



Office of the City Clerk

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Legislation Details (With Text)

File #: O2013-9455
Type: Ordinance **Status:** Passed
File created: 12/11/2013 **In control:** City Council
Final action: 1/15/2014
Title: Loan agreement and associated tax credits for WP Senior Preservation Associates, LP for acquisition of land and construction of low-income housing
Sponsors: Emanuel, Rahm
Indexes: Loan & Security
Attachments: 1. O2013-9455 (V1).pdf, 2. O2013-9455.pdf

Date	Ver.	Action By	Action	Result
1/31/2014	1	Office of the Mayor	Signed by Mayor	
1/15/2014	1	City Council	Passed	Pass
1/13/2014	1	Committee on Finance	Recommended to Pass	
12/11/2013	1	City Council	Referred	

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 Housing and Economic Development ("HED"); and

WHEREAS, HED has preliminarily reviewed and approved the making of a loan to WP Senior Preservation Associates Limited Partnership, an Illinois limited partnership (the "Borrower"), of which the sole general partner is POAH WP Senior LLC, an Illinois limited liability company (the "General Partner"), the sole owner of which is Preservation of Affordable Housing, Inc., an Illinois not for profit corporation (the "Owner"), in an amount not to exceed \$2,800,000 (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 HED (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. 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). To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict

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EXHIBIT A

BORROWER: WP Senior Preservation Associates Limited Partnership, an Illinois limited partnership (the "Borrower"), of which the sole general partner is POAH WP Senior LLC, an Illinois limited liability company (the "General Partner"), the sole owner of which is Preservation of Affordable Housing, Inc, an Illinois not for profit corporation (the "Owner"), and others to be hereafter selected as the limited partners

PROJECT: Acquisition of land and construction of a building located at 6134-54 South Cottage Grove Avenue, Chicago (the "Property") and of approximately 65 dwelling units contained therein as one- and two-bedroom units for low-income persons, along with certain common areas and approximately 33 parking spaces

LOAN:

Source:	Multi-Family Program Funds
Amount:	Not to exceed \$2,800,000
Term:	Not to exceed 32 years
Interest:	Zero percent (0.0%) per annum
Security:	Non-recourse loan; second mortgage on the Property (the "City Mortgage")

ADDITIONAL FINANCING:

- 1.** Amount: Not to exceed \$12,000,000 (the "Bridge Loan")
Term: Not to exceed 24 months, or another term acceptable to the Authorized Officer ^ Source: JPMorgan Chase Bank, National Association, or another entity acceptable to the Authorized Officer
Interest: Fixed rate of interest not to exceed 4.5 percent per annum, or another rate acceptable to the Authorized Officer Security: Mortgage on the property senior to the lien of the City Mortgage, or other security acceptable to the Authorized Officer
- 2.** Amount: Not to exceed \$1,200,000, all or a portion of which is expected to retire all or a portion of the Bridge Loan
Term: Not to exceed 19 years, or another term acceptable to the Authorized Officer

Source: JPMorgan Chase Bank, National Association, or another entity acceptable to the Authorized Officer
Interest: Fixed rate of interest not to exceed 7.25 percent per annum, or another rate acceptable to the Authorized Officer Security: Mortgage on the Property senior to the lien of the City Mortgage, or other security acceptable to the Authorized Officer

Approximately \$14,433,000, 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
To be derived from the syndication of not to exceed \$1,415,000 of Low-Income Housing Tax Credit allocation by the City

4. Amount: Approximately \$5,134,794
Term: Not to exceed 32 years, or another term acceptable to the Authorized Officer
Source: Owner loan funded with HUD Choice grant proceeds, or another entity acceptable to the Authorized Officer Interest: Fixed rate of interest not to exceed 2.0 percent per annum, or another rate acceptable to the Authorized Officer Security: Mortgage on the Property junior to the lien of the City Mortgage, or other security acceptable to the Authorized Officer
5. Amount: Approximately \$200,000 Term: Grant
Source: Illinois Department of Commerce and Economic Opportunity
6. Amount: Approximately \$300,000 Term: Grant
Source: Illinois Clean Energy Community Foundation

Amount: Approximately \$500,000 Term: Grant
Source: Federal Home Loan Bank - Affordable Housing Program

8. Amount: Source:

\$100

General Partner capital contribution

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

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OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL,
MAYOR

December 11, 2013

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

Ladies and Gentlemen:

At the request of the Commissioner of Housing and Economic Development, I transmit herewith an ordinance authorizing the execution of a loan agreement and associated tax credits for WP Preservation Associates, LP.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

CHICAGO January 15, 2014

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 Housing and Econom Development to enter into and execute a Loan Agreement with WP Senior Preservation Associates Limited Partnership.

02013-9455 Amount of Loan
not to exceed: \$2,800,000

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 votej)**
of members of the committee with **dissenting vote(s):**

Alderman Edward M. Burke abstained from voting on this item pursuant to Rule 14.

(signed

Respectfully submitted

Chairman