA to the Additional Bonds; provided that if the Additional Bonds are not issued as of or prior to 11:00 P.M. on December 31, 2016, the 2016 Reallocation shall not be made. The exact amount of the 2016 Reallocation shall be determined by the Chief Financial Officer based on the best interests of the City and on the amount of 2016 Cap available at the time of the 2016 Reallocation. If the 2016 Reallocation is not made, then the Chief Financial Officer is authorized to reallocate in connection with the issuance of the Additional Bonds up to \$8,000,000 of the City's unused 2017 Cap (the "2017 Reallocation") for application by the CHA to the Additional Bonds; provided that if the Additional Bonds are not issued as of or prior to 11:00 P.M. on December 31, 2017, the 2017 Reallocation shall not be made. The exact amount of the 2017 Reallocation shall be determined by the Chief Financial Officer based on the best interests of the City and on the amount of 2017 Cap available at the time of the 2017 Reallocation. The Chief Financial Officer is further authorized to determine, based on the best interests of the City, the amount, if any, of any compensation to be paid by the CHA to the City in consideration for the 2016 Reallocation or 2017 Reallocation. Any such compensation paid to the City shall be used for any affordable housing-related activities of the City. After the 2016 Reallocation or 2017 Reallocation have been made, the Chief Financial Officer shall file a certificate with the City Clerk stating the amount of 2016 Cap, if applicable, or 2017 Cap, if applicable, reallocated to the CHA pursuant to this ordinance.

SECTION 3. The Chief Financial Officer is hereby authorized, subject to the approval of the Corporation Counsel, to enter into such agreements and other documents, including agreements with the CHA, in connection with the 2016 Reallocation or the 2017 Reallocation as shall be deemed necessary or desirable by the Chief Financial Officer.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago (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 2-45-110 of the Municipal Code 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.

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OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

October 5, 2016

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 a ceding of tax exempt volume cap to the Chicago Housing Authority.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

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CHICAGO November 1, 2016

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

An ordinance authorizing a ceding of tax-exempt bond cap from the City of Chicago to the Chicago Housing Authority.

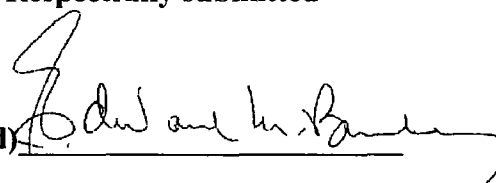
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Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed Ordinance Transmitted Herewith

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

Alderman Burke abstained from voting pursuant to Rule 14.

Respectfully submitted

(signed) 

Chairman

APPROVED
Richard D. Miller
CORPORATION COUNSEL

APPROVED
Richard E. Emmert, Sr.
11/8/16
Mayor