



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
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Legislation Text

File #: O2016-5443, 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, 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 UPD 47th Street, LP, an Illinois limited Partnership (the "Borrower"), of which the co-general partners are 1) UPD 47th Street, LLC, an Illinois limited liability company, and 2) BYNC 47th Street, LLC, an Illinois limited liability company of which Back of the Yards Neighborhood Council, a Illinois not-for-profit corporation, is the sole member, in an amount not to exceed \$2,900,000 (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).

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

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EXHIBIT A

UPD 47th Street, LP, an Illinois limited partnership (the "Borrower"), of which the co-general partners are 1) UPD 47th Street, LLC, an Illinois limited liability company, and 2) BYNC 47th Street, LLC, an Illinois limited liability company of which Back of the Yards Neighborhood Council, a Illinois not-for-profit corporation, is the sole member, and others to be hereafter selected as the limited partners

Acquisition and construction of a building to be located at 3246 W. 47th Street in Chicago, Illinois (the "Property") and of approximately 30 dwelling units contained therein as one-bedroom, two-bedroom, and three-bedroom units for low-income families, along with certain common areas.

Source:

Amount:

Term:

Interest:

Security:

Multi-Family Program Funds Not to exceed \$2,900,000 Not to exceed 42 years Zero percent

Non-recourse loan; mortgage

on the Property (the "City Mortgage")

ADDITIONAL FINANCING:

1. Amount: Not to exceed \$8,500,000 (the "Construction Loan")
Term: Not to exceed 18 months, or another term acceptable to the Authorized Officer
Source: Illinois Housing Development Authority ("IHDA") or another entity or entities acceptable to the Authorized Officer Interest: Variable rate of interest not to exceed the London Interbank Offered Rate (LIBOR) plus 2.75 percent per annum with a floor of 3.1863 percent per annum, or another rate acceptable to the Authorized Officer Security: Mortgage on the .property senior to the lien of the City Mortgage, or other security acceptable to the Authorized Officer
2. Amount: Not to exceed \$1,792,000 (the "Permanent Loan")
Term: Not to exceed 42 years, or another term acceptable to the Authorized Officer
Source: IHDA, or another entity or entities acceptable to the Authorized Officer Interest: Fixed rate of interest not to exceed 4.26 percent per annum, or another rate acceptable to the Authorized Officer Security: Mortgage on the Property senior to the lien of the City Mortgage, or other security acceptable to the Authorized Officer
3. Amount: Approximately \$6,691,849, 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 retire all or a portion of the Construction Loan Source: To be derived from

the syndication of an allocation by IHDA of approximately \$643,447 in Low-Income Housing Tax Credits

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OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL
MAYOR

June 22, 2016

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 for property located at 3246 West 47th Street.

Your favorable consideration of this ordinance will be appreciated.

Mayor

Very truly yours,

CHICAGO July 20, 2016

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

An ordinance concerning the authority to enter into and execute a Multi-Family Loan Agreement with UPD

47th Street, LP.

02016-5443

Amount of Loan
not to exceed: \$2,900,000

Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the Ordinance Transmitted Herewith

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

Aldermen Burke (14) abstained from voting under the provisions of Rule 14.

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Respectfully submitted

(signet)

Chairman