



City of Chicago



O2016-6077

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 7/20/2016

Sponsor(s): Emanuel (Mayor)

Type: Ordinance

Title: Multi-Family Program Funds loan agreement and associated low-income housing tax credits with Woodlawn Station Preservation Associates LP (Preservation of Affordable Housing, Inc.) regarding construction of residential housing project

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 Woodlawn Station Preservation Associates, LP, an Illinois limited partnership the sole general partner of which is POAH Woodlawn Station LLC, an Illinois limited liability company the sole member of which is Preservation of Affordable Housing, Inc., an Illinois not-for-profit corporation ("POAH"), or to another legal entity of which POAH is the controlling party as determined by the hereinafter defined Authorized Officer (the "Borrower"), in an amount not to exceed \$5,000,000 (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 2-45-110 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.

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

EXHIBIT A

BORROWER: Woodlawn Station Preservation Associates, LP, an Illinois limited partnership the sole general partner of which is POAH Woodlawn Station LLC, an Illinois limited liability company the sole member of which is Preservation of Affordable Housing, Inc., an Illinois not-for-profit corporation ("POAH"), or to another legal entity of which POAH is the controlling party as determined by the hereinafter defined Authorized Officer, and others to be hereafter selected as the limited partners

PROJECT: Financing a portion of the costs of the construction of buildings to be located generally at the northeast corner of East 63rd Street and South Cottage Grove Avenue, 6408 and 6412 South Maryland Avenue and 6432 South Maryland Avenue, all in Chicago, Illinois, which shall contain an aggregate total of approximately 70 residential dwelling units of which approximately 55 residential dwelling units shall be for low- and moderate-income families, and of certain commercial space, common areas and parking facilities in connection therewith

LOAN:

Source:	Multi-Family Program Funds
Amount:	Not to exceed \$5,000,000
Term:	Not to exceed 32 years, or another term acceptable to the Authorized Officer
Interest:	Zero percent per annum
Security:	Non-recourse loan; mortgage on the Property (the "City Mortgage"), or such other security acceptable to the Authorized Officer

ADDITIONAL FINANCING:

- 1. Amount:** Approximately \$9,000,000, or such other amount acceptable to the Authorized Officer (the "Bridge Loan")

Term: Not to exceed 3 years, or another term acceptable to the Authorized Officer

Source: BMO Harris Bank, or another source acceptable to the Authorized Officer

Interest: A floating rate of interest not to exceed a rate calculated as 30-day LIBOR plus 2.35 percent per annum, or another rate acceptable to the Authorized Officer

Security: Mortgage on the Property senior to the lien of the City Mortgage, and/or such other security acceptable to the Authorized Officer
- 2. Amount:** Approximately \$3,300,000, or such other amount acceptable to the Authorized Officer (the "Senior Loan")

Term: Not to exceed 3 years prior to the completion of construction ("Conversion"), thereafter not to exceed 20 years, or another term

- or terms acceptable to the Authorized Officer
- Source: BMO Harris Bank, or another source acceptable to the Authorized Officer
- Interest: A floating rate prior to Conversion not to exceed a rate calculated as 30-day LIBOR plus 2.35 percent per annum, and thereafter a fixed rate of not to exceed seven percent per annum, or another rate or rates acceptable to the Authorized Officer
- Security: Mortgage on the Property senior to the lien of the City Mortgage, and/or such other security acceptable to the Authorized Officer
3. Low-Income Housing Tax Credit ("LIHTC")
- Proceeds: Approximately \$12,443,100, 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 retire all or a portion of the Bridge Loan
- Source: To be derived from the syndication of a LIHTC allocation of approximately \$1,121,000 by the Illinois Housing Development Authority
4. Amount: Approximately \$6,000,000, or such other amount acceptable to the Authorized Officer
- Source: POAH, from the proceeds of a Choice Neighborhoods Initiatives grant from the United States Department of Housing and Urban Development, or another source acceptable to the Authorized Officer
- Term: Not to exceed 42 years, or another term acceptable to the Authorized Officer
- Interest: Zero percent per annum, or another rate acceptable to the Authorized Officer
- Security: Mortgage on the Property junior to the City Mortgage, and/or such other security acceptable to the Authorized Officer
5. Amount: Approximately \$825,000, or such other amount acceptable to the Authorized Officer
- Term: Not to exceed 32 years, or another term acceptable to the Authorized Officer
- Source: POAH, derived from the proceeds of a grant from the Federal Home Loan Bank of Chicago (FHLB) Affordable Housing Program, or another source acceptable to the Authorized Officer
- Interest: A fixed rate of interest not to exceed 7 percent per annum, or another interest rate acceptable to the Authorized Officer
- Security: Mortgage on the Property junior to the lien of the City Mortgage, Recapture Agreement, and/or such other security as may be acceptable to the Authorized Officer

FIN.



14

OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

July 20, 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 loan agreement for POAH, Inc. regarding property located at 800 East 63rd Street.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Rahm Emanuel".

Mayor

CHICAGO September 14, 2016

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 for Woodlawn Station Preservation Associates, LP.

02016-6077

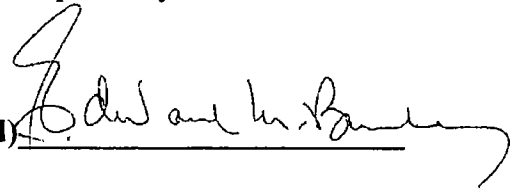
Amount of Loan
Not to exceed: \$5,000,000

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).

Alderman Burke abstained from voting on this matter pursuant to Rule 14.

Respectfully submitted

(signed) 

Chairman

APPROVED
[Signature]
CORPORATION COUNSEL

APPROVED
[Signature]
9/22/14
Mayor