Legislation Details (With Text)

File #:	O2021-4891		
Type:	Ordinance	**Status:**	Passed
File created:	10/27/2021	**In control:**	City Council
		Final action:	11/17/2021
Title:	Amendment to multi-family loan agreement with 43rd and Calumet Phase I, LP for affordable housing		
Sponsors:	Lightfoot, Lori E.		
Indexes:	Loan & Security		
Attachments:	1. O2021-4891.pdf, 2. O2021-4891 (V1).pdf		

Date	Ver.	Action By	Action	Result
11/18/2021	1	Office of the Mayor	Signed by Mayor	
11/17/2021	1	City Council	Passed	Pass
11/9/2021	1	Committee on Housing and Real Estate	Recommended to Pass	
10/27/2021	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 ofthe City; and

WHEREAS, on September 14, 2021, the City Council of the City adopted an ordinance authorizing the making of a loan to 43rd and Calumet Phase I LP, a Delaware limited partnership (the "Borrower"), in an amount not to exceed $3,000,000 which was published in the Journal of the Proceedings of the City Council (the "Journal") for such date at pages 34598 to 34699 (the "Loan Ordinance"); and

WHEREAS, the City's Department of Housing and the Borrower desire to amend Exhibit A to the Loan Ordinance to increase the term of the Loan; 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. Exhibit A to the Loan Ordinance is hereby amended by increasing the term of the Loan from thirty years to a term to be coterminous with the mortgage securing the Permanent Loan of up to 43 years. The remainder of the Loan Ordinance shall remain in full force and effect. Exhibit A, as amended by this ordinance, is attached hereto.

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

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EXHIBIT A

BORROWER:	43rd and Calumet Phase I Limited Partnership, a Delaware limited partnership (the "Borrower"), whose sole general partner is 43rd and Calumet Phase I LLC, an Illinois limited liability company (the "General Partner"), the members of which General Partner will be (i) Habitat 43 Green LLC, an Illinois limited liability company (the "Managing Member") and (ii) P3 Markets 43 Green LLC, an Illinois limited liability company ("GP Member"), and others to be hereafter selected as the limited partners. The members of Managing Member will be Habitat Acquisitions Company LLC ("Acquisitions") and Generations Housing Initiatives, an Illinois not-for-profit corporation ("GHI").
PROJECT:	Construction of a building at the southwest corner of 43rd Street and Calumet Avenue, Chicago IL 60653 with an aggregate of approximately 99 residential dwelling units containing studio, one-and two- bedroom units, approximately 51 of which are reserved for low- and moderate-income persons, together with certain common space, offices, and parking.
Source:	
Amount: Term:	
Interest: Security:	Multi-Family Program Funds. These funds may be disbursed directly to Borrower or to GHI, and then loaned or contributed to Borrower by GHI. Not to exceed $3,000,000 Not to exceed a term to be coterminous with the mortgage securing the Permanent Loan of up to 43 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")

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ADDITIONAL FINANCING:
Amount: Not to exceed $9,600,000 (the "Permanent Loan")
Term: Not to exceed 30 months initially and 40 years after conversion to permanent loan, or another term acceptable to the Authorized Officer
Source: Bellwether Enterprise, or another entity acceptable to the Authorized Officer.
Interest: A fixed rate of interest with a maximum interest rate not to exceed 4% or the maximum which may be paid under Illinois State Law or another rate or rates acceptable to the Authorized Officer.
Security: A mortgage on the Property senior to the lien of the City Mortgage, a pledge of capital

contributions and general partner interests, and a pledge ofthe Borrower interests in the Redevelopment Agreement, or such other security as may be acceptable to the Authorized Officer.

2. **Amount: Not to exceed $1,500,000 (the "DCEO Grant")**
Proceeds: Either funded directly to Borrower or to GHI, and then loaned or contributed to Borrower by GHI.
Source: Grant from the State of Illinois Dept. of Commerce and Economic Opportunity ("DCEO"), or another entity acceptable to the Authorized Officer.

Amount: Approximately $346,615 (the "IAHTC Equity")
Proceeds: These funds shall be paid in upon Borrower's purchase of the City Property at Closing. These funds may be paid to Borrower or to GHI, and then loaned or contributed to Borrower by GHI.
Source: Equity to be derived from the syndication of an annual allocation of Illinois Affordable Housing Tax Credits ("IAHTC Equity") based on the purchase of City Land, fifty percent of which or $407,783 is viewed as a donation sold as IAHTC Donation Tax Credits to generate the IAHTC Equity.

Amount Proceeds:

Source:
Approximately $18,328,167
All or a portion of these funds may be (i) paid in on a delayed basis and (ii) used to retire a portion ofthe Construction Loan or the LIHTC Equity Bridge Loan.
Equity to be derived from the syndication of an annual Low-Income Housing Tax Credit ("LIHTC") allocation of approximately $1,950,000 by the City.

5. Amount: Not to exceed $5,000,000 -
Proceeds: Funds will be made available during the Construction Period either directly to Borrower or to GHI, and then loaned or contributed to Borrower by GHI. Source: Proceeds from a grant of Tax Increment Financing, all of which will be disbursed during three periodic payments during the construction period. 3

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6. Amount Source:

7. Amount Source:
Approximately $530,000 Deferred Developer Fee

$10,100 General Partner

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OFFICE OF THE MAYOR

CITY OF CHICAGO

LORI E. LIGHTFOOT MAYOR

October 27, 2021

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

Ladies and Gentlemen:

At the request ofthe Commissioner of Housing, I transmit herewith an ordinance authorizing the execution of an amended multi-family loan agreement with 43rd and Calumet Phase I, LP for affordable housing development.

Your favorable consideration of this ordinance will be appreciated.

HARRY OSTERMAN 48TH WARD

CHAIRMAN OF THE COMMITTEE ON HOUSING AND REAL ESTATE

(02021-4891)

Chicago City Council, November 17, 2021

TO THE PRESIDENT AND MEMBERS OF CITY COUNCIL:

Your Committee on Housing and Real Estate, having under consideration an ordinance introduced by the Department of Housing (which was referred on October 27, 2021):

Amendment to multi-family loan agreement with 43rd and Calumet Phase I, LP for affordable housing development.

begs leave to report and recommend that Your Honorable Body, PASS the proposed communication transmitted herewith.

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This recommendation was concurred in by the same roll call as was used to determine quorum in the Committee on Housing and Real Estate on November 9, 2021.

Harry Osterman, Chairman Committee on Housing and Real Estate

Respectfully submitted,

Approved
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Corporation-Counsel

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