



Office of the City Clerk

City Hall
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Room 107
Chicago, IL 60602
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Legislation Text

File #: O2014-9748, **Version:** 1

O R D I N A N C E

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, DPD has preliminarily reviewed and approved the making of a loan to Sacramento and Thomas Limited Partnership, an Illinois limited partnership (the "Borrower"), of which the sole general partner is Sacramento and Thomas Corporation, an Illinois corporation (the "General Partner"), the sole shareholder of which is Hispanic Housing Development Corporation, an Illinois not-for-profit corporation (the "Sponsor"), in an amount not to exceed \$1,500,000 (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 DPD (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 hereto). To the extent that the Borrower receives any funding sources in connection with the Project which require the restriction of the rental of the Property's residential dwelling units to certain categories of veterans,

the provisions of Chapter 5-8 of the Municipal Code of Chicago which prohibit discrimination based on military discharge status shall not apply to the Project or the Property.

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

EXHIBIT A

Sacramento and Thomas Limited Partnership, an Illinois limited partnership (the "Borrower"), of which the sole general partner is Sacramento and Thomas Corporation, an Illinois corporation (the "General Partner"), the sole shareholder of which is Hispanic Housing Development Corporation, an Illinois not-for-profit corporation (the "Sponsor"), and others to be hereafter selected as the limited partners

Acquisition of a 99-year leasehold interest in certain real property generally known as 1045 North Sacramento Avenue in Chicago, Illinois (the "Leasehold Property"), and the construction on the Leasehold Property of a building containing approximately 48 dwelling units comprised of one-, two- and three-bedroom apartments for low-income persons, and one manager's unit, along with certain common areas and approximately 38 parking spaces

Source: Amount: Term: Interest:

Security:

Multi-Family Program Funds Not to exceed \$1,500,000 Not to exceed 32 years

Zero percent (0%), or another interest rate acceptable to the Authorized Officer

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

ADDITIONAL FINANCING:

Amount: Approximately \$12,000,000 (the "Bridge Loan")

Term: Not to exceed 36 months, or another term acceptable to the Authorized Officer

Source: Bank of America, N.A., or another source acceptable to the Authorized Officer

Interest: A variable rate of interest equal to 30 day LIBOR, plus a margin of 250 basis points, floating daily, with a maximum interest rate not to exceed that which may be paid on the Construction Loan under Illinois State Law, or another rate or rates acceptable to the Authorized Officer

Security: A first mortgage on the Property senior to the lien of the City Mortgage and a pledge of capital contributions and general partner interests, or other security acceptable to the Authorized Officer

Amount: Approximately \$500,000

Term: Not to exceed 18 years after the Bridge Loan is retired, or another term acceptable to the Authorized Officer

Source: Bank of America, N.A., or another source acceptable to the Authorized Officer

Interest: A fixed rate not to exceed eight percent (8%) per annum, or another interest rate acceptable to the Authorized Officer Security:

A first mortgage on the Property senior to the lien of

the City Mortgage, or other security acceptable to the Authorized Officer

Amount: Approximately \$1,200,000

Term: 32 years, or another term acceptable to the Authorized Officer

Source: Bank of America, N.A., or another source acceptable

to the Authorized Officer Interest: Not to exceed six percent (6%), or another rate or

rates acceptable to the Authorized Officer Security: Second Mortgage on the Property senior to the

lien of

the City Mortgage and a regulatory agreement, or

other security acceptable to the Authorized Officer

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

Source:

Amount:

Term:

Source:

Interest:

Security:

Approximately \$11,300,000, all or a portion of which may be paid in on a delayed basis, and a portion of which shall be used to retire a portion of the Bridge Loan.

To be derived from the syndication of a LIHTC allocation of approximately \$1,150,000 by the Illinois Housing Development Authority

Approximately \$235,000 Not to exceed 32 years

Sponsor loan funded with Illinois Department of Commerce and Economic Opportunity grant proceeds, and a cash donation, if made, or another source or sources acceptable to the Authorized Officer

Not to exceed four percent (4%) compounding per annum, or another interest rate acceptable to the Authorized Officer Mortgage on the Property junior to the lien of the City Mortgage, or other security acceptable to the Authorized Officer

Amount:

Term:

Source:

Interest:

Approximately \$392,806 Not to exceed 32 years

Sponsor loan funded with Federal Home Loan Bank -Affordable Housing Program grant proceeds, or another source acceptable to the Authorized Officer Not to exceed four percent (4%) compounding per annum, or another interest rate acceptable to the Authorized Officer

Security: Mortgage on the Property junior to the lien of the City Mortgage, which mortgage may

be collaterally assigned to First American Bank, or another AHP member bank acceptable to the Authorized Officer (the "AHP Member Bank") during the 15-year Affordable Housing Program compliance period and a recapture agreement in favor of the AHP Member Bank, or other security acceptable to the Authorized Officer

7. Amount: \$100

Source: General Partner capital contribution
OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

December 10, 2014

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 ordinance authorizing the execution of a multi-family loan agreement with Sacramento and Thomas, LP.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

CHICAGO January 21, 2015

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 Sacramento and Thomas Limited Partnership.

02014-9748

Amount of the Loan
not to exceed: \$1,500,000

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)7

**This recommendation was concurred in by
of members of the committee with**

Alderman Moreno abstains under provisions of Rule 14.

(signed)y£

Respectfully submitted

Chairman