



City of Chicago



O2019-7773

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 9/18/2019

Sponsor(s): Lightfoot (Mayor)

Type: Ordinance

Title: Restructuring of 2007 HOME Investment Partnership Program loan that built Phoenix House Apartments, 1251 S Sawyer Ave, to facilitate borrower's sale to Heartland Phoenix House LLC

Committee(s) Assignment: Committee on Finance

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois and as such may legislate as to matters which pertain to its local government and affairs; and

WHEREAS, the City Council of the City (the "City Council") has determined that the continuance of a shortage of rental housing affordable to persons of low and moderate income is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, the City programmed HOME Investment Partnership Program ("HOME") funds whereby acquisition and rehabilitation loans were made available to owners of rental properties, and HOME is administered by the City's Department of Housing ("DOH"); and

WHEREAS, the City Council, pursuant to an ordinance enacted on November 15, 2006, and published at pages 92011 - 92018 of the Journal of the Proceedings of the City Council of that date, authorized DOH to provide HOME financing in the amount of \$1,300,000 (the "HOME Loan") for the construction of a building called the Phoenix House Apartments (the "Building") located at 1251 South Sawyer Avenue (the "Property"), in Chicago, Illinois, and the 32 residential dwelling units therein (the "Project"); and

WHEREAS, The Phoenix House LLC, an Illinois limited liability company, owns the Building (the "Borrower"); and

WHEREAS, in connection with the Project, the City made the HOME Loan to the Borrower on March 30, 2007 with an interest rate of zero percent per annum, which HOME Loan is secured by, among other things, that certain Mortgage, Security Agreement and Financing Statement dated March 30, 2007 and recorded on March 30, 2007 in the Office of the Recorder of Deeds of Cook County, Illinois as document number 0708905157, made by the Borrower in favor of the City (the "Mortgage"); and

WHEREAS, the City conveyed the Property to AidsCare, Inc., an Illinois not-for-profit corporation, the Borrower's predecessor in title, pursuant to the ordinances, agreements ("Agreements") and deeds ("Deeds") identified on Exhibit A hereto; and

WHEREAS, the Borrower wishes to sell the Building to Heartland Phoenix House LLC, an Illinois limited liability company ("New Owner"), the sole member of which is Heartland Housing, Inc., an Illinois not-for-profit corporation, and requested that DOH approve the proposed sale of the Building and assumption of the Mortgage and other associated HOME Loan documents by New Owner (the "Transfer"); and

WHEREAS, DOH has approved a restructuring of the HOME Loan (the "Restructuring") in a manner which (1) will authorize the Transfer, (2) will not alter the principal amount of the HOME Loan, (3) will not alter the interest rate on the principal balance of the HOME Loan, and (4) will not alter the maturity date of the HOME Loan (collectively, the "Material Terms"); 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 Restructuring is hereby approved as described above. The Commissioner of DOH (the "Housing Commissioner") or a designee of the Housing Commissioner, are each hereby authorized, subject to approval by the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Restructuring which do not substantially modify the Material Terms of the documents for the HOME Loan, except as indicated herein. The Housing Commissioner, or a designee of the Housing Commissioner, 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 Restructuring, including but not limited to amending the Agreements and/or the Deeds with respect to the Transfer pursuant to Section 2-44-040(a)(3) of the Municipal Code of Chicago (the "Municipal Code"). The Housing Commissioner or a designee of the Housing Commissioner 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 any future restructuring of the HOME Loan, which do not substantially modify the Material Terms of the HOME Loan.

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. Sections 2-44-070 and 2-44-080 of the Municipal Code shall not apply to the Property or Project in connection with the Restructuring.

SECTION 4. This ordinance shall be effective as of the date of its passage and approval.

Exhibit A – Ordinances, Agreements and Deeds
(amendments in *italics*)

Ordinance Date	Agreement Recording Date	Agreement Recording Number	Deed Recording Date	Deed Recording Number
2/6/02 (Journal pgs. 79023-79049)	4/2/02 <i>1/7/04</i> <i>3/30/07</i>	0020374918 <i>0400732215</i> <i>0708905152</i>	4/15/02 <i>1/7/04</i> <i>3/30/07</i>	0020428244 <i>0400732216</i> <i>0708905148</i>
2/5/03 (Journal pgs. 103558-103584)	7/3/03 <i>1/7/04</i> <i>3/30/07</i>	0318407006 <i>0400732213</i> <i>0708905151</i>	8/19/03 <i>1/7/04</i> <i>3/30/07</i>	0323131089 <i>0400732214</i> <i>0708905149</i>
2/5/03 (Journal pgs. 103558-103584)	7/3/03 <i>1/7/04</i> <i>3/30/07</i>	0318407006 <i>0400732213</i> <i>0708905151</i>	2/25/04 <i>3/30/07</i>	0405603030 <i>0708905150</i>

FIN



OFFICE OF THE MAYOR
CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

September 18, 2019

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

Ladies and Gentlemen:

At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing a modification to a previously executed redevelopment agreement and associated loan assumption for Heartland Phoenix House LLC.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lori E. Lightfoot".

Mayor

CHICAGO October 16, 2019

To the President and Members of the City Council:

Your Committee on Finance having had under consideration an ordinance authorizing the restructure of the 2007 HOME Investment Partnership for Phoenix House Apartments to facilitate borrower's sale to Heartland Phoenix House, LLC.

O2019-7773

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

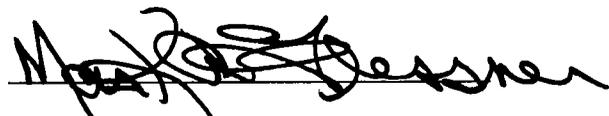
This recommendation was concurred in by _____ (a viva voce vote of members of the committee with 0 dissenting vote(s)).

Respectfully submitted

(signed) Scott E. Langenkamp

Chairman

APPROVED


CORPORATION COUNSEL

DATED: 10-21-19

APPROVED



MAYOR

DATED: 10-21-19