



City of Chicago



O2016-9131

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 12/14/2016

Sponsor(s): Emanuel (Mayor)

Type: Ordinance

Title: Bond inducement language for Housing Revenue Bonds for Metropolitan Housing Development Corporation

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 for 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, 5525 W Diversey Manor Apartments, LLC, an Illinois limited liability company (the "Borrower"), of which Metropolitan Housing Development Corporation, an Illinois not for profit corporation ("Managing Member"), is a managing member, has proposed a certain low-income housing development project consisting of the acquisition of real property located at 5525 West Diversey Avenue in the City, and construction thereon of a total of approximately 98 residential dwelling units (the "Project"); and

WHEREAS, the Borrower has requested that the City issue multi-family housing revenue bonds, notes or other indebtedness in an amount not to exceed Twelve Million Dollars (\$12,000,000) (the "Bonds") for the purpose of financing all or a portion of the Project costs, including but not limited to the costs incurred in connection with the issuance of the Bonds and funding certain reserves, if required; and

WHEREAS, it is intended that the interest on the Bonds will be excluded from gross income for federal income tax purposes; and

WHEREAS, it is intended that this ordinance shall constitute a declaration of official intent to reimburse certain eligible expenditures for the Project made prior to the issuance of the Bonds from the proceeds of the Bonds (if and when issued) within the meaning of Section 1.150-2 of the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Treasury Regulations"); 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 intends to issue the Bonds and lend the proceeds thereof to the Borrower for the purpose of financing all or a portion of the Project costs, including but not limited to the costs incurred in connection with the issuance of the Bonds and funding certain reserves, if required. The maximum principal amount of Bonds which the City intends to issue for the Project will not exceed Twelve Million Dollars (\$12,000,000).

SECTION 3. Certain costs will be incurred by the Borrower or the Managing Member in connection with the Project prior to the issuance of the Bonds. The City reasonably expects to reimburse original expenditures (as that term is defined in the Treasury Regulations) incurred

within 60 days preceding the adoption of this ordinance with respect to the Project with proceeds of the Bonds.

SECTION 4. The costs to be reimbursed will be paid from funds of the Borrower or the Managing Member which have been allocated to other purposes.

SECTION 5. This ordinance is consistent with the budgetary and financial circumstances of the City. No funds from sources other than the Bonds are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the City for the Project costs to be paid from the proceeds of the Bonds.

SECTION 6. This ordinance constitutes a declaration of official intent of the City with respect to the Project under Section 1.150-2 of the Treasury Regulations.

SECTION 7. 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 8. This ordinance shall be effective as of the date of its passage and approval.



Fin

16

OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 14, 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 bond inducement language for Housing Revenue Bonds for Metropolitan Housing Development Corporation.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

CHICAGO January 25, 2017

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

An ordinance evidencing the City's intent to issue City of Chicago Multi-Family Housing Revenue Bonds (5525 W. Diversey Manor Apartments Project).

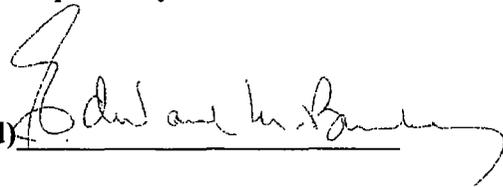
O2016-9131

Amount of Bonds
Not to exceed: \$12,000,000

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).

Respectfully submitted

(signed) 

Chairman

APPROVED

Stephen R. Pella
CORPORATION COUNSEL

APPROVED

Robert Emmet SRA
1/27/17 Mayor