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[CDBG, Rental Rehab
and Tax Credits]

THIS DOCUMENT PREPARED BY: *Mail So:*
James F. McDonald
Assistant Corporation Counsel
City of Chicago
121 North LaSalle St., Rm 511
Chicago, Illinois 60602

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT entered into effective the 20th day of March, 1992 (this "Regulatory Agreement"), by and between the CITY OF CHICAGO, ILLINOIS (the "City"), an Illinois municipal corporation, by and through its DEPARTMENT OF HOUSING ("DOH"), with offices at 318 South Michigan Avenue, Chicago, Illinois 60604, and 62ND STREET LIMITED PARTNERSHIP, an Illinois limited partnership (the "Borrower"), having its offices at c/o Rescorp Development, Inc., One East Wacker Drive, Suite 2900, Chicago, Illinois 60601.

W I T N E S S E T H

WHEREAS, DOH is an executive department of the City established pursuant to Title 2 of the Municipal Code of the City, Chapter 2-44, Section 2-44-010, which supervises and coordinates the formulation and execution of projects and programs creating safe, decent and affordable housing for residents of the City; and

WHEREAS, the City has received an allocation of Community Development Block Grant funds ("Grant Funds") under Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended which created the Community Development Block Grant ("CDBG") program; and

WHEREAS, the City, as recipient of Grant Funds, may currently use available but unexpended Grant Funds ("Float Funds") for the making of loans for the short-term interim financing of eligible community development activities, provided that the City is reasonably assured that in the event the Float Funds are required for other City programs authorized under the CDBG program, such loans will be repaid in a timely fashion to the City; and

WHEREAS, the City has programmed \$11,950,000 of the CDBG Funds for its Housing Rehabilitation Program in Program Year XVII ("Multi-Unit Program"), wherein acquisition and rehabilitation loans are made available to owners of rental properties containing five or more dwelling units located in low-and moderate-income areas, and the City is prepared to make available Float Funds (the "Float Fund Program"), and loans under the Float Fund Program shall be secured by a letter of credit issued by the

Federal Home Loan Bank or a bank meeting the Float Fund Program requirements; and

WHEREAS, the City has received an allocation of \$3,124,760 of Rental Rehabilitation Program ("Rental Program") grant funds, Program Year VI pursuant to Section 301 of the Housing and Urban Rural Recovery Act of 1983, which program provides for federal grants to local governments to help finance rehabilitation of privately owned residential structures devoted primarily to rental use and which units are eligible for rent subsidy programs so as to increase their accessibility to low- and moderate-income persons; and

WHEREAS, the City intends to loan \$1,250,000.00 of Multi-Unit Program funds and \$200,000.00 of Rental Program funds (hereinafter collectively referred to as the "Permanent Loan"), and \$5,435,000.00 of Float Funds (the "Float Loan") to the Borrower for the purposes set forth below, and has requested that DOH administer the Permanent Loan and the Float Loan (collectively, the "Loan"); and

WHEREAS, the Borrower will utilize the Loan proceeds to acquire and rehabilitate the buildings located at those City of Chicago, Illinois addresses described in Exhibit A attached hereto into 162 multi-family residential dwelling units (the "Project"), wherein all 162 units shall be occupied by individuals, groups of unrelated persons or families qualifying as Lower-Income Families (as hereinafter defined); and

WHEREAS, DOH is the agency of the City which has been designated to allocate low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986 (the "Tax Credits"); and

WHEREAS, DOH has issued a Tax Credit reservation in the amount of \$1,093,400.00 to the Borrower with respect to the Project; and

WHEREAS, as a specific condition precedent to the Borrower receiving the Loan and the Tax Credit reservation, the Borrower has agreed to execute this Regulatory Agreement with the City governing the use of the Project;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Borrower and the City each agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATIONS.

The following terms shall have the respective meaning assigned to them in this Section 1 unless the context in which they are used clearly requires otherwise:

"Affordable Rent" shall mean the rent amounts determined by the City for rental housing pursuant to 24 C.F.R. §570.208(a)(3), as may be adjusted for unit size.

"Annual Report" shall mean the report from the Borrower in substantially the form set forth in Exhibit D attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"Borrower" shall mean, initially, 62nd Street Limited Partnership, an Illinois limited partnership, and at any subsequent time of reference, the Person or Persons, if any, who shall succeed to the legal or beneficial ownership of all or any part of the Project.

"CDBG Act" shall mean the Housing and Community Development Act of 1974, 42 U.S.C. §5301 et seq., as amended.

"CDBG Funds" shall mean Community Development Block Grant funds awarded by HUD under the CDBG Act, and shall include both Grant Funds and Float Funds.

"Certificate of Continuing Program Compliance" shall mean the certificate from the Borrower in substantially the form set forth in Exhibit B attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"Code" shall mean the Internal Revenue Code of 1986, and all applicable regulations or rulings thereunder, as amended and supplemented.

"Completion Date" shall mean the date as of which the necessary rehabilitation work has been performed and the Project in HUD's judgment complies with the requirements of 24 C.F.R. Part 511 (including meeting the Section 8 Housing Quality Standards for Existing Housing set forth in 24 C.F.R. §882.109), and as of which the final disbursement of Loan proceeds derived from Rental Program funds for the Project shall have been made.

"Family" shall have the meaning assigned to such term in 24 C.F.R. §812.2.

"Gross Rent" shall have the meaning assigned to such term in Section 42(g) of the Code.

"HUD" shall mean the U.S. Department of Housing and Urban Development.

"Imputed Income Limitation" shall have the meaning assigned to such term in Section 42(g) of the Code.

"Income Computation Certificate" shall mean the certificate in substantially the form set forth in Exhibit C attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"Income Limit" shall mean (i) prior to the Section 42 Termination Date, 60% and (ii) on or after the Section 42 Termination Date, 80% of the Chicago-area median income, adjusted for family size, as such adjusted income and area median income are determined from time to time by HUD, and thereafter such income limits shall apply to this definition.

"Loan" shall mean (i) a loan (i.e., the Float Loan) by the City to the Borrower in the principal amount of \$5,435,000.00 and (ii) a loan (i.e., the Permanent Loan) by the City to the Borrower in the principal amount of \$1,450,000.00 for financing a portion of the cost of the Project.

"Loan Agreement" shall mean the Housing Loan Agreement, of even date herewith, between the City and the Borrower with respect to the Loan, as amended and supplemented.

"Lower-Income Families" shall mean and include individuals, groups of unrelated persons or families whose adjusted annual income does not exceed the Income Limit.

"Mortgage" shall mean that certain Junior Mortgage and Security Agreement of even date herewith from the Borrower to the City, as supplemented and amended.

"Persons" shall mean natural persons, firms, partnerships, associations, corporations, trusts and public bodies.

"Project Term" shall mean the number of years during which the 162 units specified as to be occupied by Lower-Income Families must be occupied by or available for occupancy to Lower-Income Families. The Project Term shall begin on the date hereof and shall continue for a period of 41 years, except as provided in Section 5.2 hereof.

"Regulatory Agreement" shall mean this Regulatory Agreement, as supplemented and amended.

"RRP Act" shall mean Section 17 of the United States Housing Act of 1937, 42 U.S.C. §1437o et seq., as amended.

"RRP Funds" shall mean the Rental Rehabilitation Program funds awarded by HUD under the RRP Act.

"Section 42 Termination Date" shall mean the date specified in Section 42(h)(6)(D)(ii)(II) of the Code; provided, however, that if DOH has not presented a "qualified contract" (as defined

in Section 42(h)(6)(F) of the Code) by the end of the period provided in Section 42(h)(6)(I) of the Code, "Section 42 Termination Date" shall mean the date specified in Section 42(h)(6)(E)(i)(II) of the Code.

"Senior Lender" shall mean Community Investment Corporation located at 600 S. Federal Street, Chicago, Illinois 60604, and its successors and assigns.

"Senior Loan" shall mean a loan by the Senior Lender to the Borrower in the principal amount of \$4,254,000.00 for financing a portion of the cost of the Project.

"Senior Mortgage" shall mean that certain Construction Loan Mortgage and Security Agreement with Collateral Assignment of Leases and Rents dated March 1, 1992 granted by the Borrower to the Senior Lender securing repayment of the Senior Loan, as supplemented and amended.

"State" shall mean the State of Illinois.

"Very Low Income Family" shall mean any Family whose adjusted annual income does not exceed the Very Low Income Limit.

"Very Low Income Limit" shall mean 50% of the Chicago-area median income, adjusted for family size, as such adjusted income and area median income are determined from time to time by HUD, and thereafter such income limits shall apply to this definition.

SECTION 2. BORROWER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

The Borrower hereby represents, warrants, covenants and agrees as follows:

2.1 The Project shall be acquired, constructed and rehabilitated for the purpose of providing residential rental property, and the Borrower shall own, manage and operate the Project as residential rental units and facilities functionally related and incidental thereto.

2.2 The Project shall consist of residential units, together with facilities functionally related and incidental thereto, and which units are similar in quality and type of construction and amenities.

2.3 Each unit in the Project shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation.

2.4 None of the units in the Project shall at any time be used on a transient basis, and neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

2.5 The units in the Project shall be made available for lease by members of the general public and the Borrower shall not give preference in renting units in the Project to any particular class or group of persons other than Lower-Income Families as provided herein. No preference in tenant selection for the Project will be given to elderly or handicapped persons or families.

2.6 The Project shall consist of the following unit configuration for Lower-Income Family households:

<u>Number of Bedrooms</u>	<u>Number of Units</u>
One	19
Two	91
Three	46
Four	6

2.7 The Borrower shall not convert any units in the Project to condominium ownership or to any form of cooperative ownership that is not eligible to receive CDBG Funds or RRP Funds from HUD.

2.8 The Borrower shall not discriminate against prospective tenants on the basis (a) of their receipt of, or eligibility for, housing assistance under any federal, State or local housing assistance program, (b) that they have a minor child or children who will be residing with them, or (c) of familial status.

2.9 All of the units described in Section 2.6 hereof (a) shall be, after completion of the rehabilitation of the Project, and shall remain suitable for occupancy, and (b) shall be occupied or available for occupancy by Lower-Income Families, subject to Section 2.12 hereof.

2.10 All of the units in the Project shall be initially leased only to tenants who are Lower-Income Families at the time of initial occupancy by such Lower-Income Families.

2.11 Prior to the Section 42 Termination Date, the Gross Rent charged each month for any unit in the Project shall not exceed at any time 30% of the Imputed Income Limitation applicable to such unit. On or after the Section 42 Termination Date, the rent charged each month for any unit in the Project shall not exceed at any time the Affordable Rent for such unit; provided, however, that following the Section 42 Termination Date, the rent increase restriction contained in Section

42(h)(6)(E)(ii) of the Code shall apply to each unit in the Project.

2.12 (a) For purposes of satisfying the requirements set forth in Section 2.9 above, a unit occupied by a Lower-Income Family whose income has exceeded the applicable Income Limit after initial occupancy of such unit by such Lower-Income Family shall, subject to paragraph (b) of this Section, be deemed to comply with Section 2.9 hereof if the rent for such unit complies with Section 2.11 hereof.

(b) A unit (the "Unit") occupied by a Lower-Income Family whose income has increased above 140% of the Income Limit shall be deemed to comply with Section 2.9 hereof if the rent for the Unit complies with Section 2.11 hereof but only if the next available unit in the Project of a comparable size with or smaller than the Unit is occupied by a new tenant who is a Lower-Income Family.

2.13 The Borrower shall include in leases for all units provisions which authorize the Borrower to immediately terminate the tenancy of any tenant who misrepresented any fact material to the tenant's qualification as a Lower-Income Family.

2.14 All tenant lists, applications, and waiting lists relating to the Project shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Project, shall be maintained, as required by the City, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the City. If the Borrower employs a management agent for the Project, the Borrower shall require such agent to comply with the requirements of this Regulatory Agreement and shall include such requirements in any and all management agreements or contracts entered into with respect to the Project. The Borrower shall permit and shall cause any such management agent to permit, during normal business hours and upon reasonable notice, any duly authorized representative of the City to inspect any books and records of the Borrower or such agent regarding the Project with respect to the incomes of Lower-Income Families residing as tenants in the Project which pertain to compliance with the provisions of this Regulatory Agreement or Section 42 of the Code.

2.15 All tenant leases shall be written, shall be for a period of not less than six months, shall be in conformity with all applicable laws, including without limitation the City of Chicago Residential Landlord and Tenant Ordinance, as the same has been or may be amended, and shall contain clauses, inter alia, wherein each individual lessee: (i) certifies the accuracy of the statements made in the Income Computation Certificate and (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations

of his/her tenancy, that he/she will comply with all requests for information with respect thereto from the Borrower, the City or HUD, and that the failure to provide accurate information in the Income Computation Certificate or refusal to comply with a request for information with respect thereto shall be deemed a substantial violation of an obligation of his/her tenancy.

2.16 The Borrower shall obtain and maintain on file during the Project Term (or, if longer, such other period as may be specified in Section 42 of the Code) a sworn and notarized Income Computation Certificate with respect to each and every individual, group of unrelated persons or family who is intended to be a tenant in the Project, signed by the tenant or tenants (i.e., the person or persons whose name or names appears on the lease) and obtained by the Borrower (a) prior to such tenant or tenants occupying the unit or signing a lease with respect thereto, and (b) thereafter at least annually so long as such person or persons remain as tenants in the Project.

2.17 The Borrower agrees that it will take any and all actions required by the City to substantiate the Borrower's compliance with the restrictions set forth herein, including, but not limited to, submitting to the City (a) at the beginning of the Project Term and, on or before the first day of January of each year during the Project Term, a Certificate of Continuing Program Compliance executed by the Borrower, and (b) on the first day of January of each year prior to the third anniversary of the Section 42 Termination Date, an Annual Report executed by the Borrower.

2.18 The Borrower shall notify the City of the occurrence of any event of which the Borrower has notice and which event would violate any of the provisions of this Regulatory Agreement.

2.19 The Project shall remain in private ownership and in primarily residential rental use (i.e., at least 50% of the rentable floor space of the Project will be used for residential rental purposes after rehabilitation) unless the Project is sold to another private owner who agrees to continue to manage the Project in accordance with the requirements of the Rental Program for the remainder of the Project Term, or a hardship exception is approved by the City for reasons that occur after the Completion Date.

2.20 The Borrower shall cause the Project to comply at all times with the Chicago Fair Housing Ordinance, Section 5-8-010 et seq. of the Municipal Code of the City, as supplemented and amended.

2.21 For every unit in the Project which is not rented to a Lower-Income Family with housing assistance provided by a Public

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Housing Agency (as defined in 24 C.F.R. §511.2), the Borrower shall:

(a) notify DOH and the Chicago Housing Authority that such units will be available at least one month prior to the date such unit may be occupied;

(b) contact churches, community groups and other appropriate agencies selected by DOH regarding the availability of such units in the Project;

(c) note the racial/ethnic and gender characteristics of all applicants who actually look at such units and when a lease for any such unit is signed, the Borrower shall telephone the DOH staff and report such characteristics for all applicants as well as for the actual renters;

(d) advertise in newspapers if the above-described outreach efforts fail to produce a tenant for any such unit; and

(e) maintain records of affirmative marketing efforts with respect to the leasing or re-leasing of each such unit for a period of 18 months commencing on the date such efforts with respect to such leasing or re-leasing begin.

2.22 The Borrower shall provide to the City a tenant profile for each Lower-Income Family for each unit in the Project within 60 days after such unit is leased to such Lower-Income Family. For each unit in the Project, the Borrower shall provide the City with data on the racial, ethnic, gender and income-level characteristics of (a) the tenants, if any, occupying such unit before rehabilitation, (b) the tenants moving into such unit initially after rehabilitation and (c) the applicants for tenancy of such unit within 90 days following the Completion Date.

2.23 The Borrower hereby acknowledges and affirms that it has reviewed the provisions of, and that the Project shall during the Project Term be in compliance with, each of the following:

(a) the requirements of the Fair Housing Act, 42 U.S.C. §3601 et seq., as amended, and implementing regulations at 24 C.F.R. Parts 100, 106 and 109; Executive Order 11063 (Equal Opportunity in Housing) and implementing regulations at 24 C.F.R. Part 107; and Title VI of the Civil Rights Act of 1964, 42 U.S.C. §2000d, as amended, and implementing regulations at 24 C.F.R. Part 1;

(b) the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, 42 U.S.C. §6101 et seq., as amended, and the implementing regulations at 24 C.F.R. Part 146;

(c) the prohibitions against discrimination on the basis of handicap under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. §794, as amended, and implementing regulations at 24 C.F.R. Part 8;

(d) the requirements of Executive Order 11246 (Equal Employment Opportunity) and the regulations issued under such Order at 41 C.F.R. Chapter 60; and

(e) the requirements of Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. §1701u, as amended, and implementing regulations at 24 C.F.R. Part 135.

2.24 The rehabilitation of the Project shall not cause the displacement of any Very Low Income Family by a Family that is not a Very Low Income Family.

2.25 All existing tenants in the Project as of the date hereof have been furnished with a copy of (a) the HUD notice entitled "Watch Out For Lead-Based Paint Poisoning," and (b) the written tenant-assistance policy of the City in accordance with 24 C.F.R. §511.14(a)(4).

2.26 The Borrower shall cause the Project to comply with all applicable requirements of 24 C.F.R. §511.14.

2.27 All units in the Project occupied by families with children under seven years of age were inspected for defective paint surfaces between December 1st and December 15th, 1991. All interior and exterior painted surfaces of each unit in the Project shall be treated in accordance with 24 C.F.R. §35.24(b)(2), and any lead-based paint and defective paint debris shall be disposed of in accordance with applicable federal, State or local requirements.

2.28 The Borrower has not and shall not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

2.29 Except as otherwise disclosed to the City in writing, all of the statements, representations and warranties of the Borrower contained in the Borrower's application for Tax Credits and any other document submitted by the Borrower to the City in connection with the Project remain true and in effect as of the date hereof.

SECTION 3. RELIANCE.

The City and the Borrower hereby recognize and agree that the representations and covenants set forth herein may be relied upon by all parties. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Borrower and Lower-Income Families and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the City may consult with counsel and the opinion of such counsel shall be evidence that such action or failure to act by the City was in good faith and in conformity with such opinion. The City and the Borrower agree that it is the Borrower's responsibility to determine that each potential tenant in the Project qualifies as a Lower-Income Family, and that in making such determinations, the Borrower shall exercise due diligence.

SECTION 4. SALE OR TRANSFER OF THE PROJECT.

The Borrower hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project, or any portion thereof (including without limitation, a transfer by assignment of any beneficial interest under a land trust), or to violate any provision of the Mortgage relating to prohibitions on sales or transfers of the Project or any interest therein (whether or not the Mortgage remains of record), at any time, except as expressly permitted by the City (provided that such prohibition against sale, transfer or disposition of the Project shall not apply, and no such permission by the City shall be required, at any time following the later to occur of (i) the fifteenth (15th) annual anniversary of the effective date hereof, or (ii) the date when the Loan has been repaid to the City, in full). The Borrower hereby agrees and covenants that no portion of any building to which this Regulatory Agreement applies shall be transferred to any Person unless all of such building is transferred to such Person. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 4 shall be null, void and without effect, shall cause a reversion of title to the Borrower or any successor or assignee of the Borrower last permitted by the City, and shall be ineffective to relieve the Borrower or such successor or assignee, as applicable, of its obligations hereunder.

SECTION 5. TERM.

5.1 This Regulatory Agreement shall become effective upon its execution and delivery. This Regulatory Agreement shall remain in full force and effect for a term equal to the Project Term, it being expressly agreed and understood that the

provisions hereof are intended to survive throughout the Project Term.

5.2 (a) Subject to paragraphs (b) and (c) of this Section, the covenants and restrictions contained herein shall cease, upon any of the following events:

- (1) (i) upon the transfer of the Project pursuant to the foreclosure of the Senior Mortgage or the transfer of the Project by an instrument in lieu of foreclosure of the Senior Mortgage, or (ii) if and only if the City so elects, upon the transfer of the Project pursuant to the foreclosure of the Mortgage or the transfer of the Project by an instrument in lieu of foreclosure of the Mortgage; provided, however, that any such foreclosure or transfer described in this Section 5.2(a)(1) occurring prior to the Section 42 Termination Date shall not terminate the covenants and restrictions contained herein if such foreclosure or transfer is part of an agreement with the Borrower a purpose of which is to terminate the "extended use period" (as defined in Section 42(h)(6)(D) of the Code); or
- (2) the later of (i) the Section 42 Termination Date, or (ii) the date of repayment in full of the Loan.

(b) Notwithstanding paragraph (a) of this Section or any other provision herein to the contrary, the covenants and restrictions contained in Sections 2.7, 2.8, 2.19, 2.21 and 2.23 hereof shall not cease prior to the tenth anniversary of the Completion Date.

(c) If the covenants and restrictions contained herein shall terminate on or prior to the Section 42 Termination Date, such termination shall not be construed to permit prior to the end of the three-year period following such termination: (i) the eviction or termination of the tenancy (other than for good cause) of any Lower-Income Family, or (ii) any increase in the Gross Rent charged to any Lower-Income Family not otherwise permitted under Section 42 of the Code.

SECTION 6. ENFORCEMENT.

6.1 If a violation of any of the foregoing representations or covenants occurs or is attempted, and such occurrence or attempt is uncorrected for a period of 60 days or more, the City and its successors and assigns, without regard to whether the City or its successors and assigns is an owner of any land or

interest therein to which these covenants relate, may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by the Borrower of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recovery for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

6.2 All fees, costs and expenses of the City incurred in taking any action pursuant to this Section 6 shall be the sole responsibility of the Borrower.

6.3 To the extent permitted by law, all persons who are or may qualify as Lower-Income Families with respect to the Project (whether as prospective, present or former tenants of the Project) shall have the right to enforce in any court of the State the requirement of Section 2.9 hereof and the terms of Section 5.2(c) hereof.

6.4 The Borrower further specifically acknowledges that the beneficiaries of the Borrower's obligations hereunder cannot be adequately compensated by monetary damages in the event of any breach or violation or attempted breach or violation of any of the foregoing representations or covenants.

6.5 Notwithstanding anything in this Regulatory Agreement to the contrary, upon any failure of the Borrower to comply fully with the Code, the covenants and agreements contained herein or with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury, the Internal Revenue Service or the City from time to time pertaining to the obligations of the Borrower as set forth therein or herein, the City may, in addition to all of the remedies provided by law or in equity, request the Internal Revenue Service to decertify the Project for Tax Credit dollars and to immediately commence recapture of the Tax Credit dollars heretofore allocated to the Project.

SECTION 7. RECORDING AND FILING.

The Borrower shall cause this Regulatory Agreement and all amendments and supplements hereto to be recorded and filed in the conveyance and real property records of the county in which the Project is located and in such other places as the City may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Borrower shall immediately transmit to the City an executed

original of this Regulatory Agreement showing the date and recording number of record. The Borrower agrees that the City may withhold the Internal Revenue Service Form 8609 constituting final allocation of the Tax Credits awarded with respect to the Project unless and until the City has received the recorded executed original of this Regulatory Agreement.

SECTION 8. COVENANTS TO RUN WITH THE LAND.

The Borrower hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The City and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall, throughout the Project Term, be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Borrower's successors in title to the Project throughout the Project Term. The Borrower hereby covenants to include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another person in order that such transferee has notice of, and is bound by, such restrictions, and to obtain from any transferee the agreement to be bound by and comply with the requirements set forth in this Regulatory Agreement; provided however, that each and every contract, deed, mortgage or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (including, without limitation, any transfer of a beneficial interest in a land trust or a portion thereof) shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

SECTION 9. GOVERNING LAW.

This Regulatory Agreement shall be construed in accordance with and governed by the laws of the State and, where applicable, the laws of the United States of America. In the event of any conflict between this Regulatory Agreement and Section 42 of the Code, Section 42 of the Code shall control.

SECTION 10. AMENDMENTS.

This Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the county in which the Project is located. The Borrower hereby expressly agrees to enter into all amendments hereto which, in

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the opinion of the City, are reasonably necessary or desirable for maintaining compliance under Section 42 of the Code.

SECTION 11. NOTICE.

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified, first class mail, return receipt requested.

IF TO CITY:

City of Chicago, Illinois
c/o Department of Housing
318 South Michigan Avenue
Chicago, Illinois 60604
Attention: Commissioner

WITH COPIES TO:

Department of Finance
City of Chicago
121 North LaSalle Street, Room 501
Chicago, Illinois 60602
Attention: Comptroller

and

Office of the Corporation Counsel
City Hall, Room 511
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division

IF TO BORROWER:

62nd Street Limited Partnership
c/o Rescorp Development, Inc.
One East Wacker Drive, Suite 2900
Chicago, Illinois 60601
Attn: Norman A. Katz, President

WITH COPIES TO:

Chicago Urban League Development
Corporation
4500 South Michigan Avenue
Chicago, Illinois 60653
Attention: Ms. Ruth Louie

Keck, Mahin & Cate
233 South Wacker Drive, Suite 8300
Chicago, Illinois 60606
Attention: Mark W. Burns

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Chicago Equity Fund 1991
Partnership
c/o Chicago Equity Fund, Inc.
24 W. Erie Street
Chicago, Illinois 60610
Attention: President

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the day immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (d) above shall be deemed received 48 hours following deposit in the mail.

SECTION 12. SEVERABILITY.

If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

SECTION 13. COUNTERPARTS.

This Regulatory Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same Regulatory Agreement.

SECTION 14. AFFIRMATIVE MARKETING.

(a) DOH shall maintain on-going contacts with local churches, community organizations, employment centers, fair housing groups and other organizations which, in the sole judgment of DOH, may be useful in marketing the units in the Project. DOH shall also notify the Chicago Housing Authority as necessary for referrals from their waiting list.

(b) DOH shall keep the following records:

- (1) copies of all advertisements placed by DOH or the Borrower;

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- (2) copies of all information included in information packets to the public regarding affirmative marketing policies and procedures and fair housing laws;
- (3) copies of all correspondence to the Borrower, tenants, community groups, etc., regarding affirmative marketing and fair housing laws;
- (4) tenant profiles including racial, ethnic and general characteristics of the Lower-Income Families before and after rehabilitation of the Project;
- (5) annual tenant information used in assessment of the Rental Program; and
- (6) relocation data for households displaced from the Project.

SECTION 15. SURVIVAL OF OBLIGATIONS.

The obligations of the Borrower as set forth herein shall survive the allocation of the Tax Credit dollars to the Project and shall not be deemed to terminate or merge with the awarding of the allocation.

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7 2 1 3 7 1 2 5

IN WITNESS WHEREOF, the City and the Borrower have executed this Regulatory Agreement by their duly authorized representatives, all effective as of the date first written hereinabove.

CITY OF CHICAGO, ILLINOIS, by and through its Department of Housing

By: _____
Its: _____

62ND STREET LIMITED PARTNERSHIP,
an Illinois limited partnership

By: 62ND STREET JOINT VENTURE, an
Illinois partnership
and its sole general partner

ATTEST:

By: Rescorp Development,
Inc., an Illinois
corporation, a general
partner

By: *Robert L. Lipechuk*
Its: *Asst. Secretary*

By: *[Signature]*
Its: *President*

ATTEST:

By: Chicago Urban League
Development Corporation,
an Illinois corporation,
a general partner

By: _____
Its: _____

By: *Keith M. Louis*
Its: *Vice President*

Being the only general
partners of said joint venture

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9 2 1 1 7 1 2 1

IN WITNESS WHEREOF, the City and the Borrower have executed this Regulatory Agreement by their duly authorized representatives, all effective as of the date first written hereinabove.

CITY OF CHICAGO, ILLINOIS, by and through its Department of Housing

By:

Its:

Kenneth A. Williams
DIR - FINANCIAL CONTROL

62ND STREET LIMITED PARTNERSHIP,
an Illinois limited partnership

By: 62ND STREET JOINT VENTURE, an
Illinois partnership
and its sole general partner

ATTEST:

By: Rescorp Development,
Inc., an Illinois
corporation, a general
partner

By:

Its:

By:

Its:

ATTEST:

By: Chicago Urban League
Development Corporation,
an Illinois corporation,
a general partner

By:

Its:

By:

Its:

Being the only general
partners of said joint venture

UNOFFICIAL COPY

9 2 1 1 7 1 2 1

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

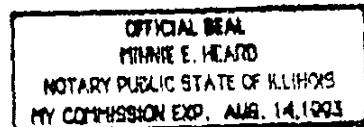
I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Theresa Murphy, personally known to me to be the First Deputy Commissioner of the Department of Housing of the City of Chicago, Illinois (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such he/she signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of March, 1992.

Minnie E. Heard
Notary Public

My Commission Expires:

(SEAL)

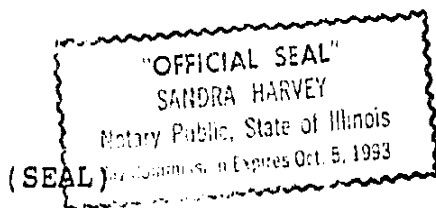


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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Norman KATZ, personally known to me to be the President of Rescorp Development Inc., an Illinois corporation ("Rescorp"), being a general partner of 62nd Street Joint Venture, an Illinois partnership ("General Partner"), which partnership is the sole general partner of 62ND STREET LIMITED PARTNERSHIP (the "Mortgagor"), an Illinois limited partnership, and Robert Upchurch, personally known to me to be the ASST Secretary of Rescorp and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President and ASST Secretary they signed and delivered the said instrument and caused the corporate seal of Rescorp to be affixed thereto, pursuant to authority given by the Board of Directors of Rescorp as their free and voluntary act, and as the free and voluntary act and deed of Rescorp the General Partner and the Mortgagor for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 24th day of March, 1997.



Sandra Harvey
Notary Public

My Commission Expires:

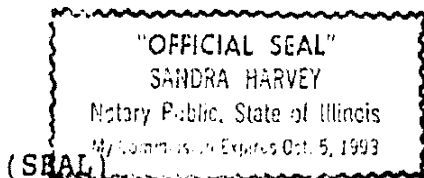
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9 2 1 1 7 1 2

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Ruth M. Lowe, personally known to me to be the Vice President of Chicago Urban League Development Corporation, , an Illinois corporation ("Chicago Urban"), being a general partner of 62nd Street Joint Venture, an Illinois partnership ("General Partner"), which partnership is the sole general partner of 62ND STREET LIMITED PARTNERSHIP (the "Mortgagor"), an Illinois limited partnership, and , personally known to me to be the of Chicago Urban and personally known to me to be the same person whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and they signed and delivered the said instrument and caused the corporate seal of Chicago Urban to be affixed thereto, pursuant to authority given by the Board of Directors of Chicago Urban as their free and voluntary act, and as the free and voluntary act and deed of Chicago Urban the General Partner and the Mortgagor for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 20th day of March, 1992.



Sandra Harvey
Notary Public

My Commission Expires:

MDY0952 03/09/92 1550

92187125

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EXHIBIT A

LEGAL DESCRIPTION:

PARCEL 1:

LOTS 8 AND 9 IN BLOCK 14 IN THE RESUBDIVISION OF THE WASHINGTON PARK CLUB ADDITION TO CHICAGO IN SECTION 15, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

LOTS 18, 19 AND 20 IN BLOCK 2 IN RESUBDIVISION OF BLOCKS 11 AND 12 IN THE RESUBDIVISION OF THE WASHINGTON PARK CLUB ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH HALF OF THE SOUTH EAST QUARTER OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE SOUTH 7 FEET OF LOT 4 AND ALL OF LOTS 5, 6, 7 AND 8 IN BLOCK 6 IN DAVIDSON'S SUBDIVISION OF LOTS 7, 8 AND PART OF LOT 12 IN WILSON HEALD AND STEBBINS SUBDIVISION OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, THE EAST BOUNDARY LINE OF SAID PREMISES BEING THE WEST LINE OF SOUTH PARK AVENUE, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOTS 39 AND 40 IN BLOCK 7 IN THE RESUBDIVISION OF BLOCKS 11 AND 12 IN THE RESUBDIVISION OF THE WASHINGTON PARK CLUB ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

LOTS 21 AND 22 IN BLOCK 2 IN THE RESUBDIVISION OF BLOCKS 11 AND 12 IN THE RESUBDIVISION OF THE WASHINGTON PARK CLUB ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH HALF OF THE SOUTH EAST QUARTER OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 6:

LOTS 19 AND 20 IN BLOCK 4 IN THE RESUBDIVISION OF BLOCKS 11 AND 12 IN THE RESUBDIVISION OF THE WASHINGTON PARK CLUB ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

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3 2 1 3 7 1 2 3

PARCEL 7:

LOTS 1 AND 2 IN BLOCK 7 IN THE RESUBDIVISION OF BLOCKS 11 AND 12 IN THE RESUBDIVISION OF THE WASHINGTON PARK CLUB ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH HALF OF THE SOUTH EAST QUARTER OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 8:

THE SOUTH 2 FEET AND 2 INCHES OF LOT 6, ALL OF LOTS 7 AND 8, AND LOT 9, (EXCEPT SOUTH 1 3/4 INCHES OF LOT 9) IN BLOCK 1 IN ISAAC PFLAUM'S SUBDIVISION OF LOT 6 AND THAT PART OF LOT 12 LYING NORTH OF THE SOUTH LINE OF LOT 6 AFORESAID (PRODUCED TO INDIANA AVENUE) IN WILSON, HEALD AND STEBBINS SUBDIVISION OF THE EAST HALF (1/2) OF THE SOUTHWEST QUARTER (1/4) OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 9:

LOTS 1 AND 2 IN BLOCK 5 IN RESUBDIVISION OF BLOCKS 11 AND 12 IN RESUBDIVISION OF WASHINGTON PARK CLUB ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTH EAST 1/4 OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 10:

LOTS 13 AND 14 IN BLOCK 7 IN THE RESUBDIVISION OF THE WASHINGTON PARK CLUB ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SECTION 15, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS COMMONLY KNOWN AS:

PARCEL 1:	6235-6243 South Dr. Martin Luther King, Jr. Drive
PARCEL 2:	6153-6159 South Eberhart Avenue 508-510 East 62nd Street
PARCEL 3:	6224-6234 South Dr. Martin Luther King, Jr. Drive
PARCEL 4:	6200-6206 South Rhodes Avenue 508-517 East 62nd Street
PARCEL 5:	6154-6156 South Rhodes Avenue 514-516 East 62nd Street
PARCEL 6:	6156-6158 South Vernon Avenue 416-418 East 62nd Street

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PARCEL 7: 6201-6203 South Eberhart Avenue
507-511 East 62nd Street

PARCEL 8: 6152-6158 South Dr. Martin Luther King, Jr. Drive

PARCEL 9: 6200 Vernon Avenue
417-423 East 62nd Street

PARCEL 10: 6153-6159 South St. Lawrence Avenue
608-610 East 62nd Street

PERMANENT INDEX NO.:

PARCEL 1: 20-15-416-008

PARCEL 2: 20-15-410-013

PARCEL 3: 20-15-317-043

PARCEL 4: 20-15-418-015

PARCEL 5: 20-15-410-031

PARCEL 6: 20-15-408-046

PARCEL 7: 20-15-418-001

PARCEL 8: 20-15-317-038; 20-15-317-039

PARCEL 9: 20-15-416-009

PARCEL 10: 20-15-412-015

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EXHIBIT B

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned, being _____ (the "Borrower"), has read and is thoroughly familiar with the provisions of the various loan documents associated with the loan by the City of Chicago, Illinois (the "City") to the Borrower in connection with the property located at [INSERT ADDRESS OF PROJECT] (the "Project"), such documents including:

1. The Regulatory Agreement (the "Regulatory Agreement") dated as of December ___, 1991 between the Borrower and the City;

2. The Housing Loan Agreement (the "Loan Agreement") dated as of December ___, 1991 between the Borrower and the City; and

3. The Notes in the principal amounts of \$5,766,000.00 and \$1,450,000.00 dated December ___, 1991 made by the Borrower to the order of the City representing the Borrower's obligation to repay the loans made to it by the City pursuant to the Loan Agreement.

As of the date of this certificate, the following number of completed residential units in the Project (i) are occupied by "Lower-Income Families" (as such term is defined in the Regulatory Agreement) or (ii) were previously occupied by Lower-Income Families and have been vacant for no more than 31 days, as indicated:

Occupied by Lower-Income Families _____	No. of Units _____
Previously occupied by Lower-Income Families (vacated and not re-occupied except for a temporary period of no more than 31 days) _____	No. of Units _____
	Total _____

The total number of completed residential units in the Project is _____.

The total number of units occupied or previously occupied by Lower-Income Families as shown above is ___% of the total number of occupied units.

The undersigned hereby certifies that the Borrower is not in default under any of the terms and provisions of the above documents.

Dated: _____

By: _____
Authorized Borrower
Representative

EXHIBIT C

INCOME COMPUTATION CERTIFICATE

RE:

Chicago, Illinois

Name of Tenant (i.e., person(s)
whose name appears on the lease):

Address of Apartment:

Apartment Number:

Some or all of the cost of the apartment development in which you are to lease an apartment was financed by a loan made by the City of Chicago through a U.S. Department of Housing and Urban Development program. In order to qualify for these loans, there are certain requirements which must be met with respect to the apartment building and its tenants. To satisfy one of those requirements it is necessary for you to provide the information requested in this Income Computation Certificate at the time you sign your lease and annually thereafter so long as you remain a tenant in the above apartment development.

CERTIFICATION

I, the undersigned, state that I have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit in the above apartment development for which application is made, all of whom are listed on the following page:

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Income Computation (Anticipated Incomes)

<u>Name of Members of the Household</u>	<u>Relation- ship to Head of Household</u>	<u>Age (if 18 or under)</u>	<u>Social Security Number</u>	<u>Place of Employment</u>
_____	HEAD	_____	_____	_____
_____	SPOUSE	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

1. On the lines below, indicate the anticipated income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family over the age of 18 during the 12-month period beginning this date, including:

A. Annual Wages and Salary, including, before payroll deduction, all wages and salaries, overtime pay,

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Property of Cook County Clerk's Office

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commissions, fees, tips, bonuses and other compensation for personal services;

B. Other Income, including but not limited to:

- (i) net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (ii) interest, dividends and net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (B)(i) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family;
- (iii) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment;
- (iv) payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
- (v) public assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance to be included as income shall consist of: (a) the amount of the allowance or

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grant exclusive of the amount specifically designated for shelter or utilities, plus (b) the maximum amount that the public assistance agency could in fact allow the family for shelter and utilities. If the family's public assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated shall be the amount resulting from one application of the percentage;

- (vi) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling;
- (vii) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is a member of the family; and
- (viii) any earned income tax credit to the extent it exceeds income tax liability.

Please note however, the following types of income should be excluded:

- (i) income from employment of children (including foster children) under the age of 18 years;
- (ii) casual, sporadic or irregular income, including gifts;
- (iii) amounts which are specifically for or in reimbursement of medical expenses for any family member;
- (iv) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- (v) amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran, for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of the student, but in either case only to the extent used for such purposes;

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- (vi) special pay to a family member serving in the Armed Forces and exposed to hostile fire;
- (vii) foster child care payments;
- (viii) income of a live-in aide;
- (ix) amounts received under training programs funded by HUD;
- (x) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency;
- (xi) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program; and
- (xii) amounts specifically excluded by other federal statutes from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. Federal programs under this section include, but are not limited to:
 - (a) the value of the allotment made under the Food Stamp Act of 1977;
 - (b) payments received under the Domestic Volunteer Services Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, Senior Companions);
 - (c) payments received under the Alaska Native Claims Settlement Act;
 - (d) payments from certain submarginal U.S. land held in trust for certain Indian tribes;

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- (e) payments, rebates or credits received under the U.S. Department of Health and Human Services' Low-Income Home Energy Assistance Programs, including any winter differentials given to elderly;
- (f) payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs, career intern programs);
- (g) relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970;
- (h) income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
- (i) the first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Grant of Claims or from funds held in trust for an Indian tribe by the Secretary of the Interior;
- (j) amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs, that are made available to cover the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of a student at an educational institution;
- (k) payments received from programs funded under Title V of the Older Americans Act of 1965; and
- (l) Agent Orange Settlement Payments to a maximum of \$12,790 per serviceperson or a survivor's benefit of up to \$3,400.

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<u>Name</u>	<u>Annual Wages/ Salary</u>	<u>Other Income</u>	<u>Total Income</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Capital Assets)

2. If any of the persons described above (or whose income or contributions were included in item (1)) has any real property, savings, stocks, bonds or other forms of capital investment, excluding interest in Indian Trust land and equity in a housing cooperative unit or in a manufactured home in which the family resides and except for necessary items of personal property such as furniture and automobiles, provide:

- a. the total value of all such assets owned by all such persons: \$ _____,
- b. the amount of income expected to be derived from such assets in the 12-month period commencing this date: \$ _____, and
- c. the amount of such income which is included in item (1): \$ _____.

(Students)

3. a. Will all of the persons listed in column 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?
 Yes _____ No _____
- b. Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?
 Yes _____ No _____

I acknowledge that all of the above information is relevant to the status of the funds provided through the U.S. Department of Housing and Urban Development to finance rehabilitation of the

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apartment for which application is being made. I consent to the disclosure of such information to the City and HUD and any agent acting on their behalf.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this ____ day of _____, ____ at Chicago, Illinois.

Tenant

Residing in Apt. No. _____

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On the ____ day of _____, ____ personally appeared before me _____, the signer of the above certification, who duly acknowledged to me that he/she executed the same.

(SEAL)

NOTARY PUBLIC

My Commission Expires:

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FOR COMPLETION BY BORROWER ONLY:

1. Calculation of eligible income:

- a. Total amount entered for entire household in 1 above: _____
- b. If the amount entered in 2.a above exceeds \$5,000, enter the greater of (i) the amount entered in 2.b less the amount entered in 2.c and (ii) the passbook savings rate as designated by HUD multiplied by the amount entered in 2.a: _____
- c. TOTAL ELIGIBLE INCOME
(Line 1.a plus line 1.b): _____

2. The amount entered in 1.c is: (place "x" on appropriate line)

_____ Less than \$_____ which is the maximum income at which a household of _____ persons may be determined to be a Lower-Income Family as that term is defined in the Regulatory Agreement dated as of _____, between the City of Chicago, Illinois and _____ (the "Regulatory Agreement").

_____ More than the above-mentioned amount.

3. Number of apartment unit assigned: _____
4. This apartment unit (was/was not) last occupied for a period of 31 consecutive days by a person or persons whose Total Eligible Income, as certified in the above manner, was equal to or less than the amount at which a person would have qualified as a Lower-Income Family under the terms of the Regulatory Agreement. It had been vacant for _____ days.
5. The number of units in the Project which are presently occupied is _____.
6. The number of units occupied by Lower-Income Families (i.e., occupants' anticipated income does not exceed \$_____ based upon Income Computation Certifications on file, as adjusted for family and unit size) is _____. The number of units which were previously occupied by Lower-Income Families but have been vacated and have not been re-occupied (other than for a temporary period of no more than 31 days) is _____. The sum of the units described in this paragraph 6

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is equal to ____% of the total number of occupied units from paragraph 5 above.

7. The number of units occupied by persons whose total anticipated income does not exceed \$_____ (as adjusted for family and unit size) is _____ which is equal to ____% of the total number of occupied units.

Applicant:

_____ Qualifies as a Lower-Income Family.

_____ Does not qualify as a Lower-Income Family.

BORROWER

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EXHIBIT D

1 3 7 1 2 3

ANNUAL REPORT OF PROJECT RECEIVING LOW INCOME HOUSING TAX CREDITS FROM THE CITY OF CHICAGO DEPARTMENT OF HOUSING

Borrower: _____

Project Name: _____

Project Number: _____

Federal Employer Identification Number: _____

The City of Chicago, Illinois, acting by and through its Department of Housing (the "City") allocated low income housing tax credits (the "Tax Credits") to the Borrower. Pursuant to Section 42 of the Internal Revenue Code, the Borrower is required to maintain certain records concerning the Project and the City is required to monitor the Project's compliance with the Internal Revenue Code and the agreements executed by the City and the Borrower in connection with the allocation of the Tax Credits. The Borrower further agreed, in the Regulatory Agreement dated as of _____, between the City and the Borrower (the "Regulatory Agreement"), to maintain certain records and prepare and deliver certain reports to the City. The Borrower must complete this Annual Report for all projects receiving Low Income Housing Tax Credits (the "Annual Report") in fulfillment of its reporting and record-keeping requirements. This Annual Report must be completed in its entirety and must be executed, notarized and returned to the City by January 1 of each year. In addition, a copy of Schedule A must be completed for each building which comprises a part of the Project and for which a building identification number has been issued. This form is a required component of the Annual Report. No changes may be made to the language contained herein without the prior approval of the City. Except as otherwise specifically indicated, capitalized terms contained herein shall have the meanings ascribed to them in the Regulatory Agreement.

INFORMATION

1. Please list the building identification numbers and address for each building included in the Project: (If there are additional buildings in the Project, please provide the requested information on a separate sheet and attach to this document.)

Building Identification Number

Building Address

92157125

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2. Complete Schedule A for each building included in the Project.
3. Has any change occurred, either directly or indirectly, (a) in the identity of the Borrower, (b) in the identity of the general partner(s) of the Borrower, (c) in the ownership of any interests in any general partner of the Borrower or in any shareholder, trustee or beneficiary of the Borrower, or (d) which would otherwise cause a change in the identity of the individuals who possess the power to direct the management and policies of the Borrower since the date of the Allocation of Tax Credits to the Borrower or the most recent Annual Report?

Yes ____

No ____

If Yes, provide all the appropriate documents.

4. Have the Borrower's organizational documents been amended or otherwise modified since they were submitted to the City?

Yes ____

No ____

If Yes, provide all amendments and modifications of the Borrower's organizational documents.

5. The Borrower hereby certifies to the City that (a) the Project is in full compliance with all currently applicable provisions of Section 42 of the Code and the applicable Treasury regulations; (b) the Project shall continue to comply with Section 42 of the Code during the compliance period as required by Section 42(i) of the Code; and (c) no change shall occur in the Borrower or the general partner of the Borrower without the prior written consent of the City.

6. The Borrower's Taxpayer Identification Number is _____.

7. Provide the City with the Borrower's most recent audited financial statements.

8. Has the Borrower been a recipient of a federal grant during this year, as defined in Section 42 of the Code which would cause a reduction in the eligible basis?

Yes ____

No ____

If Yes, provide the details.

92187125

The Borrower hereby represents and warrants to the City that each of the following statements is true and accurate:

- A. Lower Income Families. All of the units of the Project are occupied or available for occupancy by Lower-Income Families, subject to Section 2.12 of the Regulatory Agreement.
- B. Fees. That any savings realized in a construction line item of the Project were either dedicated to the benefit of the Project through enhancement of the Project, or resulted in a decrease of the Project's eligible basis for purposes of calculating the Tax Credits for which the Project qualifies, and except as disclosed to and approved by the City, neither Borrower fees nor developer fees exceeded the amount set forth in the Borrower's original application for the Tax Credits and such fees will not be increased without the consent of the City.
- C. Compliance. The Project is in compliance with all of the currently applicable requirements of Section 42 of the Code, the applicable Treasury Regulations, the 1991 Low Income Housing Tax Credit Plan adopted by the City on April 30, 1991 as the same has been or may be amended (the "Plan"), the terms of the City's letter reserving Tax Credits for the Project (the "Reservation Letter") and the Regulatory Agreement. The Borrower will take whatever action is required to ensure that the Project complies with all requirements imposed by Section 42 of the Code, the applicable Treasury Regulations, the Plan, the terms of the Reservation Letter and the Regulatory Agreement so long as required by Section 42 of the Code, applicable Treasury Regulations, the Plan and the Regulatory Agreement (the "Compliance Period").
- The Borrower shall retain all tenant selection documents, which include but are not limited to: income verification, employment verification, credit reports, leases and low-income computation forms, to be available for periodic inspections by the City or its representative. The City, at its option, can periodically inspect the Project, and all occupancy-related documents to determine continued compliance of Section 42 of the Code and applicable Treasury regulations.
- D. Nondiscriminatory Access. The Project is available for occupancy by all persons regardless of race, national origin, religion, creed, sex, age or handicap.
- E. Litigation. No litigation or proceedings have been threatened or are pending which may affect the interest of the Borrower in the Project or the ability of the Borrower to perform its obligations.

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- F. Contracts. The Borrower has taken affirmative action to ensure that women- and minority-owned businesses have had the maximum opportunity to compete for and perform as contractors for supplies and/or services, and will continue to do so with future contracts and awards as provided in an ordinance adopted by the City Council of the City on November 28, 1990, which affirms the City's intent to award approximately 21.1% of project contracts to Minority Business Enterprises (MBE) and 5% to Women Business Enterprises (WBE).
- G. Marketing. All units in each building included in the Project are affirmatively marketed and available for occupancy by all persons regardless of race, national origin, religion, creed, sex, age or handicap.
- H. Qualification. The Project constitutes a qualified low-income building or qualified low-income project, as applicable, as defined in Section 42 of the Code and the regulations thereunder.
- I. Facilities. Each unit in the Project contains complete facilities for living, sleeping, eating, cooking and sanitation (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless, in which case such unit(s) shall comply with the applicable requirements of Section 42 of the Code) which are to be used on other than a transient basis. Each unit is and will remain suitable for occupancy.
- J. Maintenance. The Borrower has not demolished any part of the Project or substantially subtracted from any real or personal property of the Project or permitted the use of any residential rental unit for any purpose other than rental housing. The Borrower has used its best efforts to repair and restore the Project to substantially the same condition as existed prior to the occurrence of any event causing damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of the Regulatory Agreement.
- K. Records. The Borrower is in possession of all records which it is required to maintain pursuant to the terms of Section 42 of the Code, regulations thereunder, the Plan and the Regulatory Agreement as well as any additional records which the City has determined to be necessary to the compliance and administration of the Project.

The Borrower has not executed any agreement with provisions contradictory to, or in opposition to, the provisions of the Regulatory Agreement and in any event the requirements of the Regulatory Agreement are paramount and controlling as to the rights and obligations therein set forth and supersede any other requirements in conflict therewith. The representations and warranties of the Borrower as set forth herein shall survive the

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allocation of the Tax Credits. The Borrower shall continue to cooperate with the City and furnish such documents, reports, exhibits or showings as are required by Section 42 of the Code, the applicable Treasury Regulations, the Plan and the City or the City's counsel.

If the Borrower is unable to make any representation or warranty set forth above, the Borrower must immediately contact the City and inform the City of the reason that the Borrower is unable to make such representation or warranty.

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INDEMNIFICATION 1 7 1 2

The Borrower hereby agrees to fully and unconditionally indemnify, defend and hold harmless the City from and against any judgment, losses, liabilities, damages (including consequential damage), costs, and expenses of whatsoever kind or nature, including, without limitation, attorneys' fees, expert witness fees, and any other professional fees and litigation expenses or other obligations, incurred by the City that may arise in any manner out of or in connection with actions or omissions which result from the Borrower's responses or documents provided pursuant to the terms of this Annual Report, including breaches of the representations and warranties herein contained. The Borrower acknowledges that this indemnification provision supplements the indemnification provisions in the Reservation Letter, the Release and Indemnification Agreement dated _____ between the City and [Insert Name of General Partner], the sole general partner of the Borrower, and the Regulatory Agreement and does not supersede such provisions.

Based on the understanding that the City may rely upon the truth and accuracy of this Annual Report and the statements made by the undersigned, the undersigned hereby certifies to the City that each response, representation, warranty and document delivered by the Borrower in connection herewith is true and accurate and will continue to be true and accurate.

Borrower

Date

Subscribed and sworn to before me this _____ day of _____, ..

Notary Public

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SCHEDULE A

1 2 3

Borrower: _____

Mailing Address: _____

Date of Commitment Letter: _____

Project No.: _____

Building Identification Number: _____

Tax Credits Allocated to this Building:

Number of Residential Rental Units in this Building:

1 Br _____ 3 Br _____ 5 or more Br _____
2 Br _____ 4 Br _____

Total Square Feet of space contained in Residential Rental Units
in this Building:

Total Number of Residential Rental Units rented to Lower-Income
Families:

1 Br _____ 3 Br _____ 5 or more Br _____
2 Br _____ 4 Br _____

Total Eligible Basis of the Building:

Amount reduced due to receiving a federal grant:
(If Applicable)

Total Eligible Basis of the Building:

For each Residential Rental Unit rented to a Lower-Income Family, provide the following:

[illegible]

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1. Has the rent in any unit in the building identified above increased since the filing of the previous Annual Report, or, if this Annual Report is the first Annual Report filed with respect to such building, has the rent been increased from the amounts projected during the construction period?

Yes _____ No _____

If Yes, please provide details.

2. Are there any services provided to the tenants by the Borrower, directly or indirectly, which require payments by the tenants to the Borrower in excess of the rental rate?

Yes _____ No _____

If Yes, please provide details.

3. How many units in the building are now occupied by tenants that did not occupy such units at the time of the last Annual Report filed for this building?

4. What steps did the Borrower take to insure that the new tenants qualified as Lower-Income Families?

5. Have any Lower-Income Families been evicted since the time of the last Annual Report or if this report is the first Annual Report filed with respect to such building, since the initial rent-up of the building?

Yes _____ No _____

If Yes, please provide details.

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6. Has any legal or administrative action been instituted by any Lower-Income Family against the Borrower?

Yes _____ No _____

If Yes, please provide details.

7. Provide the total amount expended by the Borrower in connection with maintenance and repair of the building. Also provide details regarding any expenditures made by the Borrower for the repair and maintenance of the building.

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