



Office of the City Clerk

City Hall
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Legislation Details (With Text)

File #: O2017-3051
Type: Ordinance **Status:** Passed
File created: 3/29/2017 **In control:** City Council
Final action: 4/19/2017

Title: Sale of City-owned property to and multi-family loan agreement with Harvest Homes Apartment, LP at 3520-3524 W Fifth Ave, 3528-3532 W Fifth Ave, 3540-3542 W Fifth Ave, 318-322 S St. Louis Ave and Latin United Community Housing Assn., at 1802 N Sawyer Ave, 1808 N Kedzie Ave, 1810 N Kedzie Ave, 1421 N Artesian Ave and 2572 W Palmer Ave

Sponsors: Emanuel, Rahm

Indexes: Loan & Security, Sale

Attachments: 1. O2017-3051.pdf, 2. O2017-3051 (V1).pdf

Date	Ver.	Action By	Action	Result
4/24/2017	1	City Council	Signed by Mayor	
4/19/2017	1	City Council	Passed	Pass
4/18/2017	1	Committee on Finance	Recommended to Pass	Pass
3/29/2017	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 Planning and Development ("DPD"); and

WHEREAS, certain City funds derived from the proceeds of the City of Chicago General Obligation Bonds Project and Refunding, Series 2017A, or from other sources are available and have been previously appropriated by the City Council for City public improvements and infrastructure work (the "Infrastructure Funds"); and

WHEREAS, the City Council has authorized the making of a loan to Harvest Homes Apartments, L.P., an Illinois limited partnership ("Harvest Homes") to finance a portion of the costs of developing multifamily housing projects located generally at 3520-3524 West Fifth Avenue, 3528-3532 West Fifth Avenue, 3540-3542 West Fifth Avenue, and 318-22 South St. Louis Avenue, all in Chicago, Illinois (the "Harvest Homes Project"), and the City, wishing to realize efficiencies resulting from Harvest Homes' mobilization on the project site,

wishes to reimburse The People's Community Development Association of Chicago, an Illinois not-for-profit corporation which is affiliated with Harvest Homes ("PCDAC") for the cost of certain public improvements on or near the site incurred by PCDAC in connection with the Harvest Homes Project, including, without limitation, such work as is described on Exhibit E hereto and hereby incorporated herein, with such additions and/or deletions as are approved by the Authorized Officer; and

WHEREAS, DPD has preliminarily reviewed and approved the making of a loan to Tierra Linda Limited Partnership, an Illinois limited partnership (the "Borrower"), of which Tierra Linda, LLC, an Illinois limited liability company, is the sole general partner (of which Latin United Community Housing Association, an Illinois not-for-profit corporation is the sole member), in an amount not to exceed \$5,000,000 (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; and

WHEREAS, Latin United Community Housing Association, or an affiliate thereof (collectively hereinafter referred to as "LUCHA"), desires to purchase the vacant, City-owned parcels of real property commonly known as 1802 N. Sawyer Avenue, 1808 N. Kedzie Avenue, 1810 N. Kedzie

1

Avenue, 1421 N. Artesian Avenue and 3572 W. Palmer Street, Chicago, Illinois (the "City Property"), for the sum of Five and 00/100 Dollars (\$5.00) (i.e., \$1.00 per parcel), and which are legally described in Exhibit B attached hereto; and

WHEREAS, the appraised aggregate fair market value of the City Property is Nine Hundred Ten Thousand Dollars (\$910,000); and

WHEREAS, LUCHA proposes to immediately reconvey the City Property to the Borrower;
and

WHEREAS, in relation to the Bickerdike Property (as defined below), the City has previously entered into that certain Redevelopment Agreement - New Homes for Chicago Program -Bickerdike Redevelopment Corporation (the "Original Bickerdike RDA"), with Bickerdike Redevelopment Corporation, an Illinois not-for-profit corporation ("Bickerdike"), dated as of November 30, 2007, and recorded with the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") on December 4, 2007, as document number 0733839091; and

WHEREAS, LUCHA proposes to become the owner of that certain real property commonly known as 1858 N. Spaulding Avenue and 1929 N. Drake Avenue, Chicago, Illinois, and legally described in Exhibit C attached hereto (the "Bickerdike Property", together with the City Property to be referred to herein as the "Conveyed Property"), as further described below; and

WHEREAS, the Borrower is anticipated to become the owner of certain real property identified on Exhibit D attached hereto (the "Private Property", and collectively with the Conveyed Property, to be referred to herein as the "Property"); and

WHEREAS, the Borrower proposes to construct on the Property a multifamily housing project as described in Exhibit A attached hereto and incorporated herein (the "Project"); and

WHEREAS, in connection with such Project, certain public improvement work needs to be accomplished, and the City wishes to retain LUCHA to cause such work to be accomplished, including, without limitation, such work as is described on Exhibit F hereto and hereby incorporated herein, with such

additions and/or deletions as are approved by the Authorized Officer; and

WHEREAS, pursuant to the Original Bickerdike RDA, Bickerdike was required to develop affordable, owner-occupied housing in accordance with the Original Bickerdike RDA, on those certain lots legally described in Exhibit B of the Original Bickerdike RDA; and

WHEREAS, the City and Bickerdike entered into that certain First Amendment to Redevelopment Agreement (the "Bickerdike First Amendment"), dated as of June 7, 2010, and recorded with the Recorder's Office on July 22, 2010, as document number 1020331094 (the Original Bickerdike RDA, as amended by the Bickerdike First Amendment, the "Bickerdike RDA"); and

WHEREAS, due to a change in housing market conditions, the Bickerdike First Amendment deleted four (4) City lots from the list of lots legally described in Exhibit B of the Original Bickerdike RDA; and

WHEREAS, pursuant to the Bickerdike RDA, the City has previously conveyed the parcels

2

legally described in Exhibit B of the Original Bickerdike RDA, as amended by the Bickerdike First Amendment, to Bickerdike, pursuant to the City's quit claim deeds dated November 30, 2007, and April 13, 2009, which deeds were recorded with the Recorder's Office on December 4, 2007, and April 21, 2009, respectively, as document numbers 0733839090 and 0911134071 ("Deed #1" and "Deed #2," respectively); and

WHEREAS, Bickerdike has not developed the Bickerdike Property, which were conveyed by the City to Bickerdike pursuant to Deed #1; and

WHEREAS, in relation to the Bickerdike Property, Bickerdike and the Illinois Housing Development Authority ("IHDA") have previously entered into that certain Illinois Affordable Housing Tax Credit Regulatory Agreement, dated as of November 30, 2007, and recorded with the Recorder's Office on December 4, 2007, as document number 0733839093, as amended and restated by that certain Amended and Restated Illinois Affordable Housing Tax Credit Regulatory Agreement (the "Amended and Restated IHDA Regulatory Agreement"), entered into between Bickerdike and IHDA dated September 9, 2011, and recorded with the Recorder's Office on September 23, 2011, as document number 1126631073; and

WHEREAS, the Amended and Restated IHDA Regulatory Agreement encumbers various parcels of real property, including the Bickerdike Property; and

WHEREAS, LUCHA and Bickerdike have proposed that Bickerdike convey the Bickerdike Property to the LUCHA, for immediate reconveyance to the Borrower, for the Project; and

WHEREAS, in order for Bickerdike to convey the Bickerdike Property to LUCHA, Bickerdike has proposed that the City release the Bickerdike Property from the Bickerdike RDA and the covenants set forth in Deed #1, concurrent with Bickerdike's conveyance of the Bickerdike Property to LUCHA, and subject to IHDA's releasing the Bickerdike Property from the Amended and Restated IHDA Regulatory Agreement and further subject to IHDA's entering into an Illinois Affordable Housing Tax Credit Regulatory Agreement for the Project with the LUCHA and the Borrower; and

WHEREAS, by Resolution No. 17-019-21, adopted by the Plan Commission of the City (the "Plan Commission") on February 16, 2017, the Plan Commission recommended the sale of the City Property; and

WHEREAS, public notices advertising the intent of the Department to enter into a negotiated sale with

LUCHA and requesting alternative proposals appeared in the Chicago Sun-Times on February 20, 23 and 27, 2017; and

WHEREAS, no alternative proposals have been received by the deadline indicated in the aforesaid notice; and

WHEREAS, the Illinois General Assembly pursuant to 20 ILCS 3805/7.28 (as supplemented, amended and restated from time to time, the "Act") has authorized a program allowing the allocation of certain tax credits for qualified donations made in connection with affordable housing projects; and

WHEREAS, on January 16, 2002, the City Council enacted an ordinance published in the Journal of Proceedings for such date at pages 77362 through 77366, inclusive, as amended by an

3

"ordinance adopted by City Council on September 4, 2003 and published in the Journal of Proceedings for such date at pages 6475 through 6626, inclusive, which authorized the establishment of a program (as supplemented, amended and restated from time to time, the "Donation Tax Credit Program") to be implemented by DPD in connection with the use of certain tax credits authorized by the Act; and

WHEREAS, the City's conveyance of the City Property to LUCHA may qualify under the Donation Tax Credit Program as an eligible donation, and may generate certain additional proceeds for the Project; and

WHEREAS, LUCHA has applied to the Illinois Department of Commerce and Economic Opportunity ("DCEO") for a grant in the amount of approximately \$210,549 in connection with the Project, and may apply to other sources for a grant if those funds are not available from DCEO (the "DCEO Grant"); and

WHEREAS, if LUCHA receives the DCEO Grant from any source in connection with the Project, it is anticipated that LUCHA will make a loan of the proceeds of such DCEO Grant to the Borrower (the "Sponsor Loan") for use in connection with the Project, which such Sponsor Loan may have a fixed rate of interest not to exceed 8% per annum or another interest rate acceptable to the Authorized Officer (as hereinafter defined), and which such Sponsor Loan may be secured by a mortgage on the Property junior to the lien of the City Mortgage (as defined on Exhibit A hereto); and

WHEREAS, the making of the Sponsor Loan may reduce the amount of the Loan, but the making of the Sponsor Loan is not a condition to the making of the Loan; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. Incorporation of Recitals. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. Loan. Upon the approval and availability of the Additional Financing as shown in Exhibit A hereto, the Commissioner (the "Commissioner") of DPD or any successor department thereto 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. Qualification as Affordable Housing. The Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago. Section 2-45-115 of the Municipal Code of Chicago shall not apply to the Project or the Property (as defined on Exhibit A hereto).

SECTION 4. Agreement. The sale of the City Property to LUCHA in the amount of Five and 00/100 Dollars (\$5.00) is hereby approved. This approval is expressly conditioned upon the City entering into a regulatory agreement with the Borrower in connection with the Project (the "Regulatory Agreement").

4

SECTION 5. Deed. The Mayor or his proxy is authorized to execute, and the City Clerk is authorized to attest, one or more quitclaim deeds conveying the City Property to LUCHA, or to a land trust of which LUCHA is the sole beneficiary, or to a business entity of which the LUCHA is the sole controlling party or which is comprised of the same principal parties, for immediate re-conveyance to the Borrower, subject to those covenants, conditions and restrictions set forth in the Regulatory Agreement.

The following provisions shall govern the City's conveyance of the City Property to LUCHA:

(i) Form of Quitclaim Deed. The City shall convey to LUCHA title to the City Property by quitclaim deed for the sum of Five and 00/100 Dollars (\$5.00), which shall be paid by LUCHA to the City on the date the City conveys the City Property. LUCHA acknowledges and agrees that the City Property has an appraised fair market value price of approximately Nine Hundred Ten Thousand Dollars (\$910,000). Without limiting the quitclaim nature of the deed, the conveyance of and title to the City Property shall, in addition to the provisions of this Ordinance, be subject to:

- a) general real estate taxes and any special assessments or other taxes;
- b) all easements, encroachments, covenants and restrictions of record and not shown of record;
- c) such other title defects as may exist; and
- (d) any and all exceptions caused by the acts of LUCHA, its affiliates or its agents.

ii) Taxes. The City shall use reasonable efforts to obtain the waiver or release of any delinquent real estate taxes or tax liens on the City Property prior to the closing, to the extent such taxes or tax liens can be waived or released through submission of an abatement letter to the Cook County Treasurer, a motion to vacate a tax sale or a petition for exemption. If the City is unable to obtain the waiver or release of any such tax liens or is unable to cause the title company to insure over such tax liens, or if the City Property is encumbered with any other unpermitted exceptions, LUCHA shall have the option to do one of the following: (a) accept title to the City Property subject to the unpermitted exceptions, which shall then become permitted exceptions; or (b) terminate this Agreement by delivery of written notice to the City at least fourteen (14) days prior to the closing date.

iii) Financing. Neither LUCHA nor the Borrower shall, without prior written consent of the

Department, which shall be in the Department's sole discretion, engage in any financing or other transaction which would create an encumbrance or lien on the City Property (other than Financing described on Exhibit A).

iv) Closing. The closing for the City Property to LUCHA and LUCHA's reconveyance of the City Property to the Borrower shall take place simultaneously and sequentially and on such date and at such place as the parties may mutually agree to in writing.

(v) Recordation of Quitclaim Deed. LUCHA shall promptly record, or cause to be

5

' recorded, the quitclaim deed(s) for the City Property in the Office of the Recorder of Deeds of Cook County, Illinois. LUCHA or the Borrower shall pay all costs for so recording the quitclaim deed.

(vi) Escrow. In the event that LUCHA requires conveyance through an escrow, LUCHA shall pay all escrow fees.

(vii) "AS IS" SALE. LUCHA ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY (AND ANY IMPROVEMENTS THEREON). LUCHA OR THEIR REPRESENTATIVE MUST OBTAIN A RIGHT OF ENTRY AGREEMENT FROM THE CITY PRIOR TO ACCESSING THE PROPERTY AT ANY TIME PRIOR TO CONVEYANCE. THE CITY MUST APPROVE THE SCOPE OF WORK ASSOCIATED WITH THE RIGHT OF ENTRY BEFORE IT IS CONDUCTED. LUCHA AGREES TO ACCEPT THE PROPERTY IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. LUCHA ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. LUCHA AGREES THAT IT IS LUCHA'S SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY ENVIRONMENTAL REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

(viii) Environmental Requirements:

1. Phase I Environmental Site Assessment (ESA) must be conducted in conformance with ASTM E- 1527-13 is required and must be performed within 180 days prior to closing. A reliance letter naming the City of Chicago as an authorized user must be provided by the environmental professional conducting the Phase I ESA. The City's Department of Fleet and Facility Management ("2FM") believes that the former presence of a roofing contractor at 1757 N. Drake Ave. and the historical operation of the Almira Iron Works adjacent to 1822 N. Sawyer Ave. constitute Recognized Environmental Conditions ("RECs") which must undergo further investigation.

2. LUCHA acknowledges that 1757 N. Drake Ave. and 1822 N. Sawyer Ave. have not been fully characterized, and agrees to conduct a Phase II investigation, including sampling sufficient to determine whether the Property needs to be included in the Site Remediation Program ("SRP") administered by the Illinois Environmental Protection Agency ("IEPA") based on paragraph 3 below.

2FM or any successor department thereto shall have the right to review and approve to the sampling plan and results, and any site investigation reports prepared in connection therewith. Upon 2FM's request, the Developer shall perform additional tests for the purpose of determining whether the Property satisfies IEPA's Tiered Approach to Corrective Action Objectives ("TACO") Tier 1 residential criteria; except that Developer is not required to perform such additional tests if IEPA has provided Developer with a written determination that the Property satisfies IEPA's TACO Tier 1 residential criteria

6

based on existing tests.

3. In the event that soil and/or groundwater impacts exceeding IEPA's TACO Tier 1 residential criteria are identified, LUCHA must enroll the Project site(s) in the IEPA SRP and obtain a comprehensive residential No Further Remediation Letter(s).

4. LUCHA shall undertake all investigation, removal, response, disposal, remediation and other activities that may be required and take all necessary and proper steps to obtain a comprehensive residential Final No Further Remediation Letter(s) ("Final NFR Letter(s)") from the IEPA approving the use of the Property for the Project.

5. Any underground storage tanks ("USTs") identified must be removed and closed in accordance with applicable regulations and any identified leaking USTs must be properly addressed in accordance with 35 Ill. Adm. Code 734.

6. LUCHA shall be solely responsible for all site preparation, SRP and environmental oversight costs, including, but not limited to, report preparation, IEPA fees, remediation oversight, the removal of soil, pre-existing building foundations, soil exceeding the IEPA's Tiered Approach to Cleanup Objectives for the proposed uses of the Project, and demolition debris, the removal, disposal, storage, remediation, removal or treatment of "Hazardous Substances" (as defined below) from the Property, and the construction of any engineered barriers required to obtain the Final NFR Letter. "Hazardous Substance" means any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Laws, or any pollutant, toxic vapor, or contaminant, and shall include, but not be limited to, petroleum (including crude oil or any fraction thereof), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

7. The City, acting through 2FM, shall have the right to review and approve in advance all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the Comprehensive Site Investigation Report/Remedial Objectives Report/Remedial Action Report, the Remedial Action Completion Report, the Comprehensive Draft NFR Letter, the Final NFR Letter and any changes thereto.

8. LUCHA shall promptly transmit to the City copies of all SRP Documents prepared or received after the date hereof, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies with respect to the Remediation Work.

9. LUCHA acknowledges and agrees that the City will not issue a Certificate of Completion or a Certificate of Occupancy for the Project and occupancy may not occur until the IEPA has issued, and the City has approved, a Final NFR Letter for the Project.

10. LUCHA must record and abide by the terms and conditions of the Final NFR Letter, including but not limited to the maintenance of all preventative, engineering and institutional controls.

7

11. LUCHA must comply with all applicable "Environmental Laws" (as defined below). "Environmental Laws" means any and all Laws (as defined below) relating to the regulation and protection of human health, safety, the environment and natural resources now or hereafter in effect, as amended or supplemented from time to time, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., any and all regulations promulgated under such Laws, and all analogous state and local counterparts or equivalents of such Laws, including, without limitation, the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq., and the common law, including, without limitation, trespass and nuisance. "Laws" means all applicable federal, state and local statutes, laws, ordinances, codes, rules, regulations, orders and judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code of Chicago relating to waste disposal (collectively, "Laws")

(ix) Release and Indemnification.

1. LUCHA, on behalf of itself and on behalf of its officers, directors, employees, successors, assigns and anyone claiming by, through or under them (collectively, the "Developer Parties"), or anyone claiming by, through, or under the Developer Parties, hereby releases, relinquishes and forever discharges the City from and against any and all Losses which LUCHA or any of the Developer Parties ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, arising out of or in any way connected with, directly or indirectly (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Substances, or threatened release, emission or discharge of Hazardous Substances; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances in, on, under or about the Property or the migration of Hazardous Substances from or to other property, unless the Hazardous Substances migrate from property owned by the City to the Property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any Losses arising under CERCLA, and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Developer shall defend, indemnify, and hold the City harmless from and against any and all Losses which may be made or asserted by any third parties arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

2. The covenant of release set forth in this provision (ix) shall run with the Property, and shall be binding upon all successors and assigns of LUCHA with respect to the Property, including, without limitation, each and every person, firm, corporation, limited

8

liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through LUCHA following the date of the Deed. LUCHA acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City's conveying the Property to LUCHA, and that, but for such release, the City would not have agreed to convey the Property to LUCHA for the Purchase Price. It is expressly agreed and understood by and between LUCHA and the City that, should any future obligation of LUCHA, or any of the Developer Parties, arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither LUCHA, nor any of the Developer Parties, will assert that those obligations must be satisfied in whole or in part by the City because this provision (ix) contains a full, complete and final release of all such claims.

3. This provision (ix) shall survive the closing of the City's conveyance of the Property to LUCHA and any termination of the Loan agreement (regardless of the reason for such termination).

(x) Reconveyance Deed. Prior to the City's conveyance of the City Property to LUCHA, LUCHA shall deliver to the City a special warranty deed for the City Property in recordable form naming the City as grantee, for possible recording in the event LUCHA defaults under the Loan or the tax credit regulatory agreement, and such default is not cured in accordance with the terms of the Loan or the regulatory agreement; provided, however, the City will return the reconveyance deed to LUCHA promptly following the later of the City's issuing a certificate of completion for the Project and LUCHA's renting each of the residential dwelling units that comprise the Project.

SECTION 6. Release. The Commissioner is hereby authorized to release the Bickerdike Property from the Bickerdike RDA and to consent to Bickerdike's conveyance of the Bickerdike Property to the LUCHA, for immediate reconveyance to the Borrower, for the Project, and to negotiate and, subject to the approval of the Corporation Counsel, to execute such documents (including an amendment to the Bickerdike RDA) as are necessary to effectuate such release and consent.

SECTION 7. Donation Tax Credits. The City hereby approves the conveyance of the City Property and the Bickerdike Property. The conveyance of the City Property is approved as a donation to LUCHA from the City under the Donation Tax Credit Program in connection with the Project. The Authorized Officer is hereby authorized to transfer the tax credits allocated to the City under the Donation Tax Credit Program in connection with the conveyance of the City Property to an entity satisfactory to the Authorized Officer on such terms and conditions as are satisfactory to the Authorized Officer (the "Transfer"). The proceeds, if any, received by the City in connection with the Transfer are hereby appropriated, and the Authorized Officer is hereby authorized to use such proceeds, to make a grant to LUCHA, in his or her sole discretion, for use in connection with the Project (the "Grant"). Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the proceeds of the Grant to LUCHA.

SECTION 8. Infrastructure Work: Harvest Homes Project and the Project.

- (i) Harvest Homes. The City is hereby authorized to reimburse PCDAC from the Infrastructure Funds, in an amount not to exceed THREE HUNDRED SEVENTY

FIVE THOUSAND DOLLARS (\$375,000) (the "Harvest Infrastructure Funds"), for certain City infrastructure work accomplished by PCDAC adjoining or near the site of the Harvest Homes Project, which such work is generally described in Exhibit E to this Ordinance, with such additions and/or deletions as are approved by the Authorized Officer.

- ii) The Project. The City is hereby authorized to retain LUCHA to accomplish certain City infrastructure work adjoining or near the site of the Project, which such work is generally described in Exhibit F to this Ordinance, with such additions and/or deletions as are approved by the Authorized Officer and may be paid for from the Infrastructure Funds. LUCHA shall cause such work to be completed pursuant to standards required by the Authorized Officer for an amount not to exceed THREE HUNDRED THOUSAND DOLLARS (\$300,000) (the "Project Infrastructure Funds").
- iii) The Authorized Officer is hereby authorized to enter into such amendments, agreements, and/or any other documents required to accomplish the purposes of this Section 8. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the Harvest Infrastructure Funds to PCDAC and the Project Infrastructure Funds to LUCHA.

SECTION 9. Severance. 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 10. Effective Date. This ordinance shall be effective as of the date of its passage and approval.

10
EXHIBIT A

Tierra Linda Limited Partnership, an Illinois limited partnership with Tierra Linda, LLC, an Illinois limited liability company, (of which Latin United Community Housing Association, an Illinois not-for-profit corporation, is the sole member), as the sole general partner (the "General Partner") and others to be hereafter selected as the limited partners.

Acquisition of land and construction of approximately twelve (12) buildings containing an aggregate of approximately 45 residential dwelling units located generally at the addresses listed in Exhibits B, C, and D, in Chicago, Illinois, for low and moderate-income families, together with certain common areas, outdoor community spaces and parking.

Source:

Amount:

Term:

Interest:

Security:

Multi-Family Program Funds Not to exceed \$5,000,000 Not to exceed 32 years

Not to exceed 3% (three) per percent per annum Non-recourse loan; second lien position mortgage

Mortgage") on the Property

ADDITIONAL FINANCING

Amount: Not to exceed \$1,078,250

Term: 19 years, or another term acceptable to the Authorized Officer

Source: IFF, an Illinois not-for profit corporation, or another entity

acceptable to the Authorized Officer Interest: A fixed rate of interest not to exceed 7% (seven) percent per

annum, or such other rate or rates acceptable to the

Authorized Officer

Security: A first lien position mortgage and assignment of rents and leases on the Property senior to the City Mortgage, and such other security acceptable to the Authorized Officer

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

Source:

Amount: Term:

Approximately \$10,798,920, all or a portion of which may be paid in on a delayed basis

To be derived from the syndication of a LIHTC allocation of approximately \$1,000,000 by the City.

Approximately \$406,000

Not to exceed 32 years, or another term acceptable to the Authorized Officer

Source: LUCHA, derived from the proceeds of the transfer of Donation Tax Credits in connection with the Project, or another source acceptable to the Authorized Officer

Interest: A fixed rate of interest not to exceed 8% per annum, or another interest rate acceptable to the Authorized Officer

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

Amount: Approximately \$100

Source: General Partner, or another source acceptable to the Authorized Officer

LEGAL DESCRIPTION OF CITY PROPERTY (Subject to Final Title and Survey)

Legal Descriptions: To come

1802 N. Sawyer 1808 N. Kedzie 1810 N. Kedzie 1421 N. Artesian 3572 W. Palmer

13-35-410-035-0000 13-35-411-042-0000 13-35-411-043-0000 16-01-215-015-0000 13-35-212-014-0000

EXHIBIT C
LEGAL DESCRIPTION OF BICKERDIKE PROPERTY (Subject to

Final Title and Survey)

PARCEL 1:

LOT 21 IN BLOCK 5 IN THE SUBDIVISION OF BLOCKS 4 TO 9 IN E. SIMONS SUBDIVISION OF THE SOUTHEAST % OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 1929 NORTH DRAKE AVENUE, CHICAGO, IL 60647 PERMANENT INDEX NUMBER: 13-35-401-016-0000

PARCEL 2:

THE NORTH 27 FEET OF THE EAST 177 FEET OF BLOCK 10 IN E. SIMON'S SUBDIVISION OF THE SOUTHEAST % OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 1858 NORTH SPAULDING AVENUE, CHICAGO, IL 60647 PERMANENT INDEX NUMBER: 13-35-409-020-0000

EXHIBIT D ADDRESSES OF PRIVATE PROPERTY (Subject to Final Title and Survey)

1834 N. Sawyer 1838 N. Sawyer 1822 N. Sawyer 1812 N. Drake 1649 N. Drake 1651 N. Drake 1751
N. Drake 1749 N. Drake 1757 N. Drake 3525 W. Wabansia
Chicago, IL 60647 Chicago, IL 60647 Chicago, IL 60647 Chicago, IL 60647 Chicago, IL 60647
Chicago, IL 60647 Chicago, IL 60647 Chicago, IL 60647 Chicago, IL 60647 Chicago, IL 60647

15

EXHIBIT E

HARVEST HOMES INFRASTRUCTURE WORK

Improvements to, replacement of, repairs to, and paving of public infrastructure including alleys, alley aprons, sewers, streets, street curbs and public sidewalks located on, near or adjacent to each of the Harvest Homes Project sites, pursuant to standards required by the Authorized Officer.

16

EXHIBIT F

PROJECT INFRASTRUCTURE WORK

Improvements to, replacement of, repairs to, and paving of public infrastructure including alleys, alley aprons, sewers, streets, street curbs and public sidewalks located on, near or adjacent to each of the Project sites, pursuant to standards required by the Authorized Officer.

17

OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

March 29, 2017

TO THE HONORABLE, THE CITY COUNCIL OF THE CITY
OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the conveyance of city-owned property, together with the execution of multi-family loan agreements.

Your favorable consideration of these ordinances will be appreciated.

Mayor

Very truly yours,

CHICAGO April 19.2017 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 Planning and Development to enter into and execute a Loan Agreement with Tierra Linda Limited Partnership.

02017-3051

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

Chairman