

## RESOLUTION

### **A RESOLUTION AWARDING A SMALL RENTAL PROPERTY REHABILITATION LOAN AND AUTHORIZING THE EXECUTION OF A LOAN COMMITMENT AND AGREEMENT FOR THE PROPERTY LOCATED AT 114 MADISON STREET (SRP-048)**

**BE IT RESOLVED** by the President and Board of Trustees of the Village of Oak Park, Cook County, State of Illinois ("Village"), in the exercise of their home rule powers, as follows:

**Section 1. Findings.** The Village Board makes the following findings:

a) The Village of Oak Park ("Village") has allocated Community Development Block Grant ("CDBG") funds in the current program year for loans under the Small Rental Rehabilitation program, which is open to rental buildings with fewer than 8 (eight) units. The program has two major purposes: (1) to upgrade the physical condition of small rental buildings and (2) to expand the housing choices of renters to encourage economic and racial diversity. As of June 11, 2024, \$62,500 of those funds are available for such loans.

b) The premises at 114 Madison Street ("Property") consists of a one-unit building owned by John Pullano ("Owner"). The Owner requested a rehabilitation loan to perform work in accordance with the Application and Scope of Work, copies of which are on file in the Neighborhood Services Department. The Housing Programs Advisory Committee has reviewed the Application and Scope of Work and recommends awarding a loan for the purposes stated therein. The Neighborhood Services Department concurs.

c) The Owner has requested a forgivable loan of up to \$5,000 from Oak Park's Small Rental Housing Rehabilitation Loan/Grant Program. The total rehabilitation cost of the project is not expected to exceed \$6,666, which includes the loan amount of \$5,000 and exceeds the Owner's 3:1 match required under the Program. Any cost exceeding the Village rehabilitation loan shall be paid by the Owner.

d) The Owner agrees as a condition of the forgivable loan to rent 51% of the units to households earning below 80% of the Area Median Income (AMI) and to enter into a Marketing Services Agreement, the terms of which are set forth in the Loan Commitment and Agreement, in substantially the form attached hereto as Exhibit III.

**Section 2. Award of Loan.** The Village awards a loan in the amount of \$5,000 to the Owner contingent upon the Owner's execution of a Mortgage, in substantially the form attached as Exhibit I, a Note, in substantially the form attached as Exhibit II, and the Loan Commitment and Agreement, which loan funds shall be distributed only: 1) upon evidence that work within the approved Scope of Work has been performed on the premises to the extent of the draw; 2) upon receipt of mechanics' lien waivers for labor and materials on the premises in the amount

of the draw; and 3) upon receipt of proof that the Owner has paid at least twenty-five percent (25%) of the total amount of the draw for work within the Scope of Work.

**Section 3. Loan Security.** The \$5,000 forgivable loan shall be secured by a junior mortgage recorded against the Property, and evidenced by the Mortgage and Note.

**Section 4. Authorization to Execute Loan Documents.** The Village Manager is hereby authorized and directed to execute a Loan Commitment and Agreement with the Owner of the Property conforming substantially to the Loan Commitment and Agreement attached hereto and made a part hereof as Exhibit III.

**Section 5. Waiver of Permit Fees.** The President and the Board of Trustees authorize the waiver of any and all permit fees related to work paid for using Village funds, up to the maximum amount of the loan and the Owner's matching funds. Prior to obtaining a permit, the Owner is required to obtain certification from the Neighborhood Services Department that the work requested under the permit is in accordance with the approved Scope.

**Section 6. Effective Date.** This Resolution shall be in full force and effect from and after its passage and adoption as provided by law.

**ADOPTED** this 11<sup>th</sup> day of June, 2024 pursuant to a roll call vote as follows:

Voting	Aye	Nay	Absent	Abstain
President Scaman				
Trustee Buchanan				
Trustee Enyia				
Trustee Parakkat				
Trustee Robinson				
Trustee Straw				
Trustee Wesley				

**APPROVED** this 11<sup>th</sup> day of June, 2024.

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Vicki Scaman, Village President

**ATTEST**

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Christina M. Waters, Village Clerk