



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Text

File #: O2022-2003, Version: 1

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, pursuant to an ordinance adopted on October 27, 2021, and published at pages 40213-40503 of the Journal of the Proceedings of the City Council (the "Journal") of such date, the City Council authorized the issuance of general obligation bonds in one or more series, in an aggregate principal amount not to exceed \$660,000,000 for the Chicago Recovery Plan to finance the costs of the Recovery Purposes (as defined therein); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan or grant to Sarah's on Lakeside, LLC, an Illinois limited liability company (the "Borrower"), of which Sarah's Circle, an Illinois not for profit corporation, is the sole member, in an amount not to exceed \$4,000,000 (the "Loan or Grant"), to be funded from Multi-Family Program Funds or Chicago Recovery Plan 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 or Grant. 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 or Grant 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 or Grant to the Borrower.

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SECTION 3. The Project (as described on Exhibit A hereto) shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago (the "Municipal Code").

SECTION 4. In order to ensure clarity in the applicable affordability restrictions, the requirements of Sections 2-44-080 through 2-44-105, inclusive, of the Municipal Code shall not apply to multi-family housing projects: (i) which receive loans or grants from the City (including from bond proceeds, funds from grants received by the City or corporate funds, but excluding (x) loans and grants funded solely by revenues from the Affordable Housing Opportunity Fund as described in Section 2-44-085(1) of the Municipal Code, and (y) funds derived from one or more special tax allocation funds created pursuant to 65 ILCS 5/11-74.4-1 et seq. or 65 ILCS 5/11-74.6-1 et seq.), and/or which are eligible for tax credits administered by the City in connection with Section 42 of the Internal Revenue Code of 1986, as amended, or 20 ILCS 3805/7.28; and (ii) for which the applicable loan, grant and/or tax credit documents have not been executed and delivered by the City as of the effective date of this ordinance.

SECTION 5. 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.

SECTION 6. This ordinance shall be effective as of the date of its passage and approval.

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EXHIBIT A

Sarah's on Lakeside, LLC, an Illinois limited liability company, of which Sarah's Circle, an Illinois not for profit corporation, is the sole member

Construction of a building to be located at 4737 North Sheridan Road in the City (the "Property"), containing 28 dwelling units as rental studio units for very low-and extremely low-income families, common spaces for supportive services, case manager and staff offices, and outdoor green space.

LOAN or GRANT: Source:

Amount: Term:

Interest: Security:

Alternate Structure:

Multi-Family Program Funds or Chicago Recovery Plan Funds

Not to exceed \$4,000,000

Not to exceed 30 years plus the construction period, or such other term acceptable to the Authorized Officer

Not to exceed 0% percent per annum, or such other interest rate acceptable to the Authorized Officer

Junior mortgage on the Property (the "City Mortgage")

If so determined by the Authorized DOH Officer, any portion of Chicago Recovery Plan funds described above (but not Multi-Family Program funds) may be granted by the City to the Borrower. Repayment of such grant may or may not be secured by a City Mortgage, and/or such other security acceptable to the Authorized Officer.

ADDITIONAL FINANCING:

Source:

Loan:

Term:

Interest: Security:

Illinois Housing Development Authority ("IHDA"), or such other entity as may be acceptable to the Authorized Officer

Not to exceed \$3,853,604 (Supporting Housing Program (SHP) Funds), or such other amount to which the Authorized Officer may consent

Not to exceed 24 months, with an amortization period of 30 years, or such other term acceptable to the Authorized Officer

0% percent per annum

Mortgage senior to the lien of the City Mortgage

Illinois Affordable Housing Tax Credit ("IAHTC")

Approximately \$1,350,000, or such other amount to which the Authorized Officer may consent Sarah's Circle, or a source acceptable to the Authorized Officer.

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3. Source:

Grant (Donation) Amount:

4. Source: Grant Amount:

5. Source: Contributed Equity Amount:
DOH, City Affordable (ARO) "In-Lieu" Funds

\$3,087,566

IHDA 2,146,396

Sarah's Circle

\$1,948,033

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OFFICE OF THE MAYOR

CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

June 22, 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 various financial assistance to Sarah's on Lakeside, LLC for a new affordable housing development project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours.

5533 NORTH BROADWAY
CHICAGO, IL 60640 PHONE: 773-784-5277 E-MAIL: HARRY@48THWARD.ORG <mailto:HARRY@48THWARD.ORG> WEBSITE: 48THWARD.ORG
<http://48THWARD.ORG>

CITY HALL-ROOM 300
121 N. LASALLE STREET
CHICAGO, IL 60602 PHONE: 312-744-6860 WARD48@CITYOFCHICAGO.ORG <mailto:WARD48@CITYOFCHICAGO.ORG>

HARRY OSTERMAN
48TH WARD
CHAIRMAN OF THE COMMITTEE ON HOUSING AND REAL ESTATE

July 20, 2022

TO THE PRESIDENT AND MEMBERS OF CITY COUNCIL:

Your Committee on Housing and Real Estate, for which a virtual meeting was held on July 12, 2022 was referred an Ordinance from the Department of Housing for the redevelopment agreement with financial assistance of loan or grant from Multi-family Program, or Chicago Recovery Plan Funds to Sarah's on Lakeside LLC, Sarah's Circle for construction of rental studios and supportive services with outdoor green space at 4737 N Sheridan Road.

(02022-2003)

Having the same under advisement, begs leave to report and recommend that Your Honorable Body, Pass the proposed communication transmitted herewith.

The recommendation was Passed by the same roll call as was used to determine quorum in Committee.

Harry Osterman, Chairman Committee on Housing and Real Estate

Sincerely,

APPROVED

DATED: 7/20/22