



Office of the City Clerk

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

File #: O2022-3583, **Version:** 1

ORDINANCE

WHEREAS, pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, the City of Chicago (the "City"), as a constitutional home rule city, is allocated a certain amount of volume cap per calendar year in connection with the issuance of tax-exempt bonds by the City; and

WHEREAS, the Illinois Private Activity Bond Allocation Act, 30 ILCS 345/1 et seq., as amended, provides, among other things, that the corporate authorities of any home rule unit may reallocate all or any portion of its unused allocation of volume cap; and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City of Chicago (the "City Council") on March 23, 2022, and published in the Journal of Council Proceedings for such date at the pages 45421 to 45423 (the "Original Ordinance"), and for the benefit of the Chicago Housing Authority, an Illinois municipal corporation (the "CHA"), the City authorized the reallocation of up to \$90,000,000 unused tax-exempt multi-family housing revenue volume cap ("2022 Cap") to the CHA to issue bonds (the "Original Bonds") to finance a portion of the costs of acquisition, rehabilitation, and equipping of an affordable housing development located at 3030 West 21st Place (the "Albany Project") and 3700 West Congress Parkway (the "Gaines Project") (the Albany Project and the Gaines Project being collectively referred to as the "Property"), which consisted of approximately 500 residential rental dwelling units for low-income senior families (collectively, the "Project") to be owned by Albany Gaines Housing Development, LLC, an Illinois limited liability company, the managing member of which was to be Albany Gaines Senior Housing LLC, a to-be-formed Illinois limited liability company, the sole member of which would be Chicago Housing Administration, LLC, an Illinois limited liability company, the sole member of which would be the CHA (provided, management of the Owner would be vested in a special member of the Owner controlled by an affiliate of the CHA's selected development partner); and

WHEREAS, due to unforeseen increases in construction costs, the CHA now desires to issue up to an additional \$10,000,000 of tax-exempt multi-family housing revenue bonds (the "Additional Bonds") to finance the Project, and has been advised by its bond counsel that all or a portion of the Additional Bonds requires the allocation of volume cap; and

WHEREAS, the CHA has requested that the City reallocate an additional portion of its unused 2022 Cap, if available, to the CHA for the Additional Bonds, pursuant to an intergovernmental agreement between the City and the CHA for that purpose; and

WHEREAS, the CHA now desires to amend the ownership structure within the Project in order to comply with the financing requirements of the Project's funders; and

WHEREAS, the CHA now desires to issue up to \$100,000,000 of tax-exempt multi-family housing revenue bonds, consisting of the Original Bonds and the Additional Bonds (the "Bonds") to finance a portion of the costs of the Property's rehabilitation and equipping of two affordable housing developments in the Project, the first development will consist of the Albany Project, to be owned by Albany Housing Development LLC, an Illinois limited liability company ("Owner 1"), the managing member of which is Albany Senior Housing DE LLC, a Delaware limited liability company, the managing member of which will be Chicago Housing Administration LLC, an Illinois

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limited liability company, the sole member of which will be the CHA, (provided that management of Owner 1 may be vested in a special member of Owner 1 controlled by an affiliate of the CHA's selected development partner), and the second development to consist of the Gaines Project, to be owned by Gaines Housing Development LLC, an Illinois limited liability company ("Owner 2"), the managing member of which will be Gaines Senior Housing LLC, an Illinois limited liability company, the managing member of which will be Chicago Housing Administration LLC, the sole member of which will be the CHA, (provided that management of Owner 2 may be vested in a special member of Owner 2 controlled by an affiliate of the CHA's selected development partner), and has been advised by its bond counsel that all or a portion of the Bonds requires the allocation of volume cap; and

WHEREAS, the City has determined to reallocate the additional \$10,000,000 of unused 2022 Cap to the CHA for this project, if available, now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO AS FOLLOWS:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. Section 2 of the Original Ordinance is hereby amended by deleting the language indicated by ~~strikeout~~ and adding the underlined language as follows:

"The City hereby authorizes the Chief Financial Officer (as defined in Section 1-4-090(k) of the Municipal Code of Chicago (the "Municipal Code")) to reallocate, effective on the date of issuance of the Bonds, up to ~~\$90,000,000~~ \$100,000,000 of the City's 2022 Cap (the "Amended 2022 Reallocation") for application by the CHA to the Bonds; provided that if the Bonds are not issued as of or prior to 11:00 P.M. on December 31, 2022, the Amended 2022 Reallocation shall not be made ~~T~~ unless Chief Financial Officer, in her sole discretion, extends such deadline to 11:00 P.M. on February 14, 2023, after which the Amended 2022 Reallocation shall not be made. The exact amount of the Amended 2022 Reallocation shall be determined by the Chief Financial Officer based on the best interests of the City and on the amount of 2022 Cap available at the time of the Amended 2022 Reallocation. Any compensation paid to the City shall be used for any affordable housing-related activities of the City. After the Amended 2022 Reallocation has been made, the Chief Financial Officer shall file a certificate with the City Clerk stating the amount of 2022 Cap, if applicable, reallocated to the CHA pursuant to this ordinance."

SECTION 3. The Chief Financial Officer is hereby authorized, subject to the approval of the Corporation Counsel, to enter into such agreements and other documents, including agreements with the CHA, in connection with the Amended 2022 Reallocation as shall be deemed necessary or desirable by the Chief Financial Officer.

SECTION 4. Except as hereby amended, the Original Ordinance remains in full force and effect.

SECTION 5. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago (the "Municipal Code"), or part thereof, conflicts 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. Sections 2-44-080 through 2-44-105 of the Municipal Code shall not apply to the Project or the Property.

SECTION 6. This ordinance shall be effective as of the date of its passage and approval.

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OFFICE OF THE MAYOR

CITY OF CHICAGO

LORI E. LIGHTFOOT MAYOR

October 26, 2022

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 the transfer of unused City tax exempt bond volume cap to the Chicago Housing Authority to be used for the rehabilitation of Albany Gaines apartments.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

CHICAGO November 16, 2022

To the President and Members of the City Council:

Your Committee on Finance having had under consideration a communication recommending a proposed ordinance regarding the authority to reallocate unused 2022 City bond volume cap to Chicago Housing Authority for rehabilitation of Albany Gaines apartments at 3030 West 21st Place in the 24th Ward and 3700 West Congress Parkway in the 28th Ward.

02022-3583

**Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed committee with
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This recommendation was concurred in by viva voce vote of members of the dissenting vote(s).

Respectfully submitted,

Chairman

APPROVED

**MAYOR
CORPORATION COUNSEL**

DATED: