



Office of the City Clerk

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Legislation Text

File #: O2018-8859, 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 Greenwood Park Preservation Associates Limited Partnership, an Illinois limited partnership (the "Borrower"), of which POAH Greenwood Park, LLC, an Illinois limited liability company (the "General Partner"), is the sole general partner (of which Preservation of Affordable Housing, Inc., an Illinois not-for-profit corporation ("POAH"), is a member), in an amount not to exceed \$2,500,000 (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. The Project (as described on Exhibit A hereto) shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago. Section 2-45-115 of the Municipal Code of Chicago shall not apply to the Project or the Property (as defined on Exhibit A hereto).

SECTION 4. 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

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

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EXHIBIT A

Greenwood Park Preservation Associates Limited Partnership, an Illinois limited partnership, of which POAH Greenwood Park, LLC, an Illinois limited liability company, is the sole general partner (of which Preservation of Affordable Housing, Inc., an Illinois not-for-profit corporation, is a member)

Financing a portion of the costs of the acquisition, renovation and permanent financing of an existing fifteen building residential development located generally at 4700-4710 South Greenwood Avenue, 1007-1053 East 47th Street, 1101-1157 East 47th Street, and 4701-4711 South Ellis Avenue, in Chicago, Illinois (the "Property") and of approximately 122 dwelling units contained therein for low- and moderate-income persons

LOAN-

ADDITIONAL FINANCING:

Source: Multi-Family Program Funds
Amount: Not to exceed \$2,500,000
Term: Not to exceed 32 years
Interest: Zero percent per annum
Security: Non-recourse loan; second mortgage on the Property

1. Amount: Not to exceed \$15,000,000 (the "Construction Phase Loan")
Term: Not to exceed 36 months, or another term acceptable to the Authorized Officer
Source: Citibank, N.A., or another entity acceptable to the Authorized Officer
Interest: A variable rate of interest not to exceed a rate calculated as 30-day LIBOR plus two and one-half percent (2.50%) per annum, or another interest rate acceptable to the Authorized Officer
Security: Mortgage on the Property senior to the lien of the City
Mortgage, and/or such other security acceptable to the Authorized Officer

Amount: Not to exceed \$4,900,000 (the "Permanent Phase Loan")
Term: Not to exceed 15 years, or another term acceptable to the Authorized Officer
Source: Citibank, N.A., or another entity acceptable to the Authorized Officer
Interest: A fixed rate of interest not to exceed a rate

calculated , as the ten-year Treasury yield plus three and a
quarter percent (3.25%) per annum, or another
interest rate acceptable to the Authorized Officer Security: A
mortgage senior to the City Mortgage, or such other
security acceptable to the Authorized Officer

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

Source:

Amount: Term:

Source:

Interest:

Security:

Amount: Term:

Source:

Interest:

Security:

Approximately \$12,000,000, all or a portion of which may be paid on a delayed basis, and all or a portion of which may be used to retire the Construction Phase Loan
To be derived from the syndication of a LIHTC allocation of approximately \$1,205,687 by the Illinois Housing Development Authority

Approximately \$1,830,000

Not to exceed 55 years, or another term acceptable to the Authorized Officer

Citi Community Capital, or another source acceptable to the Authorized Officer

A fixed rate of interest not to exceed one percent (1.00%) per annum, or another interest rate acceptable to the Authorized Officer A mortgage on the Property to be junior to the lien of the City Mortgage

Approximately \$2,800,000

Not to exceed 55 years, or another term acceptable to the Authorized Officer

Seller financing from the General Partner, or another source acceptable to the Authorized Officer

A fixed rate of interest not to exceed Applicable

Federal Rate for the month the loan closes, or another interest rate acceptable to the Authorized Officer

A mortgage on the Property to be junior to the lien of the City Mortgage

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CHICAGO November 14, 2018 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 enter into and execute a Loan Agreement with Greenwood Park Preservation Associates Limited Partnership.

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Amount of Loan
Not to Exceed: \$2,500,000

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

This recommendation was concurred in by _____ (arviva voce votej)
of members of the committee with _____ dissenting vote(s)T

Alderman Burke refrained from voting on this matter under the provisions of Rule 14.

Respectfully submitted

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Chairman