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OFFICE OF THE MAYOR  
CITY OF CHICAGO

BRANDON JOHNSON  
MAYOR

February 21, 2024

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 execution of a loan restructuring agreement with Halsted Limited Partnership.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in blue ink, appearing to be "BJ", with a horizontal line extending to the right.

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 received from the U.S. Department of Housing and Urban Development ("**HUD**") an allocation of HOME Investment Partnerships Program (the "**HOME Program**") grant funds pursuant to the Cranston—Gonzalez National Affordable Housing Act, 42 U.S.C. Section 12701 et seq.; which grant funds the City programmed for its Multi-Family Loan Program (the "**Multi-Program Funds**") whereby acquisition and rehabilitation loans were made available to owners of rental properties, and the Multi-Program Funds are administered by the City's Department of Housing ("**DOH**"); and

**WHEREAS**, the City Council, pursuant to an ordinance enacted on March 13, 2013, and published at pages 47870-47880 of the Journal of the Proceedings of the City Council (the "**Journal**") for such date (the "**First Ordinance**"), authorized DOH to provide Multi-Program Funds in the amount of \$5,000,000 (the "**Loan**") to pay a portion of the costs of acquiring and rehabilitating an existing building (including the construction of an addition thereto) located on real property generally at 3600-3616 North Halsted Street (the "**Property**," which was owned by the City immediately prior to closing on the Loan) containing approximately 79 studio and one-bedroom units together with common spaces, offices, parking and commercial spaces commonly known as "Town Hall Apartments" (the "**Project**"), as a multi-family housing development for senior citizens; and

**WHEREAS**, Halsted Limited Partnership, an Illinois limited partnership (the "**Borrower**"), the sole general partner of which is Halsted GP LLC, an Illinois limited liability company (the "**General Partner**"), the sole members of which General Partner are Heartland Housing, Inc., an Illinois not-for-profit corporation (the "**Owner**"), and Center on Halsted, an Illinois not-for-profit corporation ("**COH**"), owns the Property and the Project; and

**WHEREAS**, pursuant to the First Ordinance and in connection with the Project, the City made the Loan in the principal amount of \$4,900,582 to the Borrower on April 29, 2013 with an interest rate of zero percent per annum, which Loan is secured by, among other things, that certain Junior Mortgage, Security Agreement and Financing Statement dated April 26, 2013 and recorded on April 29, 2013 in the Office of the Recorder of Deeds of Cook County, Illinois (the "**Recorder's Office**") as document number 1311919067, made by the Borrower in favor of the City; and

**WHEREAS**, the City Council, pursuant to the First Ordinance, and in connection with the Project, also authorized, among other things, the following: **(i)** a conveyance of the Property by the City to Heartland Housing, Inc. ("**HHI**"), who caused the Property to be conveyed to the Owner immediately following the City's conveyance of the Property to "HHI"; and **(ii)** additional financing of approximately \$1,368,813 derived from the proceeds of the transfer of Illinois Affordable

Housing Tax Credits (the "**Donation Tax Credits**"); and

**WHEREAS**, the Owner has met with certain financial difficulties, and the Borrower has requested that DOH consent to a proposed change to the Borrower's ownership structure that would replace the General Partner with Town Hall GP, LLC, an Illinois limited liability company, of which COH is a member and FCC Town Hall GP, LLC, an Illinois limited liability company, is the managing member (the "**TH Managing Member**"), and Full Circle Communities, Inc., an Illinois not-for-profit corporation, is the sole owner and managing member of the TH Managing Member (collectively, the "**General Partner Replacement**"); and

**WHEREAS**, DOH has approved a restructuring of the Project (the "**Restructuring**") in a manner which (1) will not alter the principal amount of the Loan, (2) will not alter the interest rate on the principal balance of the Loan, (3) will not alter the maturity date of the Loan, (4) will not alter the repayment terms of the Loan, (5) will waive certain default interest and fees, and (6) will allow the General Partner Replacement (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 Housing (the "Commissioner") or a designee of the Commissioner (collectively, an "**Authorized Officer**"), 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 as described herein. The Authorized Officer is 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 Authorized Officer is 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 Project, which do not substantially modify the Material Terms.

**SECTION 3.** Notwithstanding anything to the contrary contained in the Municipal Code of Chicago (the "**Municipal Code**") or any other ordinance or mayoral executive order, no parties other than the owners of the Property as of the date following the date of the closing of the Restructuring (collectively, the "**Project Owner**"), any legal entities which are direct owners in excess of 7.5% of the Project Owner which changed in connection with the Restructuring, and all legal entities who constitute the direct or indirect controlling parties of the Project Owner which changed in connection with the Restructuring (as determined by the Corporation Counsel), 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) in connection with the Restructuring.

**SECTION 4.** 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. Sections 2-44-080, 2-44-085, 2-44-090, 2-44-100 and 2-44-105 of the Municipal Code shall not apply to the Property or the Project in connection with the Restructuring.

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