Legislation Details (With Text)

File #:	O2022-1705		
Type:	Ordinance	**Status:**	Passed
File created:	5/23/2022	**In control:**	City Council
		Final action:	6/22/2022
Title:	Loan forgiveness agreement with Center on Halsted Project (COH) at 3628-3656 N Halsted St		
Sponsors:	Lightfoot, Lori E.		
Indexes:	Loan & Security		
Attachments:	1. O2022-1705.pdf		

Date	Ver.	Action By	Action	Result
6/22/2022	1	City Council	Passed	Pass
6/13/2022	1	Committee on Housing and Real Estate	Recommended to Pass	
5/23/2022	1	City Council	Referred	

OFFTCE OF THE MAYOR

CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

May 23, 2022

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

Ladies and Gentlemen:

At the request ofthe Commissioner of Planning and Development, 1 transmit herewith an ordinance authorizing the execution of a loan-forgiveness agreement with Horizons Community Services, Inc.

Your favorable consideration ofthis ordinance will be appreciated.

Very truly yours,

ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government by virtue of the provisions of the Constitution ofthe State of Illinois of 1970, and as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the City Council of the City (the "City Council"), pursuant to an ordinance adopted on May 2, 2001, and published at pages 57443-57472 in the Journal of the Proceedings of the City Council ("Journal") of such date, as amended by ordinance adopted on July 27, 2005, and published at pages 53695-53782 in the Journal of such date (together, the "Center on Halsted Project Ordinance"), authorized the Department of Planning and Development ("DPD") to sell City-owned property located at 3628-56 North Halsted Street ("Property") to Horizons Community Services, Inc., an Illinois not-for-profit corporation, now known as the Center on Halsted (the "COH"), for the construction of an LGBTQ community center, retail space and a parking structure (the "Center on Halsted Project"); and

WHEREAS, the purchase price for the Property was $2,740,000 (the "Purchase Price");
and

WHEREAS, the City transferred the Property to COH by quitclaim deed dated June 19, 2001, and recorded in the Office of the Recorder of Deeds, Cook County, Illinois (the "Recorder's Office") on June 20, 2001, as Document No. 0010539043 (the "Citv Deed"); and

WHEREAS, the Center on Halsted Project Ordinance authorized the City to make a purchase money loan to COH in the amount of the Purchase Price (the "Purchase Money Loan") in order to finance COH's acquisition of the Property; and

WHEREAS, after a multi-year capital campaign, construction of the Center on Halsted began in 2005 and was completed in 2007; and

WHEREAS, in 2007, the City reduced the Purchase Money Loan to $1,730,907 to reflect funds spent by COH during construction on environmental remediation work; and

WHEREAS, the Purchase Money Loan was due and payable in full in 2018; and

WHEREAS, in 2018, the City agreed to extend the loan repayment date for an additional period of ten (10) years, with the full amount of the Purchase Money Loan due and payable in one balloon payment on August 1, 2028; and

WHEREAS, the aggregate amount of unpaid principal on the Purchase Money Loan remains SI,730,907; and

WHEREAS, the Purchase Money Loan is secured by that certain Purchase Money Mortgage, Assignment of Leases and Rents and Security Agreement dated June 19, 2001, and recorded in the Recorder's Office on June 20, 2001, as Document No. 0010539044, as amended and restated by that certain Amended and Restated Purchase Money Mortgage, Assignment of

Leases and Rents and Security Agreement recorded in the Recorder's Office on September 1,2006, as

powered by Legistar™

Document No. 0624445014, and that certain Modification of Amended and Restated Loan Documents dated June 28, 2007, and recorded in the Recorder's Office on July 10, 2007, as Document No. 0719139107, and re-recorded on October 10, 2007, as Document No. 0728331041, to correct the legal description, and that certain Second Modification of Amended and Restated Loan Documents dated July 6, 2018, and recorded in the Recorder's Office on July 9, 2018, as Document No. 1819022034 (collectively, the "Purchase Money Mortgage"); and

WHEREAS, since opening its doors in 2007, the Center on Halsted has experienced a dramatic expansion in its client base and programs, and the City and COH wish to preserve and strengthen the role of the Center on Halsted in Chicago; and

WHEREAS, in order to dedicate its resources to community services and programming rather than debt service, COH has asked the City to forgive the Purchase Money Loan in full and release the Purchase Money Mortgage; and

WHEREAS, the City Deed includes a covenant obligating COH to use the Property for a community center for 20 years (the "Community Center Use Restriction"); and

WHEREAS, the Community Center Use Restriction will expire on June 28, 2027; and

WHEREAS, it is in the best interests of the City to ensure that the Center on Halsted remains dedicated to serving the LGBTQ community in Chicago; and

WHEREAS, the City has agreed to (1) forgive, cancel and discharge the outstanding principal of the Purchase Money Loan, and (2) release the Purchase Money Mortgage (collectively, "Loan Forgiveness"), subject to the execution and recording of an amendment to the City Deed extending the Use Restriction for an additional 20 years ("Deed Amendment"); 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. Tlie Loan Forgiveness is hereby approved as described above, subject to the execution and recording of the Deed Amendment. The Commissioner of DPD (the "Commissioner") or a designee of the Commissioner is each hereby authorized, subject to approval by the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan Forgiveness as described herein. The Commissioner ora designee of the Commissioner is 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 Loan Forgiveness.

SECTION 3. To the extent that any ordinance, resolution, rule, order or provision ofthe Municipal Code of Chicago, or part thereof, is in conflict with the provisions ofthis 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.

powered by Legistar™

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

powered by Legistar™