



Office of the City Clerk

City Hall
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Legislation Text

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CHICAGO January 18. 2012 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 Economic Development to enter into and execute a Loan Agreement with Sarah's Circle.

02011-9760

Amount of Loan
not to exceed: \$ 1,227,790

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^iva voce vote")
of members of the committee with dissenting vote(s)T

Respectfully submitted

Chairman

Document No.

REPORT OF THE COMMITTEE ON FINANCE TO THE CITY COUNCIL CITY OF CHICAGO
OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL

December 14, 2011

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 Sarah's Circle.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

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EXHIBIT A

BORROWER: collectively, Sarah's Circle, an Illinois not-for-profit corporation and/or an affiliate thereof to be formed and controlled thereby

PROJECT:

LOAN:

ADDITIONAL FINANCING:

Acquisition and rehabilitation of a building located at 4836-38 North Sheridan Road in Chicago, Illinois (the "Property") and of approximately 10 residential dwelling units contained therein for low- and moderate-income families (the "Residential Portion"), and of certain common and commercial space therein (the "Commercial Portion")

Source: Multi-Family Program Funds
Amount: Not to exceed \$1,227,790
Term: Not to exceed 32 years, 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(s); first mortgage on the Residential Portion and second mortgage on the Commercial Portion, or other security acceptable to the Authorized Officer

1. Amount: Not to exceed \$475,000
1. Term: Not to exceed 32 years, or another term acceptable to the Authorized officer
Source: Wintrust Bank, or another entity acceptable to the Authorized Officer
Interest: Not to exceed six percent per annum, or another rate acceptable to the Authorized Officer
Security: First mortgage on the Commercial Portion, or other security acceptable to the Authorized Officer
2. Amount: Not to exceed \$1,400,000
Source: Grant from the Illinois Housing Development Authority, or another entity acceptable to the Authorized Officer
Security: Second mortgage on the Residential Portion, or other security acceptable to the Authorized Officer
3. Amount: \$400,000
3. Source: Grant from the United States Department of Housing and Urban Development pursuant to its Supportive Housing Program, or another entity acceptable to the Authorized Officer
4. Amount: Approximately \$414,813
Source: Borrower, from the proceeds of grants from various entities, foundations and individuals to the Borrower

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 one or more loans in an aggregate amount not to exceed \$1,227,790 (collectively, the "Loan") to Sarah's Circle, an Illinois not-for-profit corporation and/or an affiliate thereof to be formed and controlled thereby (collectively, the "Borrower"), with such 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. The Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago. Section 2-45-110 of the Municipal Code of Chicago shall not apply to the Project or the Property.

SECTION 4. 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.

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