

COPY



JOURNAL of the PROCEEDINGS of the CITY COUNCIL of the CITY of CHICAGO, ILLINOIS

Special Meeting—Tuesday, August 14, 1984

at 10:00 A.M.

(Council Chamber—City Hall—Chicago, Illinois)

OFFICIAL RECORD.

HAROLD WASHINGTON
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Call to Order.

On Tuesday, August 14, 1984, at 10:00 A.M. (the day and hour appointed for the meeting) Honorable Harold Washington, Mayor, called the City Council to order. Daniel J. Burke, Deputy City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Roti, Rush, Tillman, Evans, Sawyer, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Sherman, Stemberk, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone--45.

Quorum present.

Invocation.

Alderman George J. Hagopian (30th Ward) opened the meeting with prayer.

Placed on File--CALL FOR SPECIAL MEETING.

The following communication calling for a special meeting was filed in the Office of the City Clerk on August 9, 1984 at 12:15 P.M.:

August 9, 1984.

Honorable Walter S. Kozubowski
City Clerk
City Hall, Room 107
Chicago, IL 60602

DEAR MR. KOZUBOWSKI--We, the undersigned aldermen of the City of Chicago, pursuant to Illinois law and ordinances, do hereby call a Special Meeting of the City Council of the City of Chicago, to be held on Tuesday, August 14, 1984, at 10:00 A.M., in the City Council Chamber of the City of Chicago, for the purpose of consideration of the following matters and for no other purpose:

1. Eight ordinances approving applications to the Department of Urban Development for funds pursuant to the Housing Development Grant ("HODAG") program..

(Signed) FRED B. ROTI,
1st Ward

(Signed) JEROME M. ORBACH,
46th Ward

(Signed) THERIS M. GABINSKI,
32nd Ward

(Signed) ALOYSIOUS MAJERCZYK,
12th Ward

(Signed) FRANK J. BRADY,
15th Ward

(Signed) MICHAEL NARDULLI,
26th Ward.

PRESENTATION TO MAYOR.

Alderman Evans moved to *Suspend the Rules Temporarily* for the purpose of going out of the regular order of business. The motion *Prevailed*.

Mr. Ray Hanania, representing the City Hall press, presented Mayor Harold Washington the game ball from the annual softball game between the press and the City Council.

Mayor Washington thereupon expressed his thanks.

**Authority Granted for Submittal of Housing Development Action
Grant Application and Execution of Memorandum of
Agreement for Greenwood Apartments Project.**

Alderman Burke moved to *Suspend the Rules Temporarily* for the immediate consideration of a proposed ordinance authorizing application for a Housing Development Action Grant and the execution of a Memorandum of Agreement for the Greenwood Apartments Project. The motion *Prevailed*.

Alderman Burke then moved to *Pass* the said proposed ordinance. The motion *Prevailed* by yeas and nays as follows:

Yeas--Aldermen Roti, Rush, Tillman, Evans, Sawyer, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Sherman, Stemberk, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone--45.

Nays--None.

Alderman Stemberk moved to *Reconsider* the foregoing vote. The motion was *Lost*.

Alderman Burke then requested the record reflect that the said passed ordinance was promptly transmitted to the Mayor who affixed his signature to the same at 10:50 A.M.

The following is said ordinance as passed:

WHEREAS, In order to develop viable urban communities, meet special housing needs and advance neighborhood preservation purposes, Section 17 of the United States Housing Act of 1937, as amended, provides that Housing Development Grants may be made available to cities to support the new construction or substantial rehabilitation of real property to be used primarily for residential rental purposes; and

WHEREAS, LSM Venture Associates, an Illinois limited partnership to be formed, of which Vincent Lane, Frank L. Swain, Jr. and Bettye M. Vance will be the general partners, has proposed to construct 98 units of rental housing to be located at the intersection of 90th Street and Greenwood Avenue, of which 20 units or 20% shall be set aside for rental to eligible persons of lower income, said project to be known as the Greenwood Apartments Project (the "Project"); and

WHEREAS, LSM Venture Associates has estimated that the proposed Project will cost up to \$8,700,000; and

WHEREAS, As part of its efforts to secure the requisite dollars to develop the Project, LSM Venture Associates has requested the City of Chicago to issue Multi-Family Mortgage Revenue Bonds in an amount not to exceed \$6,000,000, and to prepare and submit an application for a Housing Development Grant to the United States Department of Housing and Urban Development in the amount of \$1,900,000; and

WHEREAS, The City of Chicago through the Department of Housing has prepared an application for a Housing Development Grant in the amount of \$1,900,000 to be used along with private funds for the development of the aforementioned Project; and

WHEREAS, Such Multi-Family Mortgage Revenue Bonds, when issued, shall not be a charge against the general revenues nor the taxing powers of the City, but shall be payable solely and only from the proceeds of said bonds and the earnings thereon, and revenue derived from the Project and/or the financing thereof; and

WHEREAS, A Memorandum of Agreement with respect to the proposed issuance of such bonds has been presented to the City; and

WHEREAS, It is considered desirable in order to increase the supply of decent, safe and sanitary housing within the corporate limits of the City and for the enhancement of the tax base and the general welfare of the City and its inhabitants to provide financial assistance for the Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Mayor of the City of Chicago is authorized to submit to the United States Department of Housing and Urban Development, an application for a Housing Development Grant in the amount of \$1,900,000 for the Greenwood Apartments Project.

SECTION 2. The Mayor of the City of Chicago is authorized to act in connection with the application, to give such assurances and to provide such additional information as may be required by the United States Department of Housing and Urban Development.

SECTION 3. That upon approval of the above application by the Secretary of the United States Department of Housing and Urban Development, the Mayor is authorized to enter into and execute on behalf of the City of Chicago, a Housing Development Grant Agreement by and between the City of Chicago and the United States Department of Housing and Urban Development for the development of the Greenwood Apartments Project.

SECTION 4. The City Council has determined that the assistance of the LSM Venture Associates through the issuance of Multi-Family Mortgage Revenue Bonds, the proceeds of which will be used for the development of the Project, is an appropriate exercise of the home rule powers of the City pursuant to Article VII of the Constitution of 1970 of the State of Illinois.

SECTION 5. The Mayor, the Commissioner of Housing or the Comptroller of the City of Chicago are authorized to enter into and execute on behalf of the City, a Memorandum of Agreement substantially in the form attached hereto as Exhibit A, concerning issuance by the City of not more than \$6,000,000 in Multi-Family Mortgage Revenue Bonds for use by LSM Venture Associates in implementing the Project, which execution by any of the aforesaid City of Chicago officials is proper. Upon the fulfillment of conditions stated in the Memorandum of Agreement, as executed, the City will take such actions as may be necessary to issue its Multi-Family Mortgage Revenue Bonds in an amount of not to exceed \$6,000,000 for the aforementioned purpose.

SECTION 6. The Chairman of the Finance Committee of the City Council is hereby directed to cause the Finance Committee or any subcommittee thereof, or in lieu thereof and with the written consent of the Chairman of the Finance Committee, the Commissioner of the Department of Housing or her designee, to hold a hearing on the Project pursuant to and in compliance with Section 103 of the Internal Revenue Code of 1954, as amended, and particularly as amended by the Tax Equity and Fiscal Responsibility Act of 1982.

SECTION 7. This ordinance shall be effective immediately upon its passage.

[Exhibit A printed on pages 8260 thru 8264 of this Journal.]

**Authority Granted for Submittal of Housing Development Action Grant
Application and Execution of Memorandum of Agreement
for Kenwood-Oakland Apartments Project.**

Alderman Burke moved to *Suspend the Rules Temporarily* for the immediate consideration of a proposed ordinance authorizing application for a Housing Development Action Grant and the execution of a Memorandum of Agreement for the Kenwood-Oakland Apartments Project. The motion *Prevailed*.

Alderman Burke then moved to *Pass* the said proposed ordinance. The motion *Prevailed* by yeas and nays as follows:

Yeas--Aldermen Roti, Rush, Tillman, Evans, Sawyer, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Sherman, Stemberk, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone--45.

Nays--None.

Alderman Stemberk moved to *Reconsider* the foregoing vote. The motion was *Lost*.

(Continued on page 8265)

EXHIBIT A

MEMORANDUM OF AGREEMENT
103(b) MORTGAGE REVENUE BONDS

THIS MEMORANDUM OF AGREEMENT (the "Agreement") is by and between City of Chicago (the "City") and Greenwood Village Apartments, Ltd., an Illinois limited partnership to be formed for which L.S.M. Venture Associates will be the general partners (the "Partnership").

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in this Agreement are the following:

(a) The City of Chicago is a home rule unit of government under Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois with power to adopt Ordinances and take actions relating to its government and affairs and it has been determined that assisting in the acquisition, construction, and equipping of the hereinafter described Project is a proper exercise of the home rule powers of the City.

(b) It is proposed that the Partnership acquire, construct and equip a residential housing project located between 90th and Greenwood in the City (the "Project"). After completion of construction the Project will provide approximately 98 residential rental dwelling units. The undersigned on behalf of the Partnership wishes to obtain satisfactory assurance from the City that the proceeds from the sale of revenue bonds of the City will be made available to finance the cost of the Project.

(c) Subject to due compliance with all requirements of law, the City will proceed to take such action as may be necessary to cause to be prepared such agreements, indentures or such other documents as may be required to permit the City, by virtue of its authority as a home rule unit of government to sell and issue its revenue bonds in an amount not to exceed \$6,000,000 (the "Bonds") to any costs of the Project and costs incidental to the issuance of the Bonds.

(d) The City considers that its financing of the cost of the Project on behalf of the Partnership will promote and further the affairs and welfare of the City and its inhabitants.

(e) The Bonds to be issued by the City shall not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory provision, and such fact shall be plainly stated on the face of each of said Bonds. No holder or owner of any of said Bonds shall ever have the right to compel any exercise of the taxing power of the City to pay said bonds or the interest thereon. The principal of, premium, if any, and interest on said Bonds to be issued to finance the cost of the Project shall be secured by a pledge to a trustee acting under an indenture of trust for the benefit of the holders of said revenue bonds, or by a pledge directly to the holders and owners of said Bonds, of the revenues and income to be derived by the City from the Project; and shall be further secured by a mortgage on the Project.

2. Undertakings on the Part of the City. Subject to the conditions above stated, the City agrees as follows:

(a) That it will begin the proceedings necessary on its part to cause the City Council to authorize the issuance and sale of the Bonds, pursuant to terms mutually acceptable to the City, the Partnership and potential purchasers of the Bonds.

(b) That it will cooperate with the Partnership in finding a purchaser or purchasers for the Bonds, and if satisfactory purchase arrangements can be made, the City will adopt such proceedings authorizing the execution of such documents as may be necessary or advisable for the authorization, issuance and sale of the Bonds and the financing of the Project, all as shall be authorized in an Ordinance of the City Council and mutually satisfactory to the City, the Partnership and potential purchasers of the Bonds.

(c) That, if the City issues and sells the Bonds, the financing instruments will provide (i) that the City will lend the proceeds of the Bonds (A) to the Partnership, or (B) to the Owner for the benefit of the Partnership, or (C) to a lending institution acceptable to the City and the Partnership (the "Project Lender") to relend to the Partnership or the Owner, to be used to finance the Project and (ii) that the aggregate amounts (i.e., the repayments to be made by the Partnership or the Owner or the Project Lender upon such loan and used by the City to pay the principal of, interest and redemption premium, if any, on the Bonds), payable under the instruments whereby the Project shall be financed, shall be such sums as shall be sufficient to pay the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable.

(d) That it will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3. Undertakings on the Part of the Partnership. Subject to the conditions above stated, the undersigned on behalf of the Partnership agrees as follows:

(a) The undersigned will use all reasonable efforts to find one or more purchasers for the Bonds.

(b) The undersigned will cause the Partnership and the Owner to be duly formed.

(c) The undersigned will cause the Partnership to take all actions which may be necessary in order for the City to market, sell and deliver the Bonds in a manner which will enable the Partnership to secure a mortgage loan at an interest rate not to exceed 10.75% or such higher rate as may be required to provide for the payment of the bonds bearing interest at a rate not to exceed 10.75% per annum or as may be otherwise acceptable to the partnership and the City, both during construction and as the permanent loan rate; provided that in the event the bonds can be sold at an interest rate not to exceed 10.75% per annum, the undersigned shall cause the Partnership to consummate the transaction contemplated herein and if the Partnership does not consummate the transaction, the undersigned agrees on behalf of the Partnership that the City shall retain all of the Partnership's fees either previously paid, or otherwise due and payable, to the City hereunder. The stated rate of interest on the mortgage loan shall include an annual .05% fee to provide for payment of certain costs in connection with the mortgage loan, including administrative expenses of the City, trustee's fees and expenses and servicing fees of a mortgage servicer mutually acceptable to the Partnership and the City. Without limiting the generality of the foregoing, the undersigned on behalf of the Partnership agrees to (i) make such deposits and/or post such letters of credit and take all other actions which may be necessary to the Bond closing; (ii) pay costs, fees, expenses, underwriting and bond discounts and such other payments and/or deposits (including publication and court reporting costs incurred in relation to the required TEFRA hearing) (in an aggregate amount not to exceed 3.5% of the mortgage loan, including any financing fees equal to 2% of the mortgage loan which are permitted to be paid from mortgage loan proceeds) as the City shall determine to be necessary to market and sell the Bonds and achieve the desired interest rate on the mortgage loan; (iii) pay the fee to the City referred to in paragraph 4 hereof.

(d) That contemporaneously with the issuance of the Bonds, the undersigned will cause the Partnership, the Owner and/or the Project Lender, as applicable, to enter into a financing agreement with the City under the terms of which the Partnership or Owner or the Project Lender will be obligated to pay to the City sums sufficient in the aggregate to any the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable, such financing agreement to be in form and substance and secured in a manner satisfactory to the City, the Partnership and the purchasers of the Bonds, including, without limitation, customary provisions limiting recourse against the partners of the Partnership.

(e) That during the period beginning on the date of the sale and delivery of the Bonds by the City to the purchasers thereof and continuing for at least the period required by Section 103(b)(4)(a) of the Internal Revenue Code of 1954, as amended (i) the Project will be maintained and operated as a "residential rental property" as defined in said Section of the Code, (ii) prior to, during, and after completion of construction of the Project, any duly authorized agent of the City will be permitted to enter upon and inspect the Project during regular business hours, and to examine and copy at and copy at the principal office of the Partnership located within the City of Chicago, Illinois, during regular business hours all books, records and other documents of the Partnership relating to (a) the construction of the Project and expenditures from the Bond proceeds for the Project, (b) the construction records of any contractor for the Project, (c) the rental of units within the Project and the revenues therefrom. The City shall also be furnished with copies of all draw requests, requisition certificates, affidavits, sworn statements and other documents and showings furnished by the Partnership to the trustee administering the proceeds of the Bonds during the construction of the Project in connection with any disbursement of Bond proceeds to pay or reimburse the Partnership for a portion of the costs of the Project and (iii) the Partnership will furnish such evidence of compliance as may be reasonable requested by the City.

(f) The undersigned will cause the Partnership to take such further action and adopt such further proceedings as may be required to implement the aforesaid undertakings or as they may deem appropriate in pursuance thereof.

4. City Developer Fee.

Prior to the issuance of the Bonds as contemplated by this Agreement, the City will determine appropriate fees in an amount not to exceed \$60,000 to be paid by the Partnership to the City in connection with the financing of the Project by the City.

5. Successors and Assigns.

This Agreement is binding on the inures to the benefit of the parties thereto and their respective successors and assigns. Without limiting the generality of the foregoing, the Partnership may assign its interests herein and the assignee following assignment shall possess all rights and assume all obligations of the Partnership and all references to the Partnership herein shall refer to the assignee.

August 14, 1984

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by their officers thereunto duly authorized as of this _____ day of _____, 1984.

THE CITY OF CHICAGO

BY: _____

GREENWOOD VILLAGE APARTMENTS,
LIMITED

LSM VENTURE ASSOCIATES

BY: W. H. [Signature]
a general partner

(Continued from page 8259)

Alderman Burke then requested the record reflect that the said passed ordinance was promptly transmitted to the Mayor who affixed his signature to the same at 10:52 A.M.

The following is said ordinance as passed:

WHEREAS, In order to develop viable urban communities, meet special housing needs and advance neighborhood preservation purposes, Section 17 of the United States Housing Act of 1937, as amended, provides that Housing Development Grants may be made available to cities to support the new construction or substantial rehabilitation of real property to be used primarily for residential rental purposes; and

WHEREAS, Kenwood-Oakland Apartment Associates, an Illinois limited partnership to be formed, of which Charles F. Moore and Kenwood-Oakland Community Organization Development Corporation will be the general partners, has proposed to construct 70 units of rental housing to be located at 4000-4100 South Ellis Avenue, 4100 South Berkeley and 900-1000 East 42nd Place and 4200 South Drexel Boulevard, of which 20 units or 29% shall be set aside for rental to eligible persons of lower income, said project to be known as the Kenwood-Oakland Housing Project (the "Project"); and

WHEREAS, Kenwood-Oakland Apartment Associates has estimated that the proposed Project will cost up to \$6,504,700; and

WHEREAS, As part of its efforts to secure the requisite dollars to develop the Project, Kenwood-Oakland Apartment Associates has requested the City of Chicago to issue Multi-Family Mortgage Revenue Bonds in an amount not to exceed \$6,500,000, and to prepare and submit an application for a Housing Development Grant to the United States Department of Housing and Urban Development in the amount of \$1,860,000; and

WHEREAS, The City of Chicago through the Department of Housing has prepared an application for a Housing Development Grant in the amount of \$1,860,000 to be used along with private funds for the development of the aforementioned Project; and

WHEREAS, Such Multi-Family Mortgage Revenue Bonds, when issued, shall not be a charge against the general revenues nor the taxing powers of the City, but shall be payable solely and only from the proceeds of said bonds and the earnings thereon, and revenue derived from the Project and/or the financing thereof; and

WHEREAS, A Memorandum of Agreement with respect to the proposed issuance of such bonds has been presented to the City; and

WHEREAS, It is considered desirable in order to increase the supply of decent, safe and sanitary housing within the corporate limits of the City and for the enhancement of the tax base and the general welfare of the City and its inhabitants to provide financial assistance for the Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Mayor of the City of Chicago is authorized to submit to the United States Department of Housing and Urban Development, an application for a Housing Development Grant in the amount of \$1,860,000 for the Kenwood-Oakland Housing Project.

SECTION 2. The Mayor of the City of Chicago is authorized to act in connection with the application, to give such assurances and to provide such additional information as may be required by the United States Department of Housing and Urban Development.

SECTION 3. That upon approval of the above application by the Secretary of the United States Department of Housing and Urban Development, the Mayor is authorized to enter into and execute on behalf of the City of Chicago, a Housing Development Grant Agreement by and between the City of Chicago and the United States Department of Housing and Urban Development for the development of the Kenwood-Oakland Housing Project.

SECTION 4. The City Council has determined that the assistance of the Kenwood-Oakland Apartment Associates through the issuance of Multi-Family Mortgage Revenue Bonds, the proceeds of which will be used for the development of the Project, is an appropriate exercise of the home rule powers of the City pursuant to Article VII of the Constitution of 1970 of the State of Illinois.

SECTION 5. The Mayor, the Commissioner of Housing or the Comptroller of the City of Chicago are authorized to enter into and execute on behalf of the City, a Memorandum of Agreement substantially in the form attached hereto as Exhibit A, concerning issuance by the City of not more than \$4,000,000 in Multi-Family Mortgage Revenue Bonds for use by Kenwood-Oakland Apartment Associates in implementing the Project, which execution by any of the aforesaid City of Chicago officials is proper. Upon the fulfillment of conditions stated in the Memorandum of Agreement, as executed, the City will take such actions as may be necessary to issue its Multi-Family Mortgage Revenue Bonds in an amount of not to exceed \$4,000,000 for the aforementioned purpose.

SECTION 6. The Chairman of the Finance Committee of the City Council is hereby directed to cause the Finance Committee or any subcommittee thereof, or in lieu thereof and with the written consent of the Chairman of the Finance Committee, the Commissioner of the Department of Housing or her designee, to hold a hearing on the Project pursuant to and in compliance with Section 103 of the Internal Revenue Code of 1954, as amended, and particularly as amended by the Tax Equity and Fiscal Responsibility Act of 1982.

SECTION 7. This ordinance shall be effective immediately upon its passage.

[Exhibit A printed on pages 8267 thru 8271 of this Journal.]

**Authority Granted for Submittal of Housing Development Action
Grant Application and Execution of Memorandum of Agreement
for Chicago Beach Apartments Project.**

Alderman Burke moved to *Suspend the Rules Temporarily* for the immediate consideration of a proposed ordinance authorizing application for a Housing Development Action Grant and for the execution of a Memorandum of Agreement for the Chicago Beach Apartments Project. The motion *Prevailed*.

Alderman Burke then moved to *Pass* the said proposed ordinance. The motion *Prevailed* by yeas and nays as follows:

Yeas--Aldermen Roti, Rush, Tillman, Evans, Sawyer, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Sherman, Stemberk, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone--45.

Nays--None.

Alderman Stemberk moved to *Reconsider* the foregoing vote. The motion was *Lost*.

Alderman Burke then requested the record reflect that the said passed ordinance was promptly transmitted to the Mayor who affixed his signature to the same at 10:54 A.M.

The following is said ordinance as passed:

WHEREAS, In order to develop viable urban communities, meet special housing needs and advance neighborhood preservation purposes, Section 17 of the United States Housing Act of 1937, as amended, provides that Housing Development Grants may be made available to cities to support the new construction or substantial rehabilitation of real property to be used primarily for residential rental purposes; and

WHEREAS, The Edwards Partnership, an Illinois limited partnership to be formed, of which Alvin C. Edwards and Yvonne Edwards will be the general partners, has proposed to construct 95 units of rental housing to be located at 5100 South Cornell Avenue, of which 44 units or 46% shall be set aside for rental to eligible persons of lower income, said project to be known as the Chicago Beach Apartments Project (the "Project"); and

(Continued on page 8272)

EXHIBIT A

MEMORANDUM OF AGREEMENT
103(b) MORTGAGE REVENUE BONDS

THIS MEMORANDUM OF AGREEMENT (the "Agreement") is by and between City of Chicago (the "City") and Kenwood - Oakland Apartments Associates Development Corporation, an Illinois partnership to be formed for which Kenwood Oakland Community Organization, and Charles F. Moore will be general partners (the "Partnership").

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in this Agreement are the following:

(a) The City of Chicago is a home rule unit of government under Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois with power to adopt Ordinances and take actions relating to its government and affairs and it has been determined that assisting in the acquisition, construction, and equipping of the hereinafter described Project is a proper exercise of the home rule powers of the City.

(b) It is proposed that the Partnership acquire, construct and equip a residential housing project located between 4000 - 4100 S. Ellis, 4100 S. Berkely, 900 - 1000 E. 42nd Place and 4200 S. Drexel in the City (the "Project"). After completion of construction the Project will provide approximately 70 residential rental dwelling units. The undersigned on behalf of the Partnership wishes to obtain satisfactory assurance from the City that the proceeds from the sale of revenue bonds of the City will be made available to finance the cost of the Project.

(c) Subject to due compliance with all requirements of law, the City will proceed to take such action as may be necessary to cause to be prepared such agreements, indentures or such other documents as may be required to permit the City, by virtue of its authority as a home rule unit of government to sell and issue its revenue bonds in an amount not to exceed \$4,000,000 (the "Bonds") to any costs of the Project and costs incidental to the issuance of the Bonds.

(d) The City considers that its financing of the cost of the Project on behalf of the Partnership will promote and further the affairs and welfare of the City and its inhabitants.

(e) The Bonds to be issued by the City shall not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory provision, and such fact shall be plainly stated on the face of each of said Bonds. No holder or owner of any of said Bonds shall ever have the right to compel any exercise of the taxing power of the City to pay said bonds or the interest thereon. The principal of, premium, if any, and interest on said Bonds to be issued to finance the cost of the Project shall be secured by a pledge to a trustee acting under an indenture of trust for the benefit of the holders of said revenue bonds, or by a pledge directly to the holders and owners of said Bonds, of the revenues and income to be derived by the City from the Project; and shall be further secured by a mortgage on the Project.

2. Undertakings on the Part of the City. Subject to the conditions above stated, the City agrees as follows:

(a) That it will begin the proceedings necessary on its part to cause the City Council to authorize the issuance and sale of the Bonds, pursuant to terms mutually acceptable to the City, the Partnership and potential purchasers of the Bonds.

(b) That it will cooperate with the Partnership in finding a purchaser or purchasers for the Bonds, and if satisfactory purchase arrangements can be made, the City will adopt such proceedings authorizing the execution of such documents as may be necessary or advisable for the authorization, issuance and sale of the Bonds and the financing of the Project, all as shall be authorized in an Ordinance of the City Council and mutually satisfactory to the City, the Partnership and potential purchasers of the Bonds.

(c) That, if the City issues and sells the Bonds, the financing instruments will provide (i) that the City will lend the proceeds of the Bonds (A) to the Partnership, or (B) to the Owner for the benefit of the Partnership, or (C) to a lending institution acceptable to the City and the Partnership (the "Project Lender") to relend to the Partnership or the Owner, to be used to finance the Project and (ii) that the aggregate amounts (i.e., the repayments to be made by the Partnership or the Owner or the Project Lender upon such loan and used by the City to pay the principal of, interest and redemption premium, if any, on the Bonds), payable under the instruments whereby the Project shall be financed, shall be such sums as shall be sufficient to pay the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable.

(d) That it will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3. Undertakings on the Part of the Partnership. Subject to the conditions above stated, the undersigned on behalf of the Partnership agrees as follows:

(a) The undersigned will use all reasonable efforts to find one or more purchasers for the Bonds.

(b) The undersigned will cause the Partnership and the Owner to be duly formed.

(c) The undersigned will cause the Partnership to take all actions which may be necessary in order for the City to market, sell and deliver the Bonds in a manner which will enable the Partnership to secure a mortgage loan at an interest rate not to exceed 10.75% or such higher rate as may be required to provide for the payment of the bonds bearing interest at a rate not to exceed 10.75% per annum or as may be otherwise acceptable to the partnership and the City, both during construction and as the permanent loan rate; provided that in the event the bonds can be sold at an interest rate not to exceed 10.75% per annum, the undersigned shall cause the Partnership to consummate the transaction contemplated herein and if the Partnership does not consummate the transaction, the undersigned agrees on behalf of the Partnership that the City shall retain all of the Partnership's fees either previously paid, or otherwise due and payable, to the City hereunder. The stated rate of interest on the mortgage loan shall be 10.75% per annum to provide for payment of certain costs in

the City, trustee's fees and expenses and servicing fees of a mortgage servicer mutually acceptable to the Partnership and the City. Without limiting the generality of the foregoing, the undersigned on behalf of the Partnership agrees to (i) make such cash deposits and/or post such letters of credit and take all other actions which may be necessary to obtain initial endorsement of the mortgage loan at or prior to time of the Bond closing; (ii) pay costs, fees, expenses, underwriting and reporting costs incurred in relation to the required TEFRA hearing) (in aggregate amount not to exceed 3.5% of the mortgage loan, including any financing fees equal to 2% of the mortgage loan which are permitted to be paid from mortgage loan proceeds) as the City shall determine to be necessary to market and sell the Bonds and achieve the desired interest rate on the mortgage loan; (iii) pay the fee to the City referred to in paragraph 4 hereof.

(d) That contemporaneously with the issuance of the Bonds, the undersigned will cause the Partnership, the Owner and/or the Project Lender, as applicable, to enter into a financing agreement with the City under the terms of which the Partnership or Owner or the Project Lender will be obligated to pay to the City sums sufficient in the aggregate to any the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable, such financing agreement to be in form and substance and secured in a manner satisfactory to the City, the Partnership and the purchasers of the Bonds, including, without limitation, customary provisions limiting recourse against the partners of the Partnership.

(e) That during the period beginning on the date of the sale and delivery of the Bonds by the City to the purchasers thereof and continuing for at least the period required by Section 103(b)(4)(a) of the Internal Revenue Code of 1954, as amended (i) the Project will be maintained and operated as a "residential rental property" as defined in said Section of the Code, (ii) prior to, during, and after completion of construction of the Project, any duly authorized agent of the City will be permitted to enter upon and inspect the Project during regular business hours, and to examine and copy at and copy at the principal office of the Partnership located within the City of Chicago, Illinois, during regular business hours all books, records and other documents of the Partnership relating to (a) the construction of the Project and expenditures from the Bond proceeds for the Project, (b) the construction records of any contractor for the Project, (c) the rental of units within the Project and the revenues therefrom. The City shall also be furnished with copies of all draw requests, requisition certificates, affidavits, sworn statements and other documents and showings furnished by the Partnership to the trustee administering the proceeds of the Bonds during the construction of the Project in connection with any disbursement of Bond proceeds to pay or reimburse the Partnership for a portion of the costs of the Project and (iii) the Partnership will furnish such evidence of compliance as may be reasonable requested by the City.

(f) The undersigned will cause the Partnership to take such further action and adopt such further proceedings as may be required to implement the aforesaid undertakings or as they may deem appropriate in pursuance thereof.

4. City Developer Fee.

Prior to the issuance of the Bonds as contemplated by this Agreement, the City will determine appropriate fees in an amount not to exceed \$40,000 to be paid by the Partnership to the City in connection with the financing of the Project by the City.

5. Successors and Assigns.

This Agreement is binding on the inures to the benefit of the parties thereto and their respective successors and assigns. Without limiting the generality of the foregoing, the Partnership may assign its interests herein and the assignee following assignment shall possess all rights and assume all obligations of the Partnership and all references to the Partnership herein shall refer to the assignee.

August 14, 1984

SPECIAL MEETING

8271

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by their officers thereunto duly authorized as of this _____ day of _____, 1984.

THE CITY OF CHICAGO

BY: _____

KENWOOD-OAKLAND APARTMENTS ASSOCIATES

BY: *Robert J. X. [Signature]*
a general partner

(Continued from page 8266)

WHEREAS, The Edwards Partnership has estimated that the proposed Project will cost up to \$4,144,463; and

WHEREAS, As a part of its efforts to secure the requisite dollars to develop the Project, the Edwards Partnership has requested the City of Chicago to issue Multi-Family Mortgage Revenue Bonds in an amount not to exceed \$3,000,000, and to prepare and submit an application for a Housing Development Grant to the United States Department of Housing and Urban Development in the amount of \$816,463; and

WHEREAS, The City of Chicago through the Department of Housing has prepared an application for a Housing Development Grant in the amount of \$816,463 to be used along with private funds for the development of the aforementioned Project; and

WHEREAS, Such Multi-Family Mortgage Revenue Bonds, when issued, shall not be a charge against the general revenues nor the taxing powers of the City, but shall be payable solely and only from the proceeds of said bonds and the earnings thereon, and revenue derived from the Project and/or the financing thereof; and

WHEREAS, A Memorandum of Agreement with respect to the proposed issuance of such bonds has been presented to the City; and

WHEREAS, It is considered desirable in order to increase the supply of decent safe and sanitary housing within the corporate limits of the City and for the enhancement of the tax base and the general welfare of the City and its inhabitants to provide financial assistance for the Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Mayor of the City of Chicago is authorized to submit to the United States Department of Housing and Urban Development, an application for a Housing Development Grant in the amount of \$816,463 for the Chicago Beach Apartments Project.

SECTION 2. The Mayor of the City of Chicago is authorized to act in connection with the application, to give such assurances and to provide such additional information as may be required by the United States Department of Housing and Urban Development.

SECTION 3. That upon approval of the above application by the Secretary of the United States Department of Housing and Urban Development, the Mayor is authorized to enter into and execute on behalf of the City of Chicago, a Housing Development Grant Agreement by and between the City of Chicago and the United States Department of Housing and Urban Development for the development of the Chicago Beach Apartments Project.

SECTION 4. The City Council has determined that the assistance of the Edwards Partnership through the issuance of Multi-Family Mortgage Revenue Bonds, the proceeds of which will be used for the development of the Project, is an appropriate exercise of the home rule powers of the City pursuant to Article VII of the Constitution of 1970 of the State of Illinois.

SECTION 5. The Mayor, the Commissioner of Housing or the Comptroller of the City of Chicago are authorized to enter into and execute on behalf of the City, a Memorandum of Agreement substantially in the form attached hereto as Exhibit A, concerning issuance by the City of not more than \$3,000,000 in Multi-Family Mortgage Revenue Bonds for use by the Edwards Partnership in implementing the Project, which execution by any of the aforesaid City of Chicago officials is proper. Upon the fulfillment of conditions stated in the Memorandum of Agreement, as executed, the City will take such actions as may be necessary to issue its Multi-Family Mortgage Revenue Bonds in an amount of not to exceed \$3,000,000 for the aforementioned purpose.

SECTION 6. The Chairman of the Finance Committee of the City Council is hereby directed to cause the Finance Committee or any subcommittee thereof, or in lieu thereof and with the written consent of the Chairman of the Finance Committee, the Commissioner of the Department of Housing

or her designee, to hold a hearing on the Project pursuant to and in compliance with Section 103 of the Internal Revenue Code of 1954, as amended, and particularly as amended by the Tax Equity and Fiscal Responsibility Act of 1982.

SECTION 7. This ordinance shall be effective immediately upon its passage.

[Exhibit A printed on pages 8274 thru 8278 of this Journal.]

**Authority Granted for Submittal of Housing Development
Action Grant Application for 701-709 North
Central Apartments Project.**

Alderman Burke moved to *Suspend the Rules Temporarily* for the immediate consideration of a proposed ordinance authorizing application of a Housing Development Action Grant for the 701-709 North Central Apartments Project. The motion *Prevailed*.

Alderman Burke then moved to *Pass* the said proposed ordinance. The motion *Prevailed* by yeas and nays as follows:

Yeas--Aldermen Roti, Rush, Tillman, Evans, Sawyer, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Sherman, Stemberk, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone--45.

Nays--None.

Alderman Stemberk moved to *Reconsider* the foregoing vote. The motion was *Lost*.

Alderman Burke then requested the record reflect that the said passed ordinance was promptly transmitted to the Mayor who affixed his signature to the same at 10:54 A.M.

The following is said ordinance as passed:

WHEREAS, In order to develop viable urban communities, meet special housing needs and advance neighborhood preservation purposes, Section 17 of the United States Housing Act of 1937, as amended, provides that Housing Development Grants may be made available to cities to support the new construction or substantial rehabilitation of real property to be used primarily for residential rental purposes; and

WHEREAS, The N.H.S. Redevelopment Corporation, an Illinois not-for-profit corporation, has proposed to substantially rehabilitate 26 units of rental housing located at 701-709 North Central, said project to be known as the 701-709 North Central Apartments Project, by expending private funds in the amount of Three Hundred Ninety-five Thousand Dollars (\$395,000); and

WHEREAS, It is proposed that of the 26 units of rental housing to be substantially rehabilitated, 6 units or 23% shall be set aside for rental to eligible persons of lower income; and

WHEREAS, The City of Chicago, through the Department of Housing, has prepared an application for a Housing Development Grant in the amount of Three Hundred Fifty Thousand Dollars (\$350,000) to be used along with private funds in the substantial rehabilitation of the 26 units of rental housing; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Mayor of the City of Chicago is authorized to submit to the United States Department of Housing and Urban Development an application for a Housing Development Grant in the amount of Three Hundred Fifty Thousand Dollars (\$350,000) for the 701-709 North Central Apartments Project.

(Continued on page 8279)

EXHIBIT A

MEMORANDUM OF AGREEMENT
103(b) MORTGAGE REVENUE BONDS

THIS MEMORANDUM OF AGREEMENT (the "Agreement") is by and between the City of Chicago (the "City") and the Edwards Partnership, an Illinois general partnership to be formed for which Alvin C. Edwards and Yvonne Edwards will be general partners (the "Partnership").

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in this Agreement are the following:

(a) The City of Chicago is a home rule unit of government under Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois with power to adopt Ordinances and take actions relating to its government and affairs and it has been determined that assisting in the acquisition, rehabilitation, and equipping of the hereinafter described Project is a proper exercise of the home rule powers of the City.

(b) It is proposed that the Partnership acquire, rehabilitate and equip a residential housing project located at the Southwest corner of East 51st Street and Cornell, in the City (the "Project"). After completion of construction the Project will provide approximately 95 residential rental dwelling units. The undersigned on behalf of the Partnership wishes to obtain satisfactory assurance from the City that the proceeds from the sale of revenue bonds of the City will be made available to finance the cost of the Project.

(c) Subject to due compliance with all requirements of law, the City will proceed to take such action as may be necessary to cause to be prepared such agreements, indentures or such other documents as may be required to permit the City, by virtue of its authority as a home rule unit of government to sell and issue its revenue bonds in an amount not to exceed \$3,000,000 (the "Bonds") to any costs of the Project and costs incidental to the issuance of the Bonds.

(d) The City considers that its financing of the cost of the Project on behalf of the Partnership will promote and further the affairs and welfare of the City and its inhabitants.

(e) The Bonds to be issued by the City shall not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory provision, and such fact shall be plainly stated on the face of each of said Bonds. No holder or owner of any of said Bonds shall ever have the right to compel any exercise of the taxing power of the City to pay said bonds or the interest thereon. The principal of, premium, if any, and interest on said Bonds to be issued to finance the cost of the Project shall be

secured by a pledge to a trustee acting under an indenture of trust for the benefit of the holders of said revenue bonds, or by a pledge directly to the holders and owners of said Bonds, of the revenues and income to be derived by the City from the Project; and shall be further secured by a mortgage on the Project.

2. Undertakings on the Part of the City. Subject to the conditions above stated, the City agrees as follows:

(a) That it will begin the proceedings necessary on its part to cause the City Council to authorize the issuance and sale of the Bonds, pursuant to terms mutually acceptable to the City, the Partnership and potential purchasers of the Bonds.

(b) That it will cooperate with the Partnership in finding a purchaser or purchasers for the Bonds, and if satisfactory purchase arrangements can be made, the City will adopt such proceedings authorizing the execution of such documents as may be necessary or advisable for the authorization, issuance and sale of the Bonds and the financing of the Project, all as shall be authorized in an Ordinance of the City Council and mutually satisfactory to the City, the Partnership and potential purchasers of the Bonds.

(c) That, if the City issues and sells the Bonds, the financing instruments will provide (i) that the City will lend the proceeds of the Bonds (A) to the Partnership, or (B) to the Owner for the benefit of the Partnership, or (C) to a lending institution acceptable to the City and the Partnership (the "Project Lender") to relend to the Partnership or the Owner, to be used to finance the Project and (ii) that the aggregate amounts (i.e., the repayments to be made by the Partnership or the Owner or the Project Lender upon such loan and used by the City to pay the principal of, interest and redemption premium, if any, on the Bonds), payable under the instruments whereby the Project shall be financed, shall be such sums as shall be sufficient to pay the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable.

(d) That it will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3. Undertakings on the Part of the Partnership. Subject to the conditions above sated, the undersigned on behalf of the Partnership agrees as follows:

(a) The undersigned will use all reasonable efforts to find one or more purchasers for the Bonds.

(b) The undersigned will cause the Partnership and the Owner to be duly formed.

(c) The undersigned will cause the Partnership to take all actions which may be necessary in order for the City to market, sell and deliver the Bonds in a manner which will enable the Partnership to secure a mortgage loan at an interest rate not to exceed 10.75% or such higher rate as may be required to provide for the payment of the bonds bearing interest at a rate not to exceed 10.75% per annum or as may be otherwise acceptable to the partnership and the City, both during construction and as the permanent loan rate; provided that in the event the bonds can be sold at an interest rate not to exceed 10.75% per annum, the undersigned shall cause the Partnership to consummate the transaction contemplated herein and if the Partnership does not consummate the transaction, the undersigned agrees on behalf of the Partnership that the City shall retain all of the Partnership's fees either previously paid, or otherwise due and payable, to the City hereunder. The stated rate of interest on the mortgage loan shall include an annual .05% fee to provide for payment of certain costs in connection with the mortgage loan, including administrative expenses of the City, trustee's fees and expenses and servicing fees of a mortgage servicer mutually acceptable to the Partnership and the City. Without limiting the generality of the foregoing, the undersigned on behalf of the Partnership agrees to (i) make such cash deposits and/or post such letters of credit and take all other actions which may be necessary to obtain initial endorsement of the mortgage loan at or prior to time of the Bond closing; (ii) pay costs, fees, expenses, underwriting and bond discounts and such other payments and/or deposits (in an aggregate amount no to exceed 3.5% of the mortgage loan, including any financing fees equal to 2% of the mortgage loan which are permitted to be paid from mortgage loan proceeds) (including publication and court reporting costs incurred in relation to the required TEFRA hearing) as the City shall determine to be necessary to market and sell the Bonds and achieve the desired interest rate on the mortgage loan; and (iii) pay the fee to the City referred to in paragraph 4 hereof.

(d) That contemporaneously with the issuance of the Bonds, the undersigned will cause the Partnership, the Owner and/or the Project Lender, as applicable, to enter into a financing agreement with the City under the terms of which the Partnership or Owner or the Project Lender will be obligated to pay to the City sums sufficient in the aggregate to any the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable, such financing agreement to be in form and substance and secured in a manner satisfactory to the City, the Partnership and the purchasers of the Bonds, including, without limitation, customary provisions limiting recourse against the partners of the Partnership.

(e) That during the period beginning on the date of the sale and delivery of the Bonds by the City to the purchasers thereof and continuing for at least the period required by Section 103(b)(4)(a) of the Internal Revenue Code of 1954, as amended (i) the Project will be maintained and operated as a "residential rental property" as defined in said Section of the Code, (ii) prior to, during, and

Project during regular business hours, and to examine and copy at and copy at the principal office of the Partnership located within the City of Chicago, Illinois, during regular business hours all books, records and other documents of the Partnership relating to (a) the construction of the Project and expenditures from the Bond proceeds for the Project, (b) the construction records of any contractor for the Project, (c) the rental of units within the Project and the revenues therefrom. The City shall also be furnished with copies of all draw requests, requisition certificates, affidavits, sworn statements and other documents and showings furnished by the Partnership to the trustee administering the proceeds of the Bonds during the construction of the Project in connection with any disbursement of Bond proceeds to pay or reimburse the Partnership for a portion of the costs of the Project and (iii) the Partnership will furnish such evidence of compliance as may be reasonable requested by the City.

(f) The undersigned will cause the Partnership to take such further action and adopt such further proceedings as may be required to implement the aforesaid undertakings or as they may deem appropriate in pursuance thereof.

4. City Developer Fee.

Prior to the issuance of the Bonds as contemplated by this Agreement, the City will determine appropriate fees in an amount not to exceed \$30,000 to be paid by the Partnership to the City in connection with the financing of the Project by the City.

5. Successors and Assigns.

This Agreement is binding on the inures to the benefit of the parties thereto and their respective successors and assigns. Without limiting the generality of the foregoing, the Partnership may assign its

August 14, 1984

interests herein and the assignee following assignment shall possess all rights and assume all obligations of the Partnership and all references to the Partnership herein shall refer to the assignee.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by their officers thereunto duly authorized as of this _____ day of _____, 1984.

THE CITY OF CHICAGO

BY: _____

EDWARDS PARTNERSHIP

BY: _____
a general partner

(Continued from page 8273)

SECTION 2. That the Mayor of the City of Chicago is authorized to act in connection with the application, to give what assurances are necessary and to provide such additional information as may be required by the United States Department of Housing and Urban Development.

SECTION 3. That upon the approval of the above application by the Secretary of the United States Department of Housing and Urban Development, the Mayor of the City of Chicago is authorized to enter into and execute on behalf of the City of Chicago, upon the approval of the Corporation Counsel as to form and legality, a Housing Development Grant Agreement by and between the City of Chicago and the United States Department of Housing and Urban Development for the partial funding of the 701-709 North Central Apartments Project.

SECTION 4. This ordinance shall be effective immediately upon its passage.

**Authority Granted for Submittal of Housing Development Action
Grant Application for Hoover Apartments Project.**

Alderman Burke moved to *Suspend the Rules Temporarily* for the immediate consideration of a proposed ordinance authorizing application for a Housing Development Action Grant for the Hoover Apartments Project. The motion *Prevailed*.

Alderman Burke then moved to *Pass* the said proposed ordinance. The motion *Prevailed* by yeas and nays as follows:

Yeas--Aldermen Roti, Rush, Tillman, Evans, Sawyer, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Sherman, Stemberk, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone--45.

Nays--None.

Alderman Stemberk moved to *Reconsider* the foregoing vote. The motion was *Lost*.

Alderman Burke then requested the record reflect that the said passed ordinance was promptly transmitted to the Mayor who affixed his signature to the same at 10:56 A.M.

The following is said ordinance as passed:

WHEREAS, In order to develop viable urban communities, meet special housing needs and advance neighborhood preservation purposes, Section 17 of the United States Housing Act of 1937, as amended, provides that Housing Development Grants may be made available to cities to support the new construction or substantial rehabilitation of real property to be used primarily for residential rental purposes; and

WHEREAS, The N.H.S. Redevelopment Corporation, an Illinois not-for-profit corporation, has proposed to substantially rehabilitate 48 units of rental housing located at 5700 West Race and 546-552 North Waller, said project to be known as the Hoover Apartments Project, by expending private funds in the amount of Five Hundred Seventy-five Thousand Dollars (\$575,000); and

WHEREAS, It is proposed that of the 48 units of rental housing to be substantially rehabilitated, 10 units or 21% shall be set aside for rental to eligible persons of lower income; and

WHEREAS, The City of Chicago, through the Department of Housing, has prepared an application for a Housing Development Grant in the amount of Five Hundred Twenty-three Thousand Dollars (\$523,000) to be used along with private funds in the substantial rehabilitation of the 48 units of rental housing; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Mayor of the City of Chicago is authorized to submit to the United States Department of Housing and Urban Development an application for a Housing Development Grant in the amount of Five Hundred Twenty-three Thousand Dollars (\$523,000) for the Hoover Apartments Project.

SECTION 2. That the Mayor of the City of Chicago is authorized to act in connection with the application, to give what assurances are necessary and to provide such additional information as may be required by the United States Department of Housing and Urban Development.

SECTION 3. That upon the approval of the above application by the Secretary of the United States Department of Housing and Urban Development, the Mayor of the City of Chicago is authorized to enter into and execute on behalf of the City of Chicago, upon the approval of the Corporation Counsel as to form and legality, a Housing Development Grant Agreement by and between the City of Chicago and the United States Department of Housing and Urban Development for the partial funding of the Hoover Apartments Project.

SECTION 4. This ordinance shall be effective immediately upon its passage.

**Authority Granted for Submittal of Housing Development Action
Grant Application and Execution of Memorandum of Agreement
for Park Shore South Apartments Project.**

Alderman Burke moved to *Suspend the Rules Temporarily* for the immediate consideration of a proposed ordinance authorizing application for a Housing Development Action Grant and the execution of a Memorandum of Agreement for the Park Shore South Apartments Project. The motion *Prevailed*.

Alderman Burke then moved to *Pass* the said proposed ordinance. The motion *Prevailed* by yeas and nays as follows:

Yeas--Aldermen Roti, Rush, Tillman, Evans, Sawyer, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Sherman, Stemberk, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone--45.

Nays--None.

Alderman Stemberk moved to *Reconsider* the foregoing vote. The motion was *Lost*.

Alderman Burke then requested the record reflect that the said passed ordinance was promptly transmitted to the Mayor who affixed his signature to the same at 10:58 A.M.

The following is said ordinance as passed:

WHEREAS, In order to develop viable urban communities, meet special housing needs and advance neighborhood preservation purposes, Section 17 of the United States Housing Act of 1937, as amended, provides that Housing Development Grants may be made available to cities to support the new construction or substantial rehabilitation of real property to be used primarily for residential rental purposes; and

WHEREAS, Park Shore South Partnership, an Illinois limited partnership to be formed, of which Allison Davis will be the general partner; has proposed to construct 240 units of rental housing to be located at 63rd Street and Stony Island Avenue, of which 53 units or 22% shall be set aside for rental to eligible persons of lower income, said project to be known as the Park Shore South Apartments Project (the "Project"); and

WHEREAS, Park Shore South Partnership has estimated that the proposed Project will cost up to \$19,324,778; and

WHEREAS, As part of its efforts to secure the requisite dollars to develop the Project, Park Shore South Partnership has requested the City of Chicago to issue Multi-Family Mortgage Revenue Bonds in an amount not to exceed \$12,000,000, and to prepare and submit an application for a Housing Development Grant to the United States Department of Housing and Urban Development in the amount of \$6,000,000; and

WHEREAS, The City of Chicago through the Department of Housing has prepared an application for a Housing Development Grant in the amount of \$6,000,000 to be used along with private funds for the development of the aforementioned Project; and

WHEREAS, Such Multi-Family Mortgage Revenue Bonds, when issued, shall not be a charge against the general revenues nor the taxing powers of the City, but shall be payable solely and only from the proceeds of said bonds and the earnings thereon, and revenue derived from the Project and/or the financing thereof; and

WHEREAS, A Memorandum of Agreement with respect to the proposed issuance of such bonds has been presented to the City; and

WHEREAS, It is considered desirable in order to increase the supply of decent, safe and sanitary housing within the corporate limits of the City and for the enhancement of the tax base and the general welfare of the City and its inhabitants to provide financial assistance for the Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Mayor of the City of Chicago is authorized to submit to the United States Department of Housing and Urban Development, an application for a Housing Development Grant in the amount of \$6,000,000, for the Park Shore South Apartments Project.

SECTION 2. The Mayor of the City of Chicago is authorized to act in connection with the application, to give such assurances and to provide such additional information as may be required by the United States Department of Housing and Urban Development.

SECTION 3. That upon approval of the above application by the Secretary of the United States Department of Housing and Urban Development, the Mayor is authorized to enter into and execute on behalf of the City of Chicago, a Housing Development Grant Agreement by and between the City of Chicago and the United States Department of Housing and Urban Development for the development of the Park Shore South Apartments Project.

SECTION 4. The City Council has determined that the assistance of the Park Shore South Partnership through the issuance of Multi-Family Mortgage Revenue Bonds, the proceeds of which will be used for the development of the Project, is an appropriate exercise of the home rule powers of the City pursuant to Article VII of the Constitution of 1970 of the State of Illinois.

SECTION 5. The Mayor, the Commissioner of Housing or the Comptroller of the City of Chicago are authorized to enter into and execute on behalf of the City, a Memorandum of Agreement substantially in the form attached hereto as Exhibit A, concerning issuance by the City of not more than \$12,000,000 in Multi-Family Mortgage Revenue Bonds for use by Park Shore South Partnership in implementing the Project, which execution by any of the aforesaid City of Chicago officials is proper. Upon the fulfillment of conditions stated in the Memorandum of Agreement, as executed, the City will take such actions as may be necessary to issue its Multi-Family Mortgage Revenue Bonds in an amount of not to exceed \$12,000,000 for the aforementioned purpose.

SECTION 6. The Chairman of the Finance Committee of the City Council is hereby directed to cause the Finance Committee or any subcommittee thereof, or in lieu thereof and with the written consent of the Chairman of the Finance Committee, the Commissioner of the Department of Housing or her designee, to hold a hearing on the Project pursuant to and in compliance with Section 103 of the Internal Revenue Code of 1954, as amended, and particularly as amended by the Tax Equity and Fiscal Responsibility Act of 1982.

SECTION 7. This ordinance shall be effective immediately upon its passage.

[Exhibit A printed on pages 8282 thru 8286 of this Journal.]

EXHIBIT A

MEMORANDUM OF AGREEMENT
103(b) MORTGAGE REVENUE BONDS

THIS MEMORANDUM OF AGREEMENT (the "Agreement") is by and between City of Chicago (the "City") and the Park Shore South Partnership an Illinois limited partnership to be formed for which Allison Davis and The Woodlawn Organization/Woodlawn Community Development Corporation will be the general partner (the "Partnership").

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in this Agreement are the following:

(a) The City of Chicago is a home rule unit of government under Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois with power to adopt Ordinances and take actions relating to its government and affairs and it has been determined that assisting in the acquisition, construction, and equipping of the hereinafter described Project is a proper exercise of the home rule powers of the City.

(b) It is proposed that the Partnership acquire, construct and equip a residential housing project located at 63rd and Stony Island in the City (the "Project"). After completion of construction the Project will provide approximately 240 residential rental dwelling units. The undersigned on behalf of the Partnership wishes to obtain satisfactory assurance from the City that the proceeds from the sale of revenue bonds of the City will be made available to finance the cost of the Project.

(c) Subject to due compliance with all requirements of law, the City will proceed to take such action as may be necessary to cause to be prepared such agreements, indentures or such other documents as may be required to permit the City, by virtue of its authority as a home rule unit of government to sell and issue its revenue bonds in an amount not to exceed \$12,000,000 (the "Bonds") to any costs of the Project and costs incidental to the issuance of the Bonds.

(d) The City considers that its financing of the cost of the Project on behalf of the Partnership will promote and further the affairs and welfare of the City and its inhabitants.

(e) The Bonds to be issued by the City shall not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory provision, and such fact shall be plainly stated on the face of each of said Bonds. No holder or owner of any of said Bonds shall ever have the right to compel any exercise of the taxing power of the City to pay said bonds or the interest thereon. The principal of, premium, if any, and interest on said Bonds to be issued to finance the cost of the Project shall be secured by a pledge to a trustee acting under an indenture of trust for the benefit of the holders of said revenue bonds, or by a pledge directly to the holders and owners of said Bonds, of the revenues and income to be derived by the City from the Project; and shall be further secured by a mortgage on the Project.

2. Undertakings on the Part of the City. Subject to the conditions above stated, the City agrees as follows:

(a) That it will begin the proceedings necessary on its part to cause the City Council to authorize the issuance and sale of the Bonds, pursuant to terms mutually acceptable to the City, the Partnership and potential purchasers of the Bonds.

(b) That it will cooperate with the Partnership in finding a purchaser or purchasers for the Bonds, and if satisfactory purchase arrangements can be made, the City will adopt such proceedings authorizing the execution of such documents as may be necessary or advisable for the authorization, issuance and sale of the Bonds and the financing of the Project, all as shall be authorized in an Ordinance of the City Council and mutually satisfactory to the City, the Partnership and potential purchasers of the Bonds.

(c) That, if the City issues and sells the Bonds, the financing instruments will provide (i) that the City will lend the proceeds of the Bonds (A) to the Partnership, or (B) to the Owner for the benefit of the Partnership, or (C) to a lending institution acceptable to the City and the Partnership (the "Project Lender") to relend to the Partnership or the Owner, to be used to finance the Project and (ii) that the aggregate amounts (i.e., the repayments to be made by the Partnership or the Owner or the Project Lender upon such loan and used by the City to pay the principal of, interest and redemption premium, if any, on the Bonds), payable under the instruments whereby the Project shall be financed, shall be such sums as shall be sufficient to pay the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable.

(d) That it will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3. Undertakings on the Part of the Partnership. Subject to the conditions above stated, the undersigned on behalf of the Partnership agrees as follows:

(a) The undersigned will use all reasonable efforts to find one or more purchasers for the Bonds.

(b) The undersigned will cause the Partnership and the Owner to be duly formed.

(c) The undersigned will cause the Partnership to take all actions which may be necessary in order for the City to market, sell and deliver the Bonds in a manner which will enable the Partnership to secure a mortgage loan at an interest rate not to exceed 10.75% or such higher rate as may be required to provide for the payment of the bonds

bearing interest at a rate not to exceed 10.75% per annum or as may be otherwise acceptable to the partnership and the City, both during construction and as the permanent loan rate; provided that in the event the bonds can be sold at an interest rate not to exceed 10.75% per annum, the undersigned shall cause the Partnership to consummate the transaction contemplated herein and if the Partnership does not consummate the transaction, the undersigned agrees on behalf of the Partnership that the City shall retain all of the Partnership's fees either previously paid, or otherwise due and payable, to the City hereunder. The stated rate of interest on the mortgage loan shall include an annual .05% fee to provide for payment of certain costs in connection with the mortgage loan, including administrative expenses of the City, trustee's fees and expenses and servicing fees of a mortgage servicer mutually acceptable to the Partnership and the City. Without limiting the generality of the foregoing, the undersigned on behalf of the Partnership agrees to (i) make such cash deposits and/or post such letters of credit and take all other actions which may be necessary to obtain initial endorsement of the mortgage loan at or prior to time of the Bond closing; (ii) pay costs, fees, expenses, underwriting and bond discounts and such other payments and/or deposits (including publication and court reporting costs incurred in relation to the required TEFRA hearing) (in an aggregate amount not to exceed 3.5% of the mortgage loan, including any financing fees equal to 2% of the mortgage loan which are permitted to be paid from mortgage loan proceeds) as the City shall determine to be necessary to market and sell the Bonds and achieve the desired interest rate on the mortgage loan; and (iii) pay the fee to the City referred to in paragraph 4 hereof.

(d) That contemporaneously with the issuance of the Bonds, the undersigned will cause the Partnership, the Owner and/or the Project Lender, as applicable, to enter into a financing agreement with the City under the terms of which the Partnership or Owner or the Project Lender will be obligated to pay to the City sums sufficient in the aggregate to any the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable, such financing agreement to be in form and substance and secured in a manner satisfactory to the City, the Partnership and the purchasers of the Bonds, including, without limitation, customary provisions limiting recourse against the partners of the Partnership.

(e) That during the period beginning on the date of the sale and delivery of the Bonds by the City to the purchasers thereof and continuing for at least the period required by Section 103(b)(4)(a) of the Internal Revenue Code of 1954, as amended (i) the Project will be maintained and operated as a "residential rental property" as defined in said Section of the Code, (ii) prior to, during, and after completion of construction of the Project, any duly authorized agent of the City will be permitted to enter upon and inspect the Project during regular business hours, and to examine and copy at and copy at the principal office of the Partnership located within the City of Chicago, Illinois, during regular business hours all books, records and other documents of the Partnership relating to (a) the construction of the Project and expenditures from the Bond proceeds for the Project, (b) the construction records of any contractor for the Project, (c) the rental of units within the Project and the revenues therefrom. The City shall also be furnished with copies of all draw requests, requisition certificates, affidavits, sworn statements and other documents and showings furnished by the Partnership to the trustee administering the proceeds of the Bonds during the construction of the Project in connection with any disbursement of Bond proceeds to pay or reimburse the Partnership for a portion of the costs of the Project and (iii) the Partnership will furnish such evidence of compliance as may be reasonable requested by the City.

(f) The undersigned will cause the Partnership to take such further action and adopt such further proceedings as may be required to implement the aforesaid undertakings or as they may deem appropriate in pursuance thereof.

4. City Developer Fee.

Prior to the issuance of the Bonds as contemplated by this Agreement, the City will determine appropriate fees in an amount not to exceed \$108,000 to be paid by the Partnership to the City in connection with the financing of the Project by the City.

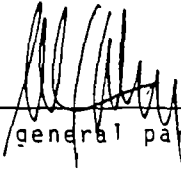
5. Successors and Assigns.

This Agreement is binding on the inures to the benefit of the parties thereto and their respective successors and assigns. Without limiting the generality of the foregoing, the Partnership may assign its interests herein and the assignee following assignment shall possess all rights and assume all obligations of the Partnership and all references to the Partnership herein shall refer to the assignee.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by their officers thereunto duly authorized as of this _____ day of _____, 1984.

THE CITY OF CHICAGO

BY: _____
PARK SHORE SOUTH PARTNERSHIP

BY:  _____
a general partner

**Authority Granted for Submittal of Housing Development Action
Grant Application and Execution of Memorandum
of Agreement for Woodland Park Project.**

Alderman Burke moved to *Suspend the Rules Temporarily* for the immediate consideration of a proposed ordinance authorizing application for a Housing Development Action Grant and the execution of a Memorandum of Agreement for the Woodland Park Project.

Alderman Burke then moved to *Pass* the said proposed ordinance. The motion *Prevailed* by yeas and nays as follows:

Yeas--Aldermen Roti, Rush, Tillman, Evans, Sawyer, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Sherman, Stemberk, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone--45.

Nays--None.

Alderman Stemberk moved to *Reconsider* the foregoing vote. The motion was *Lost*.

Alderman Burke then requested the record reflect that the said passed ordinance was promptly transmitted to the Mayor who affixed his signature to the same at 10:58 A.M.

The following is said ordinance as passed:

WHEREAS, In order to develop viable urban communities, meet special housing needs and advance neighborhood preservation purposes, Section 17 of the United States Housing Act of 1937, as amended, provides that Housing Development Grants may be made available to cities to support the new construction or substantial rehabilitation of real property to be used primarily for residential rental purposes; and

WHEREAS, The Woodland Park Partners, an Illinois limited partnership to be formed, of which Perry Snyderman, Ellen Barnes, Sheldon Ginsberg and Ronald Richmond will be the general partners, has proposed to construct 238 units of rental housing to be located between 33rd and 35th Streets on South Cottage Grove Avenue, of which 48 units or 20% shall be set aside for rental to eligible persons of lower income, said project to be known as the Woodland Park Project (the "Project"); and

WHEREAS, The Woodland Park Partners has estimated that the proposed Project will cost up to \$30,751,497; and

WHEREAS, As part of its efforts to secure the requisite dollars to develop the Project, The Woodland Park Partners has requested the City of Chicago to issue Multi-Family Mortgage Revenue Bonds in an amount not to exceed \$22,000,000, and to prepare and submit an application for a Housing Development Grant to the United States Department of Housing and Urban Development in the amount of \$6,900,000; and

WHEREAS, The City of Chicago through the Department of Housing has prepared an application for a Housing Development Grant in the amount of \$6,900,000 to be used along with private funds for the development of the aforementioned Project; and

WHEREAS, Such Multi-Family Mortgage Revenue Bonds, when issued, shall not be a charge against the general revenues nor the taxing powers of the City, but shall be payable solely and only from the proceeds of said bonds and the earnings thereon, and revenue derived from the Project and/or the financing thereof; and

WHEREAS, A Memorandum of Agreement with respect to the proposed issuance of such bonds has been presented to the City; and

WHEREAS, It is considered desirable in order to increase the supply of decent, safe and sanitary housing within the corporate limits of the City and for the enhancement of the tax base and the general welfare of the City and its inhabitants to provide financial assistance for the Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Mayor of the City of Chicago is authorized to submit to the United States Department of Housing and Urban Development, an application for a Housing Development Grant in the amount of \$6,900,000, for the Woodland Park Project.

SECTION 2. The Mayor of the City of Chicago is authorized to act in connection with the application, to give such assurances and to provide such additional information as may be required by the United States Department of Housing and Urban Development.

SECTION 3. That upon approval of the above application by the Secretary of the United States Department of Housing and Urban Development, the Mayor is authorized to enter into and execute on behalf of the City of Chicago, a Housing Development Grant Agreement by and between the City of Chicago and the United States Department of Housing and Urban Development for the development of The Woodland Park Project.

SECTION 4. The City Council has determined that the assistance of The Woodland Park Partners through the issuance of Multi-Family Mortgage Revenue Bonds, the proceeds of which will be used for the development of the Project, is an appropriate exercise of the home rule powers of the City pursuant to Article VII of the Constitution of 1970 of the State of Illinois.

SECTION 5. The Mayor, the Commissioner of Housing or the Comptroller of the City of Chicago are authorized to enter into and execute on behalf of the City, a Memorandum of Agreement substantially in the form attached hereto as Exhibit A, concerning issuance by the City of not more than \$22,000,000 in Multi-Family Mortgage Revenue Bonds for use by The Woodland Park Partners in implementing the Project, which execution by any of the aforesaid City of Chicago officials is proper. Upon the fulfillment of conditions stated in the Memorandum of Agreement, as executed, the City will take such actions as may be necessary to issue its Multi-Family Mortgage Revenue Bonds in an amount of not to exceed \$22,000,000 for the aforementioned purpose.

SECTION 6. The Chairman of the Finance Committee of the City Council is hereby directed to cause the Finance Committee or any subcommittee thereof, or in lieu thereof and with the written consent of the Chairman of the Finance Committee, the Commissioner of the Department of Housing or her designee, to hold a hearing on the Project pursuant to and in compliance with Section 103 of the Internal Revenue Code of 1954, as amended, and particularly as amended by the Tax Equity and Fiscal Responsibility Act of 1982.

SECTION 7. This ordinance shall be effective immediately upon its passage.

[Exhibit A printed on pages 8289 thru 8293 of this Journal.]

**Authority Granted for Submittal of Housing Development Action
Grant Application and Execution of Memorandum of
Agreement for Jeffery Apartments Project.**

Alderman Burke moved to *Suspend the Rules Temporarily* for the immediate consideration of a proposed ordinance authorizing application for a Housing Development Action Grant and the execution of a Memorandum of Agreement for the Jeffery Apartments Project. The motion *Prevailed*.

Alderman Burke then moved to *Pass* the said proposed ordinance. The motion *Prevailed* by yeas and nays as follows:

Yeas--Aldermen Roti, Rush, Tillman, Evans, Sawyer, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Sherman, Stemberk, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone--45.

Nays--None.

(Continued on page 8294)

EXHIBIT A

MEMORANDUM OF AGREEMENT
103(b) MORTGAGE REVENUE BONDS

THIS MEMORANDUM OF AGREEMENT (the "Agreement") is by and between City of Chicago (the "City") and the Woodland Park Partners an Illinois limited partnership to be formed for which Ronald Richmond, Ellen Barnes, Perry Snyderman, Sheldon H. Ginsberg will be the managing partners (the "Partnership").

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in this Agreement are the following:

(a) The City of Chicago is a home rule unit of government under Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois with power to adopt Ordinances and take actions relating to its government and affairs and it has been determined that assisting in the acquisition, construction, and equipping of the hereinafter described Project is a proper exercise of the home rule powers of the City.

(b) It is proposed that the Partnership acquire, construct and equip a residential housing project located at 3401 South Cottage Grove in the City (the "Project"). After completion of construction the Project will provide approximately 238 residential rental dwelling units. The undersigned on behalf of the Partnership wishes to obtain satisfactory assurance from the City that the proceeds from the sale of revenue bonds of the City will be made available to finance the cost of the Project.

(c) Subject to due compliance with all requirements of law, the City will proceed to take such action as may be necessary to cause to be prepared such agreements, indentures or such other documents as may be required to permit the City, by virtue of its authority as a home rule unit of government to sell and issue its revenue bonds in an amount not to exceed \$22,000,000 (the "Bonds") to any costs of the Project and costs incidental to the issuance of the Bonds.

(d) The City considers that its financing of the cost of the Project on behalf of the Partnership will promote and further the affairs and welfare of the City and its inhabitants.

(e) The Bonds to be issued by the City shall not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory provision, and such fact shall be plainly stated on the face of each of said Bonds. No holder or owner of any of said Bonds shall ever have the right to compel any exercise of the taxing power of the City to pay said bonds or the interest thereon. The principal of, premium, if any, and interest on said Bonds to be issued to finance the cost of the Project shall be secured by a pledge to a trustee acting under an indenture of trust for the benefit of the holders of said revenue bonds, or by a pledge directly to the holders and owners of said Bonds, of the revenues and income to be derived by the City from the Project; and shall be further secured by a mortgage on the Project.

2. Undertakings on the Part of the City. Subject to the conditions above stated, the City agrees as follows:

(a) That it will begin the proceedings necessary on its part to cause the City Council to authorize the issuance and sale of the Bonds, pursuant to terms mutually acceptable to the City, the Partnership and potential purchasers of the Bonds.

(b) That it will cooperate with the Partnership in finding a purchaser or purchasers for the Bonds, and if satisfactory purchase arrangements can be made, the City will adopt such proceedings authorizing the execution of such documents as may be necessary or advisable for the authorization, issuance and sale of the Bonds and the financing of the Project, all as shall be authorized in an Ordinance of the City Council and mutually satisfactory to the City, the Partnership and potential purchasers of the Bonds.

(c) That, if the City issues and sells the Bonds, the financing instruments will provide (i) that the City will lend the proceeds of the Bonds (A) to the Partnership, or (B) to the Owner for the benefit of the Partnership, or (C) to a lending institution acceptable to the City and the Partnership (the "Project Lender") to relend to the Partnership or the Owner, to be used to finance the Project and (ii) that the aggregate amounts (i.e., the repayments to be made by the Partnership or the Owner or the Project Lender upon such loan and used by the City to pay the principal of, interest and redemption premium, if any, on the Bonds), payable under the instruments whereby the Project shall be financed, shall be such sums as shall be sufficient to pay the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable.

(d) That it will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3. Undertakings on the Part of the Partnership. Subject to the conditions above stated, the undersigned on behalf of the Partnership agrees as follows:

(a) The undersigned will use all reasonable efforts to find one or more purchasers for the Bonds.

(b) The undersigned will cause the Partnership and the Owner to be duly formed.

(c) The undersigned will cause the Partnership to take all actions which may be necessary in order for the City to market, sell and deliver the Bonds in a manner which will enable the Partnership to secure a mortgage loan at an interest rate not to exceed 10.00% or such higher rate as may be required to provide for the payment of the bonds bearing interest at a rate not to exceed 10.00% per annum or as may be otherwise acceptable to the partnership and the City, both during construction and as the permanent loan rate; provided that in the event the bonds can be sold at an interest rate not to exceed 10.00% per annum, the undersigned shall cause the Partnership to consummate the transaction contemplated herein and if the Partnership does not consummate the transaction, the undersigned agrees on behalf of the Partnership that the City shall retain all of the Partnership's fees either previously paid, or otherwise due and payable, to the City hereunder. The stated rate of interest on the mortgage loan shall include an annual .05% fee to provide for payment of certain costs in connection with the mortgage loan, including administrative expenses of the City, trustee's fees and expenses and servicing fees of a mortgage servicer mutually acceptable to the Partnership and the City. Without limiting the generality of the foregoing, the undersigned on behalf of the Partnership agrees to (i) make such cash deposits and/or post such letters of credit and take all other actions which may be necessary to obtain initial endorsement of the mortgage loan at or prior to time of the Bond closing; (ii) pay costs, fees, expenses, underwriting and bond discounts and such other payments and/or deposits (including publication and court reporting costs incurred in relation to the required TEFRA hearing) (in an aggregate amount not to exceed 3.5% of the mortgage loan, including any financing fees equal to 2% of the mortgage loan which are permitted to be paid from mortgage loan proceeds) as the City shall determine to be necessary to market and sell the Bonds and achieve the desired interest rate on the mortgage loan; (iii) pay the fee to the City referred to in paragraph 4 hereof.

(d) That contemporaneously with the issuance of the Bonds, the undersigned will cause the Partnership, the Owner and/or the Project Lender, as applicable, to enter into a financing agreement with the City under the terms of which the Partnership or Owner or the Project Lender will be obligated to pay to the City sums sufficient in the aggregate to any the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable, such financing agreement to be in form and substance and secured in a manner satisfactory to the City, the Partnership and the purchasers of the Bonds, including, without limitation, customary provisions limiting recourse against the partners of the Partnership.

(e) That during the period beginning on the date of the sale and delivery of the Bonds by the City to the purchasers thereof and continuing for at least the period required by Section 103(b)(4)(a) of the Internal Revenue Code of 1954, as amended (i) the Project will be maintained and operated as a "residential rental property" as defined in said Section of the Code, (ii) prior to, during, and after completion of construction of the Project, any duly authorized agent of the City will be permitted to enter upon and inspect the Project during regular business hours, and to examine and copy at and copy at the principal office of the Partnership located within the City of Chicago, Illinois, during regular business hours all books, records and other documents of the Partnership relating to (a) the construction of the Project and expenditures from the Bond proceeds for the Project, (b) the construction records of any contractor for the Project, (c) the rental of units within the Project and the revenues therefrom. The City shall also be furnished with copies of all draw requests, requisition certificates, affidavits, sworn statements and other documents and showings furnished by the Partnership to the trustee administering the proceeds of the Bonds during the construction of the Project in connection with any disbursement of Bond proceeds to pay or reimburse the Partnership for a portion of the costs of the Project and (iii) the Partnership will furnish such evidence of compliance as may be reasonable requested by the City.

(f) The undersigned will cause the Partnership to take such further action and adopt such further proceedings as may be required to implement the aforesaid undertakings or as they may deem appropriate in pursuance thereof.

4. City Developer Fee.

Prior to the issuance of the Bonds as contemplated by this Agreement, the City will determine appropriate fees in an amount not to exceed \$144,000 to be paid by the Partnership to the City in connection with the financing of the Project by the City.

5. Successors and Assigns.

This Agreement is binding on the inures to the benefit of the parties thereto and their respective successors and assigns. Without limiting the generality of the foregoing, the Partnership may assign its interests herein and the assignee following assignment shall possess all rights and assume all obligations of the Partnership and all references to the Partnership herein shall refer to the assignee.

August 14, 1984

SPECIAL MEETING

8293

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by their officers thereunto duly authorized as of this _____ day of _____, 1984.

THE CITY OF CHICAGO

BY: _____

WOODLAND PARK APARTMENTS

BY: Glen S. Bance
a general partner

(Continued from page 8288)

Alderman Stemberk moved to *Reconsider* the foregoing vote. The motion was *Lost*.

Alderman Burke then requested the record reflect that the said passed ordinance was promptly transmitted to the Mayor who affixed his signature to the same at 11:00 A.M.

The following is said ordinance as passed:

WHEREAS, In order to develop viable urban communities, meet special housing needs and advance neighborhood preservation purposes, Section 17 of the United States Housing Act of 1937, as amended, provides that Housing Development Grants may be made available to cities to support the new construction or substantial rehabilitation of real property to be used primarily for residential rental purposes; and

WHEREAS, The Jeffery Partners, an Illinois limited partnership to be formed, of which New Frontier Development Corporation, City Lands Corporation and William Cellini will be the general partners, has proposed to construct 147 units of rental housing to be located at 1948-1960, 1962 East 71st Place, 7130, 7144 and 7147 South Jeffery Boulevard, of which 30 units or 21% shall be set aside for rental to eligible persons of lower income, said project to be known as the Jeffery Apartments Project (the "Project"); and

WHEREAS, The Jeffery Partners has estimated that the proposed Project will cost up to \$19,804,020; and

WHEREAS, As part of its efforts to secure the requisite dollars to develop the Project, the Jeffery Partners has requested the City of Chicago to issue Multi-Family Mortgage Revenue Bonds in an amount not to exceed \$14,000,000, and to prepare and submit an application for a Housing Development Grant to the United States Department of Housing and Urban Development in the amount of \$4,300,000; and

WHEREAS, The City of Chicago through the Department of Housing has prepared an application for a Housing Development Grant in the amount of \$4,300,000 to be used along with private funds for the development of the aforementioned Project; and

WHEREAS, Such Multi-Family Mortgage Revenue Bonds, when issued, shall not be a charge against the general revenues nor the taxing powers of the City, but shall be payable solely and only from the proceeds of said bonds and the earnings thereon, and revenue derived from the Project and/or the financing thereof; and

WHEREAS, A Memorandum of Agreement with respect to the proposed issuance of such bonds has been presented to the City; and

WHEREAS, It is considered desirable in order to increase the supply of decent, safe and sanitary housing within the corporate limits of the City and for the enhancement of the tax base and the general welfare of the City and its inhabitants to provide financial assistance for the Project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Mayor of the City of Chicago is authorized to submit to the United States Department of Housing and Urban Development, an application for a Housing Development Grant in the amount of \$4,300,000, for the Jeffery Apartments Project.

SECTION 2. The Mayor of the City of Chicago is authorized to act in connection with the application, to give such assurances and to provide such additional information as may be required by the United States Department of Housing and Urban Development.

SECTION 3. That upon approval of the above application by the Secretary of the United States Department of Housing and Urban Development, the Mayor is authorized to enter into and execute on behalf of the City of Chicago, a Housing Development Grant Agreement by and between the City of Chicago and the United States Department of Housing and Urban Development for the development of the Jeffery Apartments Project.

SECTION 4. The City Council has determined that the assistance of the Jeffery Partners through the issuance of Multi-Family Mortgage Revenue Bonds, the proceeds of which will be used for the development of the Project, is an appropriate exercise of the home rule powers of the City pursuant to Article VII of the Constitution of 1970 of the State of Illinois.

SECTION 5. The Mayor, the Commissioner of Housing or the Comptroller of the City of Chicago are authorized to enter into and execute on behalf of the City, a Memorandum of Agreement substantially in the form attached hereto as Exhibit A, concerning issuance by the City of not more than \$14,000,000 in Multi-Family Mortgage Revenue Bonds for use by the Jeffery Partners in implementing the Project, which execution by any of the aforesaid City of Chicago officials is proper. Upon the fulfillment of conditions stated in the Memorandum of Agreement, as executed, the City will take such actions as may be necessary to issue its Multi-Family Mortgage Revenue Bonds in an amount of not to exceed \$14,000,000 for the aforementioned purpose.

SECTION 6. The Chairman of the Finance Committee of the City Council is hereby directed to cause the Finance Committee or any subcommittee thereof, or in lieu thereof and with the written consent of the Chairman of the Finance Committee, the Commissioner of the Department of Housing or her designee, to hold a hearing on the Project pursuant to and in compliance with Section 103 of the Internal Revenue Code of 1954, as amended, and particularly as amended by the Tax Equity and Fiscal Responsibility Act of 1982.

SECTION 7. This ordinance shall be effective immediately upon its passage.

[Exhibit A printed on pages 8296 thru 8300 of the Journal.]

EXHIBIT A

MEMORANDUM OF AGREEMENT
103(b) MORTGAGE REVENUE BONDS

THIS MEMORANDUM OF AGREEMENT (the "Agreement") is by and between City of Chicago (the "City") and Jeffery Partners an Illinois limited partnership to be formed for which New Frontier Development, City Lands Corp., William Cellini will be the general partners (the Partnership).

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in this Agreement are the following:

(a) The City of Chicago is a home rule unit of government under Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois with power to adopt Ordinances and take actions relating to its government and affairs and it has been determined that assisting in the acquisition, construction, and equipping of the hereinafter described Project is a proper exercise of the home rule powers of the City.

(b) It is proposed that the Partnership acquire, construct and equip a residential housing project located between 1948-60 and 1962 East 71st Place, 7130, and 7147 South Jeffery in the City (the "Project"). After completion of construction the Project will provide approximately 147 residential rental dwelling units. The undersigned on behalf of the Partnership wishes to obtain satisfactory assurance from the City that the proceeds from the sale of revenue bonds of the City will be made available to finance the cost of the Project.

(c) Subject to due compliance with all requirements of law, the City will proceed to take such action as may be necessary to cause to be prepared such agreements, indentures or such other documents as may be required to permit the City, by virtue of its authority as a home rule unit of government to sell and issue its revenue bonds in an amount not to exceed \$14,000,000 (the "Bonds") to any costs of the Project and costs incidental to the issuance of the Bonds.

(d) The City considers that its financing of the cost of the Project on behalf of the Partnership will promote and further the affairs and welfare of the City and its inhabitants.

(e) The Bonds to be issued by the City shall not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory provision, and such fact shall be plainly stated on the face of each of said Bonds. No holder or owner of any of said Bonds shall ever have the right to compel any exercise of the taxing power of the City to pay said bonds or the interest thereon. The principal of, premium, if any, and interest on said Bonds to be issued to finance the cost of the Project shall be secured by a pledge to a trustee acting under an indenture of trust for the benefit of the holders of said revenue bonds, or by a pledge directly to the holders and owners of said Bonds, of the revenues and income to be derived by the City from the Project; and shall be further secured by a mortgage on the Project.

2. Undertakings on the Part of the City. Subject to the conditions above stated, the City agrees as follows:

(a) That it will begin the proceedings necessary on its part to cause the City Council to authorize the issuance and sale of the Bonds, pursuant to terms mutually acceptable to the City, the Partnership and potential purchasers of the Bonds.

(b) That it will cooperate with the Partnership in finding a purchaser or purchasers for the Bonds, and if satisfactory purchase arrangements can be made, the City will adopt such proceedings authorizing the execution of such documents as may be necessary or advisable for the authorization, issuance and sale of the Bonds and the financing of the Project, all as shall be authorized in an Ordinance of the City Council and mutually satisfactory to the City, the Partnership and potential purchasers of the Bonds.

(c) That, if the City issues and sells the Bonds, the financing instruments will provide (i) that the City will lend the proceeds of the Bonds (A) to the Partnership, or (B) to the Owner for the benefit of the Partnership, or (C) to a lending institution acceptable to the City and the Partnership (the "Project Lender") to relend to the Partnership or the Owner, to be used to finance the Project and (ii) that the aggregate amounts (i.e., the repayments to be made by the Partnership or the Owner or the Project Lender upon such loan and used by the City to pay the principal of, interest and redemption premium, if any, on the Bonds), payable under the instruments whereby the Project shall be financed, shall be such sums as shall be sufficient to pay the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable.

(d) That it will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3. Undertakings on the Part of the Partnership. Subject to the conditions above stated, the undersigned on behalf of the Partnership agrees as follows:

(a) The undersigned will use all reasonable efforts to find one or more purchasers for the Bonds.

(b) The undersigned will cause the Partnership and the Owner to be duly formed.

(c) The undersigned will cause the Partnership to take all actions which may be necessary in order for the City to market, sell and deliver the Bonds in a manner which will enable the Partnership to secure a mortgage loan at an interest rate not to exceed 10.00% or such higher rate as may be required to provide for the payment of the bonds bearing interest at a rate not to exceed 10.00% per annum or as may be otherwise acceptable to the partnership and the City, both during construction and as the permanent loan rate; provided that in the event the bonds can be sold at an interest rate not to exceed 10.00% per annum, the undersigned shall cause the Partnership to consummate the transaction contemplated herein and if the Partnership does not consummate the transaction, the undersigned agrees on behalf of the Partnership that the City shall retain all of the Partnership's fees either previously paid, or otherwise due and payable, to the City hereunder. The stated rate of interest on the mortgage loan shall include an annual .05% fee to provide for payment of certain costs in connection with the mortgage loan, including administrative expenses of the City, trustee's fees and expenses and servicing fees of a mortgage servicer mutually acceptable to the Partnership and the City. Without limiting the generality of the foregoing, the undersigned on behalf of the Partnership agrees to (i) make such cash deposits and/or post such letters of credit and take all other actions which may be necessary to obtain initial endorsement of the mortgage loan at or prior to time of the Bond closing; (ii) pay costs, fees, expenses, underwriting and bond discounts and such other payments and/or deposits (including publication and court reporting costs incurred in relation to the required TEFRA hearing) (in an aggregate amount not to exceed 3.5% of the mortgage loan, including any financing fees equal to 2% of the mortgage loan which are permitted to be paid from mortgage loan proceeds) as the City shall determine to be necessary to market and sell the Bonds and achieve the desired interest rate on the mortgage loan; (iii) pay the fee to the City referred to in paragraph 4 hereof.

(d) That contemporaneously with the issuance of the Bonds, the undersigned will cause the Partnership, the Owner and/or the Project Lender, as applicable, to enter into a financing agreement with the City under the terms of which the Partnership or Owner or the Project Lender will be obligated to pay to the City sums sufficient in the aggregate to any the principal of, interest and redemption premium, if any, on the Bonds as and when the same shall become due and payable, such financing agreement to be in form and substance and secured in a manner satisfactory to the City, the Partnership and the purchasers of the Bonds, including, without limitation, customary provisions limiting recourse against the partners of the Partnership.

(e) That during the period beginning on the date of the sale and delivery of the Bonds by the City to the purchasers thereof and continuing for at least the period required by Section 103(b)(4)(a) of the Internal Revenue Code of 1954, as amended (i) the Project will be maintained and operated as a "residential rental property" as defined in said Section of the Code, (ii) prior to, during, and after completion of construction of the Project, any duly authorized agent of the City will be permitted to enter upon and inspect the Project during regular business hours, and to examine and copy at and copy at the principal office of the Partnership located within the City of Chicago, Illinois, during regular business hours all books, records and other documents of the Partnership relating to (a) the construction of the Project and expenditures from the Bond proceeds for the Project, (b) the construction records of any contractor for the Project, (c) the rental of units within the Project and the revenues therefrom. The City shall also be furnished with copies of all draw requests, requisition certificates, affidavits, sworn statements and other documents and showings furnished by the Partnership to the trustee administering the proceeds of the Bonds during the construction of the Project in connection with any disbursement of Bond proceeds to pay or reimburse the Partnership for a portion of the costs of the Project and (iii) the Partnership will furnish such evidence of compliance as may be reasonable requested by the City.

(f) The undersigned will cause the Partnership to take such further action and adopt such further proceedings as may be required to implement the aforesaid undertakings or as they may deem appropriate in pursuance thereof.

4. City Developer Fee.

Prior to the issuance of the Bonds as contemplated by this Agreement, the City will determine appropriate fees in an amount not to exceed \$116,000 to be paid by the Partnership to the City in connection with the financing of the Project by the City.

5. Successors and Assigns.

This Agreement is binding on the inures to the benefit of the parties thereto and their respective successors and assigns. Without limiting the generality of the foregoing, the Partnership may assign its interests herein and the assignee following assignment shall possess all rights and assume all obligations of the Partnership and all references to the Partnership herein shall refer to the assignee.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by their officers thereunto duly authorized as of this _____ day of _____, 1984.

THE CITY OF CHICAGO

BY: _____

JEFFERY PARTNERS

BY: City Land Corp.
By: Susan Jean Lundholm, Pres
a general partner

August 14, 1984

SPECIAL MEETING

8301

ADJOURNMENT.

Thereupon, Alderman Burke moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned*.

A handwritten signature in cursive script, reading "Walter S. Kozubowski". The signature is written in dark ink and is positioned above the printed name of the City Clerk.

WALTER S. KOZUBOWSKI,
City Clerk