

FIN



OFFICE OF THE MAYOR
CITY OF CHICAGO

BRANDON JOHNSON
MAYOR

June 21, 2023

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 issuance of financial assistance to Boulevard Apartments Preservation LP for the rehabilitation of affordable housing.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours.

A handwritten signature in black ink, appearing to be "BJ", followed by a horizontal line.

Mayor

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, pursuant to an ordinance adopted on October 11, 2017 and published in the Journal for such date at pages 55903 through 55915, inclusive, as amended by an ordinance passed by the City Council on January 18, 2023 and published in the Journal for such date at pages 59125 through 59143, inclusive, the City Council authorized the Sales Tax Securitization Corporation to issue taxable bonds (the "STSC Bonds") with the expectation that the proceeds of the STSC Bonds, when issued, will reimburse the corporate funds used for, among other things, improving the quality of housing through various rehabilitation and housing redevelopment programs; and

WHEREAS, the City, pursuant to its Multi-Family Loan Program, received from the United States Department of Housing and Urban Development an allocation of Community Development Block Grant funds ("CDBG Funds") to make loans and grants to expand the long-term supply of affordable housing through, among other things, acquisition, new construction, reconstruction and moderate and substantial rehabilitation in low- and moderate-income areas; and

WHEREAS, pursuant to a Housing Loan Agreement dated January 31, 1992 ("Original Loan Agreement") the City made a loan of CDBG Funds to Boulevard Apartments Limited Partnership, an Illinois limited partnership (the "Original Borrower"), in the principal amount of \$1,350,000, with an interest rate of one percent per annum and a term of approximately thirty years (the "Original Loan"); and

WHEREAS, the proceeds of the Original Loan were used to provide for the acquisition and rehabilitation of a 70-unit housing development in three buildings located generally at 1930-1938 North Humboldt Boulevard, 929-935 North Sacramento Avenue, and 2212-2214 North Sacramento Avenue, in Chicago, Illinois (collectively, the "Property"); and

WHEREAS, the sole general partner of the Original Borrower is Rockwell Community Development, Inc., an Illinois not-for-profit corporation ("Rockwell"), an affiliate of which is Bickerdike Redevelopment Corporation, an Illinois not-for-profit corporation ("Bickerdike"); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a new loan to Boulevard Apartments Preservation LP, an Illinois limited partnership ("New Borrower"), the general partner of which is Rockwell in an amount not to exceed \$12,725,000 (the "New Loan"), to be funded from Multi-Family Program Funds and/or STSC Bond funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; and

WHEREAS, the Original Borrower and the New Borrower desire to pay off the Original Loan ("Payoff") and desire to sell and transfer the Project, as described on Exhibit A, from the Original Borrower to the New Borrower ("Conveyance"); and

WHEREAS, the City desires to consent to the Pay Off and the Conveyance; 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 City's Commissioner of Housing ("Commissioner") and a designee of the Commissioner (each, an "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 New Loan, Payoff and Conveyance. 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 New 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 New Loan to the New Borrower or to proceed with the Alternate Structures as described in Exhibit A hereto.

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. Sections 2-44-080 through 2-44-105 of the Municipal Code of Chicago (the "Code") 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 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.

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

EXHIBIT A

NEW BORROWER: Boulevard Apartments Preservation, LP, an Illinois limited partnership, the general partner of which is Rockwell Community Development, Inc., an Illinois not-for-profit corporation, an affiliate of which is Bickerdike Redevelopment Corporation, an Illinois not-for-profit corporation and others to be hereafter selected as the limited partners

PROJECT: (the "Property") and of approximately 70 dwelling units contained therein as studio, one, two, three and four-bedroom units for low- and moderate-income families

NEW LOAN(S):

Source:	Multi-Family Program Funds and/or STSC Bonds ("STSC Funds")
Amount:	Not to exceed \$12,725,000
Term:	Not to exceed 42 years or such other term that is acceptable to the Authorized Officer
Interest:	Zero percent per annum or another interest rate that is acceptable to the Authorized Officer
Security:	One or more junior mortgages on the Property, or such other security acceptable to the Authorized Officer

ADDITIONAL FINANCING:

1.	Amount:	Approximately \$735,000 or another amount acceptable to the Authorized Officer (the "Senior Permanent Loan")
	Term:	Not to exceed 17 years, starting at permanent loan closing or such other term acceptable to the Authorized Officer
	Source:	CIBC Bank USA, or another source acceptable to the Authorized Officer
	Interest:	A fixed rate of interest not to exceed 10.0 percent per annum, or another rate acceptable to the Authorized Officer
	Security:	After the construction phase, a mortgage on the Property senior to the lien of the City mortgage(s), or other security acceptable to the Authorized Officer
2.	Amount:	Approximately \$20,000,000, or another amount acceptable to the Authorized Officer (the "Construction Loan")
	Term:	Not to exceed 36 months or such other term acceptable to the Authorized Officer
	Source:	CIBC Bank USA, or another source acceptable to the Authorized Officer
	Interest:	A variable rate of interest not to exceed 10.0 percent per annum at closing, or another rate acceptable to the Authorized Officer

- Security: During the construction phase, a mortgage on the Property senior to the lien of the City mortgage(s), or other security acceptable to the Authorized Officer
3. Low-Income Housing Tax Credit ("LIHTC")
- Proceeds: Approximately \$20,927,907 or such other amount to which the Authorized Officer may consent
- Source: To be derived from the syndication of a LIHTC allocation of approximately \$2,300,000 by the City.
4. Historic Tax Credit ("HTC")
- Proceeds: Approximately \$3,309,526
- Source: To be derived from the syndication of approximately \$3,987,779 in federal HTC
5. Amount: Approximately \$350,000, or another amount acceptable to the Authorized Officer, assumed loan (the "IHDA A Loan") from Original Borrower to New Borrower
- Term: Not to exceed 42 years, starting at permanent loan closing or such other term acceptable to the Authorized Officer
- Source: Illinois Housing Development Authority ("IHDA")
- Interest: zero percent per annum, or another rate acceptable to the Authorized Officer
- Security: a Mortgage on the Property subordinate to the lien of the City mortgages or other security acceptable to the Authorized Officer
6. Amount: Approximately \$43,296.93, or another amount acceptable to the Authorized Officer, assumed loan (the "IHDA B Loan") from Original Borrower to New Borrower
- Term: Not to exceed 42 years, starting at permanent loan closing or such other term acceptable to the Authorized Officer
- Source: IHDA
- Interest: one percent per annum, or another rate acceptable to the Authorized Officer
- Security: a mortgage on the Property subordinate to the lien of the City mortgages or other security acceptable to the Authorized Officer
7. Amount: Approximately \$4,958,912, or another amount acceptable to the Authorized Officer (the "Seller Loan")

Term: Not to exceed 42 years, starting at permanent loan closing or such other term acceptable to the Authorized Officer

Source: Boulevard Apartments Limited Partnership, as may be assigned to Bickerdike Redevelopment Corporation, an Illinois not-for-profit corporation, as seller financing from sale of the Project from Original Borrower to New Borrower

Interest: Not to exceed 8.0% per annum, compounding annually, or another rate acceptable to the Authorized Officer

Security: a Mortgage on the Property subordinate to the lien of the City mortgages or other security acceptable to the Authorized Officer

8. Energy Grant Proceeds Loan

Amount : \$286,623.90 or such other amount acceptable to the Authorized Officer

Source: ComEd Energy Efficiency Program

Term: Not to exceed 42 years, starting at permanent loan closing or such other term acceptable to the Authorized Officer

Interest: Not to exceed 8.0% per annum, compounding annually, or another rate acceptable to the Authorized Officer

Security: a Mortgage on the Property subordinate to the lien of the City mortgages, or other security acceptable to the Authorized Officer

Alternate Structures: Any portion of the ComEd Energy Efficiency Program funds may be received by Bickerdike Redevelopment Corporation or Rockwell Community Development, Inc. for the purpose of making a capital contribution of such funds to the New Borrower

9. General Partner Equity

Amount: Approximately \$100

Source: General Partner