



Office of the City Clerk

City Hall
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Legislation Details (With Text)

File #: O2022-1247

Type: Ordinance **Status:** Passed

File created: 4/27/2022 **In control:** City Council

Final action: 5/23/2022

Title: Issuance of multi-family low income bonds for purchase and development of 3737 West Cortland St by Encuentro Square II LP, Encuentro Square II GP, Latin United Community Housing Association

Sponsors: Lightfoot, Lori E.

Indexes: BONDS & BOND ISSUES

Attachments: 1. O2022-1247.pdf, 2. O2022-1247 (V1).pdf

Date	Ver.	Action By	Action	Result
6/1/2022	1	City Council	Signed by Mayor	
5/23/2022	1	City Council	Passed	Pass
5/19/2022	1	Committee on Finance	Recommended to Pass	
4/27/2022	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 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, Encuentro Square II LP, an Illinois limited partnership (the "Borrower") of which the general partner is Encuentro Square II GP LLC, an Illinois limited liability company whose sole member is Latin United Community Housing Association, an Illinois not-for-profit corporation ("LUCHA"), intends to acquire certain property located generally at 3737 West Cortland Street in the City (the "Property"); and

WHEREAS, the Borrower and LUCHA have proposed a certain low-income housing development project on the Property consisting of the acquisition of the Property and construction of one residential building and of approximately 57 residential dwelling units therein, along with related parking and site infrastructure costs (the acquisition, construction and equipping of the real estate and the building and other improvements on the Property, including the residential dwelling units and associated areas in the building, shall be known as 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 \$19,500,000 (the "Bonds") for the purpose of financing a portion of the Project costs, including the Eligible Project Costs (as defined herein); 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 intent to reimburse certain eligible expenditures for the Project made prior to the issuance of the Bonds ("Eligible Project Costs") 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 all or a portion of the proceeds thereof ("Bond Proceeds") to the Borrower, or an entity affiliated with or related to the Borrower, for the purpose of financing a portion of the Project costs, as well as costs incurred in connection with the issuance of the Bonds and funding certain reserves, if required, subject to the City and the Borrower agreeing to the terms and conditions necessary to issue the Bonds and further approval by the City Council of the City. The maximum principal amount of Bonds which the City intends to issue for the Project will not exceed \$19,500,000.

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SECTION 3. Certain Eligible Project Costs will be incurred by the Borrower and/or its affiliates in connection with the Project prior to the issuance of the Bonds. The City reasonably expects to reimburse such Eligible Project Costs with Bond Proceeds.

SECTION 4. The Eligible Project Costs to be reimbursed with Bond Proceeds will be paid initially from funds of the Borrower and/or an entity or entities affiliated with or related to the Borrower.

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

SECTION 6. This ordinance constitutes a declaration of official intent 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 any 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.

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OFFICE OF THE MAYOR

CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

April 27, 2022

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 the issuance of housing revenue bonds for the development of an affordable housing project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours;

CHICAGO May 23, 2022

To the President and Members of the City Council:

Your Committee on Finance having had under consideration a communication recommending a proposed ordinance concerning the authority to issue multi-family low income housing bonds for the purchase and development of 3737 West Cortland Street by Encuentro Square II LP, Encuentro Square II GP and Latin United Community Housing Association (LUCHA) in the 26th Ward.

O2022-1247

Amount: up to \$19,500,000

Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed committee with 0

This recommendation was concurred in by viva voce vote of members of the dissenting vote(s).

Respectfully submitted,

Chairman

Approved Approved

DATED: U/t/^

DATED: /_g//