



City of Chicago



O2016-122

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 1/13/2016

Sponsor(s): Emanuel (Mayor)

Type: Ordinance

Title: Approval of multi-family loan agreement with Magnolia Court Apartments, LLC for rehabilitation of building at 4878 N Magnolia 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 Magnolia Court Apartments, LLC, an Illinois limited liability company (the "Borrower"), of which Andrew Niewiarowski, an individual, is the sole manager and member, in an amount not to exceed \$1,508,938 (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;

WHEREAS, in November, 2015, the Borrower obtained a replacement senior financing loan from PNC Bank, N.A. in connection with the Property in an amount which does not exceed \$3,500,000, for a term of 10 years, at a fixed rate of interest that does not exceed 5.0%, and which loan was secured by a first-position mortgage lien (the "Senior Loan"); 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. 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.

EXHIBIT A

BORROWER: Magnolia Court Apartments, LLC, an Illinois limited liability company, of which Andrew Niewiarowski, an individual, is the sole manager and member

PROJECT: Rehabilitation and equipping of a building located at 4878 N. Magnolia Avenue, Chicago (the "Property") that contains 60 residential dwelling units, of which 50 units shall be affordable to low- and moderate-income families; and the repayment of a portion of the Senior Loan

LOAN:

Source:	Multi-Family Program Funds
Amount:	Not to exceed \$1,508,938
Term:	Not to exceed 16 years
Interest:	Zero percent per annum
Security:	Non-recourse loan; mortgage on the Property (the "City Mortgage") junior to the mortgage securing the Senior Loan



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OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

January 13, 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 the execution of a multi-family loan agreement for Magnolia Court Apartments, LLC.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

CHICAGO February 10, 2016

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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 Multi-Family Loan Agreement with Magnolia Court Apartments, LLC.

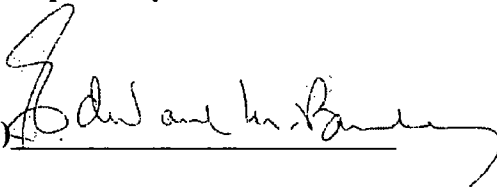
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Amount of the Loan
not to exceed: \$1,508,938

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
Mark P. Roth
CORPORATION COUNSEL

APPROVED
John E. Emanuelson
2/22/16 Mayor