

## **ORDINANCE**

### **BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

**SECTION 1.** Chapter 2-44 of the Municipal Code of Chicago is hereby amended by inserting a new Section 2-44-145, as follows:

#### **2-44-145 Loan and grant restructuring.**

(a) The Commissioner is authorized to restructure the terms and conditions of the City's loans and grants executed by the Commissioner, subject to compliance with all applicable federal laws and regulations, including, but not limited to, (i) loan payment deferment, (ii) loan modification, (iii) loan forbearance, (iv) forgiveness of default interest, overdue interest and fees, (v) conversion of a loan to a grant in compliance subsection (h) of this section, (vi) subordination of the City's lien to a lien securing new financing that is senior to the City's loan or grant, (vii) amendments and/or subordination agreements requested by the United States Department of Housing and Urban Development, and (viii) consent to a change of the general partner or managing member of a borrower or grantee, as applicable, when the Commissioner makes a written finding that a restructuring as described in the foregoing (a)(i)-(viii) is likely to: (1) improve the City's financial position in connection with the applicable development; (2) preserve or otherwise promote affordable housing; or (3) result in significant improvement in the physical conditions of the affordable housing in connection with the applicable development.

(b) Upon making a written finding, the Commissioner shall notify the aldermen of the affected wards of such finding.

(c) The Commissioner is authorized, subject to the approval by the Corporation Counsel as to form and legality, 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 restructuring of any City loan or grant, subject to the requirements of subsection (a) of this section.

(d) In connection with a loan or grant restructuring, the Commissioner is authorized:

(1) to purchase on behalf of the City, for a price to be determined by the Commissioner to be in the best interests of the City, any interest of any other lender in connection with the financing of any development, subject to appropriation and availability of funds; and

(2) to transfer, either without payment or for a price to be determined by the Commissioner to be in the best interests of the City, any City loan or grant, as well as the related lien and regulatory agreement, in connection with the development.

(e) If any action in connection with a restructuring generates revenue for the City, such revenue is hereby appropriated and the Commissioner is authorized to expend such revenue for any purpose, subject to applicable federal, state or local laws and regulations governing such funds, which promotes affordable housing, as determined by the Commissioner.

(f) The Commissioner shall submit information on each loan or grant restructuring which is completed under this section as part of the Department's quarterly report to the Mayor and the City Council.

(g) Notwithstanding anything to the contrary contained in the Code or any other ordinance or mayoral executive order, in connection with a City loan or grant restructuring pursuant to this section, no parties shall be required to provide to the City the document commonly known as the "Economic Disclosure Statement and Affidavit" (or any successor to such document), except for the borrower or grantee, as applicable, as of the date following the closing date of any such restructuring, all legal entities who constitute the direct or indirect controlling parties of such borrower or grantee (as determined by the Corporation Counsel), and any legal entities which are direct owners in excess of 7.5% of such borrower or grantee which changed in connection with the restructuring.

(h) For any conversion of a loan to a grant pursuant to subsection (a)(v) of this section, the Commissioner is only authorized to restructure the loan if the following requirements are met:

- (1) The amount of the loan must not exceed \$500,000.
- (2) The borrower must have no outstanding compliance issues.
- (3) The borrower must fulfill all regulatory obligations.

**SECTION 2.** Chapter 2-44 of the Municipal Code of Chicago is hereby amended by inserting a new Section 2-44-150, as follows:

**2-44-150 Authority to modify loan terms.**

The Commissioner is authorized to make modifications to loan terms when changes to such terms occur before the execution of the loan agreement and within 120 days of the effective date of an ordinance that approved such terms. Loan term modifications authorized under this section shall be limited to changes to interest rates, maturity dates, or increases in loan amounts up to \$75,000.

**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 4.** This ordinance shall take effect from its passage and approval.