



Board of Commissioners of Cook County

118 North Clark Street
Chicago, IL

Legislation Text

File #: 15-6020, **Version:** 1

PROPOSED COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY (CDBG-DR)

Department: Planning and Development

Other Part(ies): UP Holdings, Inc. and Kenneth Young Center

Request: Approval of a loan for CDBG-DR Replacement Housing - Parkview Apartments, Arlington Heights, Illinois

Total Development Cost: \$17,116,719

Project Loan Amount: \$2,000,000

Fiscal Impact: None

Account(s): 910-847

Summary: The Bureau of Economic Development respectfully submits the attached Community Development Block Grant - Disaster Recovery (CDBG-DR) Replacement Housing project loan recommendation in the amount of \$2,000,000 to UP Holdings, LLC and Kenneth Young Center. The project loan will be utilized to support CDBG-DR-eligible project costs incurred during the new construction of a forty five (45) unit multi-family rental housing project at 212 N. Dunton Ave., Arlington Heights, Illinois. The project is located in the 14th District. All forty one (41) of the forty five (45) units will be CDBG-DR-assisted. The total development cost (TDC) is \$17,116,719. The requested CDBG-DR funds account for less than eleven and a half (11.5) percent of the TDC. Additional funding sources include a conventional first mortgage, IHDA HOME and/or Low Income Housing Trust Fund loan, some deferred Developer Fees and Equity generated through the sale of Low Income Housing Tax Credits.

The requested CDBG-DR funds would subsidize the project via two permanent loans based upon the following terms: The first \$1,000,000 will be lent to Kenneth Young Center for the acquisition of the land at a 2.58% interest rate, 30 year loan, and payable \$25,758 per year. Unpaid principal accrues and is due on sale, refinance or term. The other \$1,000,000 will be lent to the project partnership at 0% interest rate, 30 year loan, payable \$2500 per year, Principal accrues until sale, refinance or term. The loan will be due on sale or transferrable with Cook County permission. A twenty (20) year affordability period will also apply.

I respectfully request approval of this project, and that the Bureau Chief of Economic Development or his/her designee be authorized to execute, on behalf of the County of Cook, any and all documents necessary to further the project approved herein, including, but not limited to, funding agreements, intergovernmental agreements, amendments, and modifications thereto. The approval of this project by the Honorable Body will permit staff to issue necessary commitments to allow this project to move forward.