



City of Chicago



O2023-1646

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	4/19/2023
Sponsor(s):	Lightfoot (Mayor)
Type:	Ordinance
Title:	Restructuring Agreement to transfer ownership, assumption of mortgage and other Community Block Grant debt associated with Highland Tudor Manor Apartments, 7010-7018 South Cregier Ave and parking at 7015 South East End Ave from Jackson Park Limited Partnership to Transforming Housing VII LLC
Committee(s) Assignment:	Committee on Housing and Real Estate



OFFICE OF THE MAYOR
CITY OF CHICAGO

LORI E. LIGHTFOOT
MAYOR

April 19, 2023

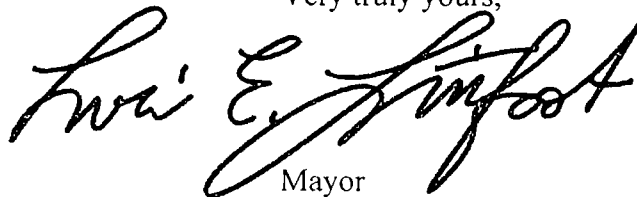
TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the transfer of Highland Tudor Manor, an affordable housing building, to a new owner.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,


Mayor

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois and as such may legislate as to matters which pertain to its local government and affairs; and

WHEREAS, the City Council of the City (the "City Council") has determined that the continuance of a shortage of rental housing affordable to persons of low and moderate income is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, the City programmed Community Development Block Grant funds ("CDBG Funds") whereby acquisition and rehabilitation loans were made available to owners of rental properties, and CDBG Funds are administered by the City's Department of Housing ("DOH"); and

WHEREAS, the City Council, pursuant to an ordinance enacted on March 15, 2000, and published at pages 26564 - 26568 of the Journal of the Proceedings of the City Council of that date, authorized DOH to provide CDBG Funds financing in the amount of \$3,872,597 (the "CDBG Loan") for the acquisition and rehabilitation of a building called Highland Tudor Manor Apartments (the "Building") located at 7010-7018 South Cregier Avenue, and a related parking lot at 7015 South East End Avenue (collectively, the "Property"), in Chicago, Illinois, and the 87 residential dwelling units therein (collectively with the Building and the Property, the "Project"); and

WHEREAS, Jackson Park Limited Partnership, an Illinois limited partnership, owns the Project (the "Borrower"); and

WHEREAS, in connection with the Project, the City made the CDBG Loan to the Borrower on May 19, 2000 with an interest rate of 2.0% percent per annum, which CDBG Loan is secured by, among other things, that certain Junior Mortgage, Security Agreement and Financing Statement dated May 19, 2000 and recorded on May 19, 2000 in the Office of the Recorder of Deeds of Cook County, Illinois as document number 00363723, made by the Borrower in favor of the City (the "Mortgage"); and

WHEREAS, the Borrower wishes to sell the Project to Transforming Housing VII LLC, an Illinois limited liability company ("New Owner"), the sole member of which is Van L. Vincent, a person, and has requested that DOH approve the proposed sale of the Project to, and the assumption of the Mortgage and other associated CDBG Loan documents by, the New Owner (the "Transfer"); and

WHEREAS, DOH has approved a restructuring of the CDBG Loan (the "Restructuring") in a manner that (1) will authorize the Transfer, (2) will not alter the principal amount of the CDBG Loan, (3) will not alter the interest rate on the principal balance of the CDBG Loan, and (4) will not alter the maturity date of the CDBG Loan (collectively, the "Material Terms"); 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. The Restructuring is hereby approved as described above. The Commissioner of DOH (the "Housing Commissioner") or a designee of the Housing Commissioner are each hereby authorized, subject to approval by the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Restructuring which do not substantially modify the Material Terms of the documents for the CDBG Loan, except as indicated herein. The Housing Commissioner or a designee of the Housing Commissioner 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 Restructuring. The Housing Commissioner or a designee of the Housing Commissioner 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 any future restructuring of the CDBG Loan, which do not substantially modify the Material Terms.

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. Sections 2-44-085 through 2-44-105 of the Municipal Code of Chicago shall not apply to the Property or Project in connection with the Restructuring.

SECTION 4. This ordinance shall be effective as of the date of its passage and approval.