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**OFFICE OF THE MAYOR**  
**CITY OF CHICAGO**

**BRANDON JOHNSON**  
MAYOR

July 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 issuance of multi-family loan and low-income housing tax credits for the Island Terrace Apartment project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "BJ", with a long horizontal line extending to the right.

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, DOH has preliminarily reviewed and approved the making of a loan to Island Terrace 4% Preservation Associates Limited Partnership, an Illinois limited partnership (the "4% Borrower"); the sole general partner of which is POAH Island Terrace 4%, LLC, an Illinois limited liability company (the "4% General Partner"), and the sole member of the 4% General Partner is Preservation of Affordable Housing, Inc., an Illinois not-for-profit corporation ("POAH"); and

WHEREAS, the 4% Borrower's investor limited partner requires the 4% General Partner to admit The Community Builders, Inc., a Massachusetts non-profit corporation or another non-profit entity acceptable to the City (the "21% GP Member") as a 21% member of the 4% General Partner at closing; and

WHEREAS, the real property commonly known as 6430 South Stony Island Avenue, Chicago, Illinois (the "Property") is currently owned by POAH Island Terrace, LLC, an Illinois limited liability company (the "Seller"), and the sole member of the Seller is POAH, and the Seller will submit the Property to the requirements of the Illinois Condominium Property Act, 765 ILCS Section 605/1 *et. seq.*, thereby creating the Island Terrace Condominium pursuant to a Declaration of Condominium Ownership and of Easements, Restrictions, Covenants and By-Laws for Island Terrace Condominium or comparable document (the "Condominium Declaration"); and

WHEREAS, the Island Terrace Condominium shall consist of two units within the existing 21-story high-rise building to be renovated and located on the Property: (i) unit 1, which will consist of approximately 180 residential units for rental to market-rate, moderate-income, low-income, very low-income and extremely low-income persons and families, all of which will be located on floors 3 through 17 of the building ("Unit 1"); and (ii) unit 2, which will consist of approximately 60 residential units, including a manager's unit, for rental to market-rate, moderate-income, low-income, very low-income and extremely low-income persons and families and will be located on floors 18 through 22 of the building (as marked within the building) ("Unit 2"); and

WHEREAS, as described in Exhibit A and pursuant to the Condominium Declaration, the 4% Borrower will acquire from the Seller and exclusively own Unit 1 and its undivided interest in the common elements (the "4% Project"), and a separate entity, Island Terrace 9% Preservation Associates Limited Partnership, an Illinois limited partnership (the "9% Owner") will acquire from the Seller and exclusively own Unit 2 and its undivided interest in the common elements (the "9% Project"); and

WHEREAS, pursuant to an ordinance adopted on October 27, 2021, and published at pages 40213-40503 of the Journal of the Proceedings of the City Council of such date, the City Council authorized the issuance of general obligation bonds in one or more series, in an aggregate principal amount not to exceed \$660,000,000 for the Chicago Recovery Plan to finance the costs of the Recovery Purposes (as defined therein); 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, DOH has preliminarily reviewed and approved the making of a loan to the 4% Borrower in an amount not to exceed \$13,775,000 (the "Loan"), which will be funded from Multi-Family Program Funds, Chicago Recovery Plan funds and/or STSC Bonds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof, which Loan proceeds will be used exclusively for the 4% Project and which Loan will be secured by a mortgage lien exclusively encumbering the 4% Project, among other security as further described in Exhibit A; 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, the Commissioner of Housing (the "Commissioner") and a designee of the Commissioner (collectively, the "DOH 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 DOH 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. Upon the execution and receipt of proper documentation, the DOH Officer is hereby authorized to disburse the proceeds of the Loan to the Borrower and/or its affiliated entity.

SECTION 3. Sections 2-44-080 through 2-44-105 of the Municipal Code of Chicago (the "Municipal Code") shall not apply to the Project or the Property, as hereinafter defined in Exhibit A.

SECTION 4. The Mayor, the Chief Financial Officer, the City Clerk, the DOH Officer and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this ordinance.

SECTION 5. To the extent that any ordinance, resolution, rule, order, or provision of the Municipal 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 6. This ordinance shall be effective as of the date of its passage and approval.