



Office of the City Clerk

City Hall
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Legislation Details (With Text)

File #: O2013-4994
Type: Ordinance
Status: Passed
File created: 6/26/2013
In control: City Council
Final action: 7/24/2013
Title: Loan agreement with Kilpatrick Renaissance, LP for acquisition of land and construction of Residential building at 4117 N Kilpatrick Ave
Sponsors: Emanuel, Rahm
Indexes: Loan & Security
Attachments: 1. O2013-4994.pdf

Date	Ver.	Action By	Action	Result
8/21/2013	1	Office of the Mayor	Signed by Mayor	
7/24/2013	1	City Council	Passed	Pass
7/19/2013	1	Committee on Finance	Recommended to Pass	
6/26/2013	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 Kilpatrick Renaissance LP, an Illinois limited partnership (the "Borrower") whose general partner is RRG Kilpatrick Renaissance GP LLC, an Illinois limited liability company, the managing member of which is RRG Development, Inc., an Illinois corporation, in an amount not to exceed \$3,300,000 (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. 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 2-45-110 of the Municipal Code of Chicago shall not apply to the Project or the Property(as defined on Exhibit A).

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

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EXHIBIT A

BORROWER: Kilpatrick Renaissance LP, an Illinois limited partnership, (the "Borrower") whose general partner is RRG Kilpatrick Renaissance GP LLC, the managing member of which is RRG Development, Inc., an Illinois corporation, and others to be hereafter selected as the limited partners

PROJECT: Acquisition of land and construction of a building to be located thereon at 4117 North Kilpatrick in Chicago, Illinois (the "Property") and of approximately 91 dwelling units contained therein as studio, one-bedroom and two-bedroom units for low-income elderly persons, along with 7 market rate units for elderly persons, together with certain common space, offices, and parking.

Source: Amount: Term: Interest:

Security:

Multi-Family Program Funds Not to exceed \$3,300,000 Not to exceed 32 years

Zero percent per annum or another interest rate acceptable to the Authorized officer Non-recourse loan; second mortgage on the Property (the "City Mortgage")

ADDITIONAL FINANCING:	1.	Amount:	Approximately \$1,700,000
		Term:	Not to exceed 18 years, or another term acceptable to the authorized Officer
		Source:	BMO Harris Bank, N.A., or another source acceptable to the Authorized Officer
		Interest:	Five and Three Tenths percent per annum or another interest rate acceptable to the Authorized Officer
		Security:	A mortgage on the Property senior to the lien of the City Mortgage
	2.	Amount:	Approximately \$11,200,000 (the "Bridge Loan")
		Term:	Not to exceed 3 years, or another term acceptable to the

- authorized Officer
Source: BMO Harris Bank, N.A., or another source acceptable to the Authorized Officer
Interest: Two and Seventy-Five Hundredths percent per annum or another interest rate acceptable to the Authorized Officer
Security: A mortgage on the Property senior to the lien of the City Mortgage
3. Amount: Approximately \$900,000
Term: Not to exceed 30 years, or another term acceptable to the Authorized Officer
Source: Chicago Low-Income Housing Trust Fund, or another source acceptable to the Authorized Officer Interest: Zero percent per annum or another interest rate acceptable to the Authorized officer

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- Security: A mortgage on the Property junior to the lien of the City Mortgage and/or a recapture agreement on the Property
- Amount: Approximately \$700,000
Term: Not to exceed 30 years, or another term acceptable to the Authorized Officer Source: Sponsor Loan from Federal Home Loan Bank grant proceeds, or another source acceptable to the Authorized Officer
Interest: Zero percent annum or another interest rate acceptable to the Authorized officer
Security: A mortgage on the Property junior to the lien of the City Mortgage and/or a recapture agreement on the Property

Low-Income Housing Tax Credit ("LIHTC") Proceeds:

Source:

Approximately \$14,850,000, 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 repay the Bridge Loan
To be derived from the syndication of approximately \$1,500,000 LIHTC allocation by the City

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The Kilpatrick Renaissance

4117 N. Kilpatrick, Chicago Illinois

Ownership Chart

Kilpatrick Renaissance, LP Owner

RRG Kilpatrick Renaissance GPLLC General Partner 0.01%
NEF Assignment Corporation as Nominee -Limited Partner 99.99%

NJK Venture, LLC r.
Member 75% of
31%

Nancy J Kapp
Managing Manager

RRG Development, Inc. Managing Member 25% of 0.01%
OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL MAYOR

June 26, 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 for Kilpatrick Renaissance, LP.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

CHICAGO July 24, 2013 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 enter into and execute a Loan Agreement with Kilpatrick Renaissance, LP.

02013-4994

Amount of Loan not to exceed:

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
of members of the committee with**

Respectfully submitted

Chairman