



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Text

File #: O2013-5427, Version: 1

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, on June 5, 2013, the City Council of the City adopted an ordinance authorizing the making of a loan to Montclare Senior Residences: of Avalon Park Phase II, LLC, an Illinois limited liability company (the "Borrower"), in an amount not to exceed \$7,150,000 (the "Loan Ordinance"); and

WHEREAS, the City's Department of Housing and Economic Development and the Borrower desire to amend Exhibit A to the Loan Ordinance to increase the maximum interest rate of the Permanent Senior 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 maximum interest rate of the Permanent Senior Loan with Developers Mortgage Corporation (or another source acceptable to the Authorized Officer, as such term is defined by the Loan Ordinance) from four and five-tenths percent per annum to six and five-tenths percent per annum, or another interest rate acceptable to the Authorized Officer. 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: Montclare Senior Residences of Avalon Park Phase II, LLC, an Illinois limited liability company whose manager is Avalon Park Phase II, LLC, an Illinois limited liability company, and others to be hereafter selected as additional members

PROJECT: Acquisition of land and construction of a building to be located at the Project Property and of approximately 109 dwelling units contained therein as one-, and two-bedroom units for low- and moderate-income senior citizens, approximately 13 market rate residential units for senior citizens, and certain common areas and parking spaces

LOAN.

ADDITIONAL FINANCING:

Source:

Amount:

Term:

Interest:

Security:

Amount: Term: Source: Interest:

Security:

Multi-Family Program Funds Not to exceed \$7,150,000 Not to exceed 43 years Zero percent per annum

Non-recourse loan; mortgage on the Property (the "City Mortgage")

Approximately \$2,650,000 (the "Permanent Senior Loan")

Not to exceed 40 years from closing of the Permanent Senior Loan

Developers Mortgage Corporation, or another source acceptable to the Authorized Officer A fixed rate of interest not to exceed six and five-tenths percent per annum, or another interest rate acceptable to the Authorized Officer Mortgage on the Property senior to the lien of the City Mortgage

Amount:

Term:

Source:

Interest:

Security:

Approximately \$15,000,000 (the "Bridge Loan") Not to exceed 24 months
Bank of America, N.A., or another source
acceptable to the Authorized Officer
A fixed or floating rate of interest not to exceed
LIBOR + 4% per annum, or another interest rate
acceptable to the Authorized Officer
Mortgage on the Property senior to the lien of the
City Mortgage

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

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

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Source: To be derived from the syndication of approximately \$1,500,000 LIHTC allocation by the City

4. Amount: Approximately \$750,000

Term: Not to exceed 43 years

Source: Illinois Housing Development Authority, or another
source acceptable to the Authorized Officer Interest: One percent per annum

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

Amount:

Term:

Source:

Interest: Security:

Approximately \$650,000 Not to exceed 43 years

Proceeds of a grant of LTOS funds to Montclare Avalon Park II Corp., an Illinois corporation, from the Chicago Low-Income Housing Trust Fund, or another source acceptable to the Authorized Officer Zero percent per annum

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

Amount:

Term:

Source:

Interest: Security:

Approximately \$200,000 Not to exceed 43 years

Proceeds of a grant of funds to the Sponsor from the Illinois Department of Commerce and Economic

Opportunity, or another source acceptable to the Authorized Officer Zero percent per annum
Mortgage on the Property junior to the lien of the City Mortgage

Amount:

Term:

Source:

Interest: Security:

Not to exceed \$965,250 Not to exceed 43 years

Proceeds of the Grant to the Sponsor from the City derived from the transfer of Donation Tax Credits, or
another source acceptable to the Authorized Officer

Zero percent per annum

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

Amount: Approximately \$1,136,800

Term: Not to exceed 43 years

Source: Sponsor, as seller financing in connection

with the sale of the Property to the Borrower Interest: Not to Exceed the

Applicable Federal Rate Security: Mortgage on the Property junior to the lien
of the City Mortgage

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Amount:

Term: Source:

Interest: Security:

Approximately \$400,000 of the City Mortgage

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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 amending the terms of a previously passed loan agreement with Montclare Senior Residences of Avalon Park Phase II, LLC.

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 amend a Loan Agreement with Montclare Senior Residences of Avalon Park Phase II, LLC.

02013-5427

Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed Ordinance Transmitted Herewith
dissenting vote(s)

**This recommendation was concurred in by
of members of the committee with**
Alderman Burke abstains from voting pursuant to Rule 14.

Respectfully submitted

Chairman

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