



# City of Chicago



O2023-2037

Office of the City Clerk

## Document Tracking Sheet

<b>Meeting Date:</b>	5/24/2023
<b>Sponsor(s):</b>	Johnson (Mayor)
<b>Type:</b>	Ordinance
<b>Title:</b>	Amendment of ordinance O2022-3582 regarding long term ground lease and construction of Imani Senior Village Phase I LLC, Imani Senior Village Phase I MM LLC, 9633 S Cottage Grove Ave, replacing original Exhibit A
<b>Committee(s) Assignment:</b>	Committee on Finance

FIN



OFFICE OF THE MAYOR  
CITY OF CHICAGO

BRANDON JOHNSON  
MAYOR

May 24, 2023

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

Ladies and Gentlemen:

At the request of the Housing Commissioner, I transmit herewith an ordinance authorizing the execution of an amendment to O2022-3582 to provide interest rate on the senior loan for the Imani Village project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to be "BJ", with a long horizontal line extending to the right.

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**, to address the issue of a shortage of affordable housing in an area on and near real property commonly known as 9633 South Cottage Grove Avenue in Chicago, Illinois, an ordinance (the "**Original Ordinance**") was adopted by the City Council ("**City Council**") on November 16, 2022 and published at pages 55857--55940 of the Journal of the Proceedings of the City Council (the "**Journal**") of such date; and

**WHEREAS**, pursuant to the Original Ordinance the City authorized (i) the issuance of multi-program funds, (ii) tax increment financing and (iii) execution of a redevelopment agreement with Imani Senior Village Phase 1 LLC, an Illinois limited liability company (the "**Borrower**") for development of 70 affordable housing units as more fully described in the Original Ordinance to be commonly known as Imani Senior Village on the real property referenced above; and

**WHEREAS**, there were certain omissions and mistakes in **Exhibit A** to the Original Ordinance which will be addressed in a revised **Exhibit A** hereto; 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.** Exhibit A to the Original Ordinance is hereby amended and replaced with Exhibit A attached hereto. Deleted text from the original version of Exhibit A is shown as strike-through and added text is shown as underlined.

**SECTION 3.** Except as specifically amended and modified by this ordinance, the Original Ordinance shall remain in full force and effect.

**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.

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

## EXHIBIT A

**BORROWER:** Imani Senior Village Phase I, LLC, an Illinois limited liability company whose manager is Imani Senior Village Phase I MM, LLC, an Illinois limited liability company, whose managing members are SPM Properties & Development, LLC, an Illinois limited liability company and NIA1 LLC, an Illinois limited liability company and others to be hereafter selected as additional members

**PROJECT:** Acquisition of land as lessee pursuant to a long term ground lease and construction of a building to be located at the Property and of approximately 70 independent living dwelling units for low- and moderate-income senior citizens and certain common areas and parking spaces.

**LOAN:**

Source:	Multi-Family Program Funds
Amount:	Not to exceed \$4,100,000
Term:	Not to exceed 42 years
Interest:	Zero (0%) percent per annum, or another interest rate acceptable to the Authorized Officer
Security:	Non-recourse mortgage on the Property (the "City Mortgage")

**ADDITIONAL 1. FINANCING:**

Amount:	Not to exceed \$4,000,000 (the "Construction and Permanent Senior Loan")
Term:	Not to exceed 40 years
Source:	A loan insured by the United States Department of Housing and Urban Development ("HUD"), or another source acceptable to the Authorized Officer
Interest:	A fixed rate of interest not to exceed <u>      </u> percent <u>seven (7%) percent per annum, or another interest rate acceptable to the Authorized Officer</u>
Security:	Mortgage on the Property senior to the lien of the City Mortgage

**2. Low-Income Housing Tax Credit ("LIHTC")**

Proceeds:	Approximately <del>\$13,800,000</del> , <u>\$15,578,800</u> , 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 the Construction and Permanent Senior Loan
Source:	To be derived from the syndication of approximately <del>\$1,500,000</del> <u>\$1,700,000</u> LIHTC allocation by the City acting through DOH. The tax credit equity will be bridged by a loan of approximately <del>13,739,352</del> <u>\$14,421,324</u> from a source acceptable to the Authorized Officer that will be secured by a

mortgage on the Property senior to the lien of the City Mortgage

3. Tax Increment Financing

Amount: Not to exceed \$8,050,757 of TIF proceeds granted to Trinity, or another source acceptable to the Authorized Officer. Such funds to be loaned by Trinity to the Borrower or granted to Trinity and then contributed as capital to the Borrower

4. Amount: Approximately \$1,000,000  
Source: State of Illinois Grant, or another source acceptable to the Authorized Officer. Such funds to be loaned by Trinity to the Borrower or granted to Trinity and then contributed as capital to the Borrower.  
Security: Mortgage on the Property junior to the lien of the City Mortgage, or such other security as may be acceptable to the Authorized Officer

5. Donation

Tax  
Credit  
("DTC")  
Proceeds: Approximately \$685,850 to be derived from the syndication of approximately \$797,500 (based on a land value of \$1,595,000) in DTC allocated by the City  
Source: Such proceeds to be contributed as capital to the Borrower or loaned to the Borrower by Imani Works, Inc., an Illinois not-for-profit corporation or another source acceptable to the Authorized Officer

6. ComEd

EEP

Amount: Approximately \$200,000 from Commonwealth Edison Energy Efficiency Program proceeds granted to Trinity or another source acceptable to the Authorized Officer. Such funds to be loaned by Trinity to the Borrower or granted to Trinity and then contributed as capital to the Borrower.

7. Multi-year  
Affordability  
through  
Upfront Investment

- Amount: Approximately \$1,000,000  
Source: Chicago Low Income Housing Trust Fund, or another source acceptable to the Authorized Officer. Such funds to be loaned by Trinity to the Borrower or granted to Trinity and then contributed as capital to the Borrower.
- Interest: Zero percent per annum (if applicable), or another rate or rates acceptable to the Authorized Officer
- Security: Mortgage on the Property junior to the lien of the City Mortgage (if applicable), or such other security as may be acceptable to the Authorized Officer
8. Amount: Approximately \$440,000  
Source: Deferred Developer Fee
9. Amount: Approximately \$100  
Source: Developer Contribution