



# Office of the City Clerk

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## Legislation Text

File #: SO2021-4750, Version: 1

### SUBSTITUTE 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 ("DOH"); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan to The Chicago Lighthouse Residences 9, LLC, an Illinois limited liability company (the "Borrower") of which The Chicago Lighthouse Residences 9 Manager, LLC, an Illinois limited liability company (the "Managing Member") is the managing member, in an amount not to exceed One Million Eighteen Thousand and No/100 Dollars (\$1,018,000) (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 DOH (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. Sections 2-44-080, 2-44-085, 2-44-090, 2-44-100 and 2-44-105 of the Municipal Code of Chicago (the "Municipal Code") 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, 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.

1

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

2

**Ordinance Exhibit A**

**Loan and Additional Financing Terms**

The Chicago Lighthouse Residences 9, LLC, an Illinois limited liability company ("Borrower") and its managing member, The Chicago Lighthouse Residences 9 Manager, LLC, an Illinois limited liability company (the "Managing Member"), of which the managing member is Brinshore Development, L.L.C, an Illinois limited liability company, and the additional special member is The Chicago Lighthouse Residences 9 Special Investor Member, LLC, an Illinois limited liability company, the sole member of which is The Chicago Lighthouse for People Who are Blind or Visually Impaired, an Illinois not-for-profit corporation ("Chicago Lighthouse").

Acquisition and construction of a mixed-use building located at 1134 South Wood Street, Chicago, Illinois (the "Property") to contain approximately 31 affordable residential housing units. The building will contain community and retail spaces and approximately 24 parking spaces.

Source: Multi-Family Program Funds Amount: Not to exceed \$1,018,000

Term: Not to exceed 40 years plus construction period, or another term acceptable to the Authorized Officer Interest: Zero percent per annum, or another rate acceptable to the Authorized Officer.

Security: Non-recourse loan; junior mortgage on the Property ("City Mortgage")

**ADDITIONAL FINANCING:**

1. Amount: Approximately \$13,060,000\*, or another amount acceptable to the Authorized Officer

Term: Not to exceed 42 months or another term acceptable to the Authorized Officer

Source: CIBC Bank, USA, or another source acceptable to the Authorized Officer

Interest: Floating one-month term SOFR + 225 basis points with a 65 basis points SOFR floor, or another rate acceptable to the Authorized Officer.

Security: Mortgage on the Property senior to the lien of the City Mortgage

\*to be repaid with a portion of the syndication of the low-income housing tax credit allocation by the City

2. Amount: Not to exceed \$2,044,362 or such other amount as may be acceptable to the Authorized Officer

Term: Not to exceed 40 years plus construction period, or another

term acceptable to the Authorized Officer

3

Source: Chicago Lighthouse, or another source acceptable to the Authorized Officer

Interest: Five percent per annum, or another rate acceptable to the Authorized Officer. Security: Non-recourse loan; mortgage junior to the City

Mortgage

3. Amount Approximately \$16,148,385, or such amount as may be acceptable to the Authorized Officer, all or a portion of which may be paid in on a delayed basis. Source: To be derived from the syndication of a low-income housing tax credit allocation by the City

4