



# Office of the City Clerk

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

## Legislation Text

File #: O2019-7774, 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 Housing ("DOH"); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan to Hope Manor Village Housing Limited Partnership, an Illinois limited partnership (the "Borrower"), of which the sole general partner is Hope Manor Village VOA Housing LLC, an Illinois limited liability company (the "General Partner"), of which Volunteers of America of Illinois ("VOA IL"), an Illinois not for profit corporation, and Volunteers of America National Services, a Minnesota nonprofit corporation, are the sole members, in an amount not to exceed \$3,150,000 (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; and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City (the "City Council") on June 27, 2001 and published at pages 61850 through 62055 in the Journal of the Proceedings of the City Council (the "Journal") of such date: (i) a certain redevelopment plan and project ("Redevelopment Plan") for the Englewood Neighborhood Tax Increment Redevelopment Project Area ("Redevelopment Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"); (ii) the Redevelopment Area was designated as a redevelopment project area pursuant to the Act; and (iii) tax increment financing was adopted pursuant to the Act as a means of financing certain Redevelopment Area redevelopment project costs (as defined in the Act) incurred pursuant to the Redevelopment Plan; and

WHEREAS, the City owns certain vacant parcels of real property totaling approximately 1.05 acres and located within the Redevelopment Area, that are commonly known as 5922, 5930, 5950, 5958, 6033, 6035, 6037 and 6050 S. Green Street; 5930, 5932, 5944, 5947, 5956, 6100 and 6102 S. Peoria Street; and 6101 S. Sangamon Street, Chicago, Illinois, (collectively, the "Property"), which is legally described on Exhibit B attached hereto (subject to final title commitment and survey); and

WHEREAS, the appraised fair market value ("Fair Market Value") of the Property is approximately Twenty-Eight Thousand Five Hundred Dollars (\$28,500), which Fair Market Value is based on the assumption that there are no adverse environmental conditions affecting the Property; and

WHEREAS, the Borrower proposes to develop affordable housing on the Property and surface parking to serve such affordable housing (the "Project," as further described in Exhibit A attached hereto); and

WHEREAS, the Project is consistent with the Redevelopment Plan; and

WHEREAS, VOA IL has offered to purchase the Property from the City for One Dollar (\$1.00) per City parcel, totaling Sixteen Dollars (\$16.00), which is a Twenty-Eight Thousand Four Hundred Eighty-Four Dollars (\$28,484) land write-down from the Fair Market Value; and

WHEREAS, DOH published notice on three (3) separate dates-August 16, 2019, August 23, 2019 and August 30, 2019 - each requesting alternative proposals for the redevelopment of the Property, and provided a reasonable opportunity for other persons to submit alternative bids or proposals; and

WHEREAS, no alternative proposals were received by the deadline indicated in the aforesaid notices; and

WHEREAS, by resolution adopted on August 13, 2019 as Resolution No. 19-CDC-17, the Community Development Commission of the City of Chicago authorized DOH to advertise its intention to enter into a negotiated sale with the Borrower for the redevelopment of the Property, approved DOH's request to advertise for alternative proposals, approved the sale of the Property to the Borrower as no alternative proposals had been received, and authorized DOH to recommend that the City Council approve the sale of the Property to the Borrower; and

WHEREAS, the City is willing to sell the Property to VOA IL on the condition that VOA IL thereafter promptly convey title to the Property to the Borrower by either capital contribution or sale; 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 DOH (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 sale of the Property to VOA IL for One Dollar (\$1.00) per City parcel, totaling Sixteen Dollars (\$16.00), is hereby approved.

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SECTION 4. The Mayor is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, one or more quitclaim deeds conveying the Property to VOA IL.

SECTION 5. The Mayor of the City, a designee of the Mayor and any 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 sale of the Property to VOA IL.

SECTION 6. The Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago (the "Code"). Section 2-44-080 of the Code shall not apply to the Project or the Property.

SECTION 7. To the extent that any ordinance, resolution, rule, order or provision of the Code, 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. To the extent that the Borrower directly or indirectly receives any funding sources in connection with the Project which require the restriction of the rental of some or all of the Property's residential dwelling units to certain categories of veterans, the provisions of Chapter 5-8 of the Code which prohibit discrimination based on "military status" because of "the fact of discharge from any such branch of the armed forces of the United States and the reasons for such discharge" as provided in subsection 3 of the definition of "military status" in Section 2-160-020 of the Code, shall not apply to the Project or the Property.

SECTION 8. This ordinance shall be effective as of the date of its passage and approval.

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EXHIBIT A

**BORROWER:** Hope Manor Village Housing Limited Partnership, an Illinois limited partnership (the "Borrower"), of which the sole general partner is Hope Manor Village VOA Housing LLC, an Illinois limited liability company (the "General Partner"), of which Volunteers of America of Illinois ("VOA IL"), an Illinois not for profit corporation, and Volunteers of America National Services ("VOANS"), a Minnesota nonprofit corporation, are the sole members, and others to be hereafter selected as limited partners

**PROJECT:** Acquisition of land at 5922, 5930, 5950, 5958, 6033, 6035, 6037 and 6050 S. Green Street; 5930, 5932, 5944, 5947, 5956, 6100 and 6102 S. Peoria Street; and 6101 S. Sangamon Street, Chicago, and construction thereon of 12 two-flat buildings and 4 three-flat buildings containing approximately 36 two-bedroom dwelling units for low-income households with a preference for veterans and their families and approximately 28 spaces of on-site parking

**Source:** Multi-Family Program Funds  
**Amount:** Not to exceed \$3,150,000  
**Term:** Not to exceed 32 years  
**Interest:** Three (3) percent per annum  
**Security:** Non-recourse loan; mortgage on the Property (the "City Mortgage") junior to the lien of the Bridge Loan Mortgage  
**Repayment:** Balloon Payment upon maturity

**ADDITIONAL FINANCING:**

**Amount:** Not to exceed \$8,400,000 (the "Bridge Loan")  
**Term:** Not to exceed 42 months, or another term acceptable to the Authorized Officer  
**Source:** BMO Harris Bank N A., or another source acceptable to the Authorized Officer  
**Interest:** A variable rate of interest not to exceed eight percent per annum, or another rate or rates acceptable to the Authorized Officer  
**Security:** Recourse loan; first lien mortgage (the "Bridge Loan Mortgage") on the Property senior to the lien of the City Mortgage, and a pledge of capital contributions, tax credits, general partner interests, rental subsidy agreements and rental subsidies with Chicago Low-Income Housing Trust Fund, and other security acceptable to the Authorized Officer

**2. Low-Income Housing Tax Credit ("LIHTC")**

**Proceeds:**

Source:

Amount:

Term:

Source:

Interest:

Security:

Repayment:

Amount:

Term:

Source:

Interest:

Security:

Repayment:

Amount:

Term:

Source:

Interest: Security: Repayment:

Approximately \$10,250,000, all or a portion of which may be paid in on a delayed basis, and used, among other purposes, to retire all or a portion of the Bridge Loan To be derived from the syndication of \$1,083,000 LIHTC per annum allocation by Illinois Housing Development Authority C'IHDA")

Approximately \$250,000 Not to exceed 32 years

Capital Magnets Fund to be funded by VOANS, or another lender acceptable to the Authorized Officer A fixed rate of interest not to exceed eight percent per annum, or another rate or rates acceptable to the Authorized Officer

Recourse mortgage on the Property junior to the lien of the City Mortgage, or other security acceptable to the Authorized

Officer

Available cash flow with Balloon Payment upon maturity

Approximately \$540,000 Not to exceed 32 years

VOA IL, derived from the proceeds of an affordable housing grant ("AHP") from the Federal Home Loan Bank Chicago ("FHLBC"), or another source acceptable to the Authorized Officer; VOA IL shall lend the AHP proceeds to the Borrower A fixed rate of interest not to exceed eight percent per annum, or another rate or rates acceptable to the Authorized Officer Recourse mortgage on the Property junior to the lien of the City Mortgage, Affordable Housing Program Recapture Agreement, or other security acceptable to the Authorized Officer. The note and mortgage evidencing this loan will be collaterally assigned to BMO Harris Bank N.A. as the participating FHLBC member bank during the AHP 15-year compliance period Balloon Note upon maturity.

Approximately \$400,000 Not to exceed 32 years

VOA IL, derived from the proceeds of a Home Depot grant, the proceeds of which shall be loaned to the Borrower by VOA IL, or another source acceptable to the Authorized Officer

A fixed rate of interest not to exceed eight percent per annum, or another rate or rates acceptable to the Authorized Officer

Recourse mortgage on the Property junior to the lien of the City Mortgage, or other security acceptable to the Authorized Officer

Available cash flow with Balloon Payment upon maturity

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6. Amount: Approximately \$83,500

Term: Not to exceed 32 years

Sources: (1) Seller Financing Loan provided by VOA IL in connection with its sale of the Property to the Borrower, plus (2) \$55,000 grant received by VOA IL for the Project, the proceeds of which shall be loaned to the Borrower by VOA IL, or another source acceptable to the Authorized Officer

Interest: A fixed rate of interest not to exceed eight percent per annum, or another rate or rates acceptable to the Authorized Officer

Security: Recourse mortgage on the Property junior to the lien of the City Mortgage, or other security acceptable to the Authorized Officer

Repayment: Available cash flow with Balloon Payment upon maturity

Amount: \$100

Source: General Partner

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EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

LOT 41 IN BLOCK 4. IN MIFFLIN'S SUBDIVISION OF BLOCKS 3 AND 4 OF THOMPSON AND HOLMES SUBDIVISION OF THE EAST 45 ACRES OF THE NORTH 60 ACRES OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOT 40 IN BLOCK 4 IN MIFFLIN'S SUBDIVISION OF BLOCKS 3 AND 4 OF THOMPSON AND HOLMES SUBDIVISION OF THE EAST 45 ACRES OF THE NORTH 60 ACRES OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOT 35 IN BLOCK 4 IN MIFFLIN'S SUBDIVISION OF BLOCKS 3 AND 4 OF THOMPSON AND HOLMES SUBDIVISION OF THE EAST 45 ACRES OF THE NORTH 60 ACRES OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOT 30 IN DICKEY & BAKER'S SUBDIVISION OF BLOCK 5 IN THOMPSON AND HOLMES SUBDIVISION OF THE EAST 45 ACRES OF THE NORTH 60 ACRES OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

LOT 30 IN BLOCK 4 IN MIFFLIN'S SUBDIVISION OF BLOCKS 3 AND 4 OF THOMPSON AND HOLMES SUBDIVISION OF THE EAST 45 ACRES OF THE NORTH 60 ACRES OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 6:

LOT 10 IN DICKEY & BAKER'S SUBDIVISION OF BLOCK 5 IN THOMPSON AND HOLMES SUBDIVISION OF THE EAST 45 ACRES OF THE NORTH 60 ACRES OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 7:

LOT 13 IN DICKEY & BAKER'S SUBDIVISION OF BLOCK 5 IN THOMPSON AND HOLMES SUBDIVISION OF THE EAST 45 ACRES OF THE NORTH 60 ACRES OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD

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•PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. PARCEL 8:

LOT 21 IN DICKEY & BAKER'S SUBDIVISION OF BLOCK 5 IN THOMPSON AND HOLMES SUBDIVISION OF THE EAST 45 ACRES OF THE NORTH 60 ACRES OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 9:

LOT 24 IN DICKEY & BAKER'S SUBDIVISION OF BLOCK 5 IN THOMPSON, AND HOLMES SUBDIVISION OF THE EAST 45 ACRES OF THE NORTH 60 ACRES OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 10:

LOT 9 IN BLOCK 2 IN MINNICK'S SUBDIVISION OF THE EAST 11 V\* ACRES OF THE SOUTH HALF OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 11:



THE NORTH 5.75 FEET OF LOT 23 AND ALL OF LOT 24 (EXCEPT THAT PART THEREOF LYING NORTH OF THE SOUTH 100 RODS OF THE SOUTH 100 ACRES OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN), IN BLOCK 1 IN MINNICK'S SUBDIVISION OF THE EAST 11 % ACRES OF THE SOUTH HALF OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 12:

LOT 22 EXCEPT THE SOUTH 13 FEET THEREOF AND LOT 23 EXCEPT THE NORTH 5.75 FEET IN BLOCK 1 IN MINNICK'S SUBDIVISION OF THE EAST 11  $\frac{1}{4}$  ACRES OF THE SOUTH HALF OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 13:

THE NORTH 17 FEET 2 INCHES OF LOT 21 AND THE SOUTH 13 FEET OF LOT 22 IN BLOCK 1 IN MINNICK'S SUBDIVISION OF THE EAST 11 V\* ACRES OF THE SOUTH HALF OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 14:

THE NORTH HALF OF A TRACT OF LAND BEING THAT PART OF LOTS 1 AND 2 IN CROCKER'S SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF 61<sup>st</sup> STREET AND PEORIA STREET; THENCE SOUTH 50 FEET; THENCE WEST PARALLEL TO THE SOUTH LINE OF 61<sup>st</sup> STREET, 125.53 FEET TO THE EAST LINE OF ALLEY RUNNING NORTH AND SOUTH BETWEEN PEORIA STREET AND SANGAMON STREET; THENCE NORTHERLY ALONG EAST LINE OF SAID ALLEY 50 FEET TO THE SOUTH LINE OF SAID 61<sup>st</sup> STREET; THENCE EAST TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 15:

THE SOUTH HALF OF A TRACT OF LAND BEING THAT PART OF LOTS 1 AND 2 IN CROCKER'S SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF 61<sup>st</sup> STREET AND PEORIA STREET; THENCE SOUTH 50 FEET; THENCE WEST PARALLEL TO THE SOUTH LINE OF 61<sup>st</sup> STREET, 125.53 FEET TO THE EAST LINE OF ALLEY RUNNING NORTH AND SOUTH BETWEEN PEORIA STREET AND SANGAMON STREET; THENCE NORTHERLY ALONG EAST LINE OF SAID ALLEY 50 FEET TO THE SOUTH LINE OF SAID 61<sup>st</sup> STREET; THENCE EAST TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 16:

THE NORTH 28 1/2 FEET OF LOT 14 IN BLOCK 1 OF KIRKPATRICK'S SUBDIVISION OF THE NORTH PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common addresses and PINs:

5922 S. Green St.	20-17-406-032
5930 S. Green St.	20-17-406-035
5950 S. Green St.	20-17-406-043
5958 S. Green St.	20-17-406-046
6033 S. Green St.	20-17-415-007
6035 S. Green St.	20-17-415-008
6037 S. Green St.	20-17-415-009 and 20-17-415-035
6050 S. Green St.	20-17-414-042
5930 S. Peoria St.	20-17-405-035
5932 S. Peoria St.	20-17-405-036
5944 S. Peoria St.	20-17-405-041
5947 S. Peoria St.	20-17-406-018
5956 S. Peoria St.	20-17-405-046
6100, 6102 S. Peoria St.	20-17-421-022
6101 S. Sangamon St.	20-17-421-001

**OFFICE OF THE MAYOR**

CITY OF CHICAGO

LORI E. LIGHTFOOT  
MAYOR

September 18,2019

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

Ladies and Gentlemen:

At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing an

expenditure of multi-family housing loan funds, land write down and sale of city-owned property for Hope Manor Village.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

5533 NORTH BROADWAY CHICAGO, ILLINOIS 60640 PHONE: 773-784-5277 E-MAIL: HARRYS48THWARD.ORG <<http://HARRYS48THWARD.ORG>> WEBSITE:  
WWW.48THWARD.ORG <<http://WWW.48THWARD.ORG>>

CITY HALL- ROOM 300

121 N. LASALLE STREET CHICAGO, ILLINOIS 60602 PHONE 312-744-6860 WARD48iaCITYOFCHICAGO.ORG <<http://WARD48iaCITYOFCHICAGO.ORG>>

HARRY OSTERMAN 48TH WARD

CHAIRMAN OF THE COMMITTEE ON HOUSING AND REAL ESTATE

**October 16, 2019**

**TO THE PRESIDENT AND MEMBERS OF THE CITY COUNCIL:**

Your Committee on Housing and Real Estate which was referred an ordinance by the Department of Housing, approving the Conditional Sale of City-owned vacant property to VOA IL., and execution of Multi-family program loans, grants, and TIF assistance to Hope Manor Village Housing LP, Hope Manor Village VOA Housing LLC for redevelopment of numerous parcels on S. Green St. and S. Sangamon St. in the Englewood Tax Increment Redevelopment Project area to construct affordable Housing and appurtenant surface parking.

**(O2019-7774) 16th Ward Purchase Price: \$1.00 each for Sixteen (16) Parcels**

Having 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 a unanimous vote of the members of the committee present with no dissenting votes. /

Harry Osterman, Chairman Committee on  
Housing and Real Estate

Approved Approved

**CSS**