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**CAPITAL MAGNET FUND
RESTRICTIVE COVENANT
AGREEMENT**

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CHARLES A. YARBROUGH

COOK COUNTY CLERK

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NT2301049 1 of 1

Property of Cook County Clerk's Office

Recording Area

Name and Return Address:

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IFF

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Charles Biggam

IFF

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CAPITAL MAGNET FUND RESTRICTIVE COVENANT AGREEMENT

THIS CAPITAL MAGNET FUND RESTRICTIVE COVENANT AGREEMENT (this "Restrictive Covenant") is made as of this 31st day of August, 2022, by **GREATER SOUTHWEST DEVELOPMENT CORPORATION**, an Illinois not-for-profit corporation ("Borrower"), for the benefit of **IFF**, an Illinois not for profit corporation ("Lender").

RECITALS

- A. Borrower holds fee simple title to certain real property that (i) is located in Cook County, Illinois (ii) has a street addresses of 2626 W. 63rd Street, Chicago, Illinois 60629, and (iii) is legally described on Exhibit A attached hereto (the "Restricted Property").
- B. Borrower has constructed an affordable housing development on the Restricted Property (the "Project"), which is a Project that is preserving Affordable Housing (as that term is defined in 12 CFR Part 1807 Subpart D) and thereby qualifies for financing assistance from Lender's CMF Affordable Housing Fund, which is funded by an award from the CDFI Fund's Capital Magnet Fund (the "CMF Award") and administered consistent with the requirements of 12 CFR Part 1807 (the "CMF Requirements").
- C. Lender is loaning a portion of the CMF Award to Borrower to facilitate Borrower's permanent financing of the Restricted Property (the "CMF Funds"), which loan is evidenced by that certain Promissory Note (Facility A Loan) of dated as of August 31, 2022 in the principal amount of \$174,850.00 made by Borrower payable to Lender (the "Promissory Note").
- D. One of the CMF Requirements is that Borrower place certain restrictive covenants on the Restricted Property for a period of ten (10) years from the date the Restricted Property is "placed in service."

AGREEMENTS

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated into and made a part of this Restrictive Covenant, receipt of the CMF Funds, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower hereby agrees as follows:

1. Affordability Period and Placed In Service Date.
 - (a) Affordability Period. Subject to the provisions of Section 3 below, this Restrictive Covenant and the restrictions described herein shall encumber the Restricted Property and remain in full force and effect for a period of ten (10) years commencing on the Placed In Service Date (as defined below) and shall automatically terminate (without any further action by Lender or Borrower) on the tenth (10th) anniversary of the Placed in Service Date (the "Affordability Period").
 - (b) Placed In Service Date. A future date to be determined, which is the date the construction of the Restricted Property was completed and initial occupancy thereof, as set forth in 12 CFR Part 1807, was achieved, is the "Placed In Service Date."

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2. Restrictions. During the Affordability Period, the Restricted Property and the Project shall:

- (a) be Affordable Housing, as defined in subpart D of 12 CFR Part 1807;
- (b) meet all applicable state and local codes, rehabilitation standards, ordinances and zoning requirements, or, in the absence of a state or local building code, the International Residential Code or International Building Code (as applicable) of the International Code Council;
- (c) meet all applicable accessibility requirements set forth at 24 CFR part 8, which implements section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. Multi-family housing, as defined in 24 CFR 100.201, must also meet all applicable design and construction requirements set forth in 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619);
- (d) meet all applicable state and local codes, ordinances or other disaster mitigation requirements (e.g. earthquake, hurricanes, flooding, wind, fires), or other requirements as the Department of Housing and Urban Development has established in 24 CFR part 93;
- (e) meet all applicable lead-based paint requirements, including those set forth in 24 CFR part 35; and
- (f) if the remaining useful life of one or more of the major systems of the Restricted Property is less than the 10-year Affordability Period, on the Placed In Service Date Borrower must establish a replacement reserve and thereafter ensure that monthly payments are made to the reserve that are adequate to repair or replace the systems as needed. Major systems include, structural support, roofing, cladding and weather proofing (e.g. windows, doors, siding, gutters), plumbing, electrical, heating, ventilation and air conditioning.

3. Termination of Restrictive Covenant in Event of Foreclosure. This Restrictive Covenant will automatically terminate (without any further action by Borrower or Lender) upon foreclosure of an Approved Mortgage (defined below) or upon transfer of the Restricted Property in lieu of foreclosure of an Approved Mortgage, provided however, this Restrictive Covenant shall revive according to the original terms if, during the Affordability Period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Restricted Property. "Approved Mortgage" means the Mortgage and any other mortgage which Lender has approved as a permitted encumbrance on the Restricted Property.

4. CMF Requirements. During the Affordability Period Borrower agrees to comply with the CMF Requirements, including the following covenants and agreements:

- (a) Pursuant to 12 CFR §1807.400, all of the CMF Funds shall be used to create units of housing for individuals and/or families to be occupied by and affordable for households with incomes at or below 120% of area median income ("AMI") (the "Affordable Units").
- (b) Pursuant to 12 CFR §1807.400, greater than fifty percent (50%) of the Affordable Units shall be occupied by households that qualify as Low-Income (51% to 80% AMI) ("LI"), Very Low-Income (31% to 50% AMI) ("VLI"), or Extremely Low-Income Families (less than 30% AMI) ("ELI").

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- (c) Pursuant to 12 CFR §1807.401, at least twenty-percent (20%) of the Project's residential units shall be occupied by residents who meet affordability qualifications for LI, VLI, or ELI.
- (d) The gross rent limits, utility allowances, and submetering rules for the Affordable Units shall be consistent with the requirements of IRC section 42(g)(2) and consistent with 12 CFR §1807.401. Tenants shall be given at least 30 days prior written notice of any rent increase for an Affordable Unit.
- (e) Borrower shall not refuse to lease an Affordable Unit to a Section 8 program certificate or voucher holder (24 CFR part (982, Section 8) or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.
- (f) Borrower shall implement appropriate tracking mechanisms to determine tenant income, consistent with 12 CFR §1807.401(f), to ensure compliance with the covenants contained in this Restrictive Covenant and shall comply with the reporting obligations as required by Lender.
5. Default. Borrower will notify Lender if it is aware at any time that Borrower does not or cannot comply with the obligations, covenants, and restrictions set forth in this Restrictive Covenant. Failure to comply with the terms and provisions of this Restrictive Covenant shall constitute a Default (as defined in the Promissory Note).
6. Prepayment; Reporting Requirements. Borrower agrees that the event Borrower elects to prepay the Promissory Note this Restrictive Covenant shall remain in full force and effect until the expiration of the Affordability Period and Borrower shall continue to comply with the reporting requirements set forth in Section 9.8 of the Mortgage until the expiration of the Affordability Period.
7. Automatic Termination at End of Affordability Period. Notwithstanding any provision in this Restrictive Covenant to the contrary, if this Restrictive Covenant has not previously terminated in accordance with the provisions of this Agreement, then this Restrictive Covenant shall automatically terminate (without any further action by Borrower or Lender) upon expiration of the Affordability Period.
8. Termination by Mutual Agreement. Borrower and Lender may terminate this Restrictive Covenant at any time by executing and recording, with the Register of Deeds for Cook County, Illinois, a mutual termination of this Restrictive Covenant.
9. Covenants Run with Land. All of the terms and conditions in this Restrictive Covenant, including the benefits and burdens, shall run with the land comprising the Restricted Property and shall be binding upon, inure to the benefit of, and be enforceable by Borrower and Lender and their successors and assigns.

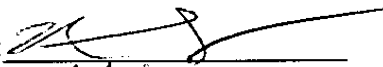
[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties have executed this Restrictive Covenant as of the day and year first above written.

BORROWER:

GREATER SOUTHWEST DEVELOPMENT CORPORATION,
an Illinois not for profit corporation

By: 
Name: Adrian Soto
Title: Executive Director

LENDER:

IFF,
an Illinois not for profit corporation

By: _____
Name: _____
Title: _____

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IN WITNESS WHEREOF, the parties have executed this Restrictive Covenant as of the day and year first above written.

BORROWER:

GREATER SOUTHWEST DEVELOPMENT CORPORATION,
an Illinois not for profit corporation

By: _____
Name: _____
Title: _____

LENDER:

IFF,
an Illinois not for profit corporation

By: Terrence A. Young
Name: Terrence A Young
Title: Chief Credit Officer

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Exhibit A

Parcel 1:

LOTS 16 THROUGH 23, BOTH INCLUSIVE, IN BLOCK 15, TOGETHER WITH THE WEST HALF OF VACATED SOUTH TALMAN AVENUE LYING EAST OF THE EAST LINE OF SAID LOT 16 IN BLOCK 15, ALL IN COBE & MCKINNON'S 63RD ST. & CALIFORNIA AVE. SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

A PERPETUAL, NON-EXCLUSIVE EASEMENT FOR PRIVATE INGRESS AND EGRESS BENEFITTING PARCEL 1 PURSUANT TO THAT CERTAIN EASEMENT AGREEMENT DATED MARCH 1, 2003 AND RECORDED MARCH 27, 2003 IN THE COOK COUNTY RECORDER'S OFFICE AS DOCUMENT NUMBER 0030415529 UPON, OVER AND ACROSS THE FOLLOWING DESCRIBED PROPERTY:

LOTS 16 THROUGH 25, BOTH INCLUSIVE IN BLOCK 16, TOGETHER WITH THE EAST HALF OF VACATED SOUTH TALMAN AVENUE LYING WEST OF THE ADJOINING SAID LOT 25 IN BLOCK 16, ALL IN COBE & MCKINNON'S 63RD ST. & CALIFORNIA AVE. SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly know as 2626 West 63rd Street, Chicago, IL 60629

As to Parcel 1:

19-13-426-033

19-13-426-034

19-13-426-035

19-13-426-036

19+-13-426-037

19-13-426-038

As to Parcel 2:

19-13-427-030

19-13-427-031

19-13-427-032

19-13-427-033

19-13-427-034

19-13-427-035

19-13-427-036

19-13-427-037

19-13-427-040