



Office of City Clerk

City Council Document Tracking Sheet

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Matter ID: O2023-0006387

Meeting Date: 12/13/2023

Sponsor(s): Johnson (Mayor) *

Type: Ordinance

Title: Issuance of multi-family loan to Duo Development Corporation for acquisition of three buildings through Preservation of Existing Affordable Rentals Program

Committee Assignment: Committee on Housing and Real Estate



**OFFICE OF THE MAYOR
CITY OF CHICAGO**

BRANDON JOHNSON
MAYOR

December 13, 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 Duo Development Corporation for acquisition of three buildings through the Preserving Existing Affordable Rentals program.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Brandon Johnson".

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's Department of Housing ("DOH"), formerly known as the Department of Planning and Development, has established the Preservation of Existing Affordable Rentals Program to maintain affordable housing in appreciating neighborhoods by providing funds to refinance private sector debt in exchange for affordability restrictions which ensure that rents remain affordable for low- and moderate-income families pursuant to program parameters as further described on Exhibit A hereto and hereby incorporated herein (the "PEAR Program"); and

WHEREAS, pursuant to Section 2-45-115(G)(1) of the Municipal Code of Chicago (the "Code"), certain funds derived from payments to the City pursuant to Sections 2-45-110 and 2-45-115 of the Code (the "Multifamily Program Funds") may be "used for the construction, rehabilitation or preservation of affordable housing or may be used in connection with such other housing programs as shall be specifically approved by the City Council for such revenues"; and

WHEREAS, DOH recommends to the City Council that the PEAR Program be specifically approved by the City Council as a housing program for which the use of Multifamily Program Funds is authorized; and

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan pursuant to the PEAR program to an entity (the "Borrower") which shall be Duo Development, an Illinois not-for-profit corporation, in an amount not to exceed \$1,000,000 (the "Loan"), to be funded from Multifamily Program Funds pursuant to the terms and conditions set forth in Exhibit B attached hereto and made a part hereof;

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 Commissioner of DOH (the "Commissioner") is hereby authorized to promulgate rules and regulations for the PEAR Program.

SECTION 3. Other than the Loan authorized in Section 4 hereof, any loan of Multifamily Program Funds under the PEAR Program shall be subject to City Council approval.

SECTION 4. The Commissioner and a designee of the Commissioner (collectively, the "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 Loan. 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 Loan which do not substantially modify the terms described in Exhibit B hereto. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the proceeds of the Loan to the Borrower.

SECTION 5. 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 6. This ordinance shall be effective as of the date of its passage and approval.