



November 10, 2016 **\$22,000,000 (not-to-exceed amount)**
Oak Park Residence Corporation

REQUEST	<p>Purpose: Bond proceeds will be loaned to Oak Park Residence Corporation (the “Corporation” or the “Borrower”) in order to assist the Borrower in providing a portion of the funds necessary to do any or all of the following: (a) finance, refinance or reimburse the Borrower for all or a portion of the costs, including capitalized interest, if any, of the acquiring, constructing, improving, renovating, furnishing and equipping of its residential rental properties, (b) currently refund the outstanding Variable Rate Demand Revenue Bonds (Village of Oak Park Residence Corporation Project), Series 2001 and the Variable Rate Demand Revenue Bonds (Village of Oak Park Residence Corporation, Series 2006) (the “Refunded Bonds”), (c) pay certain working capital expenditures if deemed desirable by the Borrower, (d) fund a debt service reserve fund, if deemed necessary or desirable by the Borrower, and (e) pay certain costs relating to the issuance of the Series 2017 Bond if deemed necessary or desirable by the Borrower (collectively, the “Financing Purposes”).</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Volume Cap Not Required: This financing will not require Volume Cap due to the 100% 501(c)(3) ownership status of the corporation. A minimum of 20% of the units must be allocated for lease to individuals with incomes below 50% of the area median income (“AMI”) pursuant to Oak Park Residence Corporation’s corporate mission.</p> <p>Extraordinary Conditions: None.</p>																				
BOARD ACTION	Final Bond Resolution (<i>One-time consideration</i>)																				
MATERIAL CHANGES	None. This is the first time this Project has been considered by the IFA Board of Directors.																				
JOB DATA	<table style="width:100%; border:none;"> <tr> <td style="text-align:center;">30</td> <td style="text-align:center;">Current jobs</td> <td style="text-align:center;">0</td> <td style="text-align:center;">New jobs projected</td> </tr> <tr> <td style="text-align:center;">N/A</td> <td style="text-align:center;">Retained jobs</td> <td style="text-align:center;">10</td> <td style="text-align:center;">Construction jobs projected (1-2 months)</td> </tr> </table>	30	Current jobs	0	New jobs projected	N/A	Retained jobs	10	Construction jobs projected (1-2 months)												
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BORROWER DESCRIPTION	<ul style="list-style-type: none"> ● Project Location: 22-property multifamily housing portfolio in Oak Park (Cook County), Illinois. (Please see p. 5 for a detailed listing.) ● Type of entity: Oak Park Residence Corporation was established in 1966. The primary mission of the Corporation is to promote Oak Park as a diverse and economically balanced community by providing quality rental housing at an affordable price. ● The Corporation is affiliated through common ownership with the Cyrus V. Giddings Corporation which owns the Ryan Farrelly Apartments, a 21-unit building for the handicapped subsidized by the U.S. Dept. of Housing and Urban Development (“HUD”). Additionally, the Corporation is the sole member of The Oaks Section 202 LLC which owns a 76-unit apartment building operated for the elderly and handicapped, and is subsidized by HUD. ● Most recently in August 2015, the Corporation as the sole member of OPRC A & L LLC purchased a 7-unit building at 1018 North Austin and a 4-unit building at 908 South Lombard (each in Oak Park, IL). 																				
CREDIT INDICATORS	<ul style="list-style-type: none"> ● Oak Park Residence Corporation is currently a non-rated entity. ● The Series 2001 Bonds and Series 2006 Bonds to be refunded are currently secured by Direct Pay Letters of Credit issued by PNC Bank, N.A. (which are otherwise scheduled to expire August 15, 2017). 																				
STRUCTURE	<ul style="list-style-type: none"> ● The plan of finance contemplates the direct purchase of the Series 2017 Bond by PNC Community Development Company, LLC (“PNC” or the “Bond Purchaser”), a wholly-owned affiliate of PNC Bank, N.A. ● The Purchaser is expected to be secured by a Mortgage that grants a security interest in certain real and personal property of the Borrower and a Security Agreement that grants a security interest in the Borrower’s Gross Revenues. ● The Purchaser will establish a fixed interest rate for an initial term of 10 years, estimated at current conditions to be between 2.00% and 4.00% during the initial term. ● The final maturity date of the Bond will be January 1, 2047. 																				
SOURCES AND USES ESTIMATED	<table style="width:100%; border:none;"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td style="text-align:right;">\$20,000,000</td> <td>Series 2001/2006 Refunding</td> <td style="text-align:right;">\$17,000,000</td> </tr> <tr> <td>Equity</td> <td style="text-align:right;"><u>250,000</u></td> <td>Rehabilitation</td> <td style="text-align:right;">3,000,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td style="text-align:right;"><u>250,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align:right;"><u>\$20,250,000</u></td> <td>Total</td> <td style="text-align:right;"><u>\$20,250,000</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$20,000,000	Series 2001/2006 Refunding	\$17,000,000	Equity	<u>250,000</u>	Rehabilitation	3,000,000			Costs of Issuance	<u>250,000</u>	Total	<u>\$20,250,000</u>	Total	<u>\$20,250,000</u>
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RECOMMENDATION | Credit Review Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 10, 2016**

Project: Oak Park Residence Corporation

STATISTICS

Project Number: 12371	Amount: \$22,000,000 (not-to-exceed amount)
Type: 501(c)(3) Revenue Bond	IFA Staff: Rich Frampton and Brad R. Fletcher
Location: Oak Park	County/Region: Cook County/Northeast

BOARD ACTION

Final Bond Resolution	No IFA funds at risk
501(c)(3) Revenue Bond	No extraordinary conditions
Credit Review Committee recommends approval	

VOTING RECORD

This is the first time this Project has been considered by the IFA Board of Directors.

PURPOSE

Bond proceeds will be loaned to **Oak Park Residence Corporation** (the “**Corporation**” or the “**Borrower**”) in order to assist the Borrower in providing a portion of the funds necessary to do any or all of the following: (a) finance, refinance or reimburse the Borrower for all or a portion of the costs, including capitalized interest, if any, of the acquiring, constructing, improving, renovating, furnishing and equipping of its residential rental properties, (b) currently refund the outstanding Variable Rate Demand Revenue Bonds (Village of Oak Park Residence Corporation Project), Series 2001 and the Variable Rate Demand Revenue Bonds (Village of Oak Park Residence Corporation, Series 2006) (the “**Refunded Bonds**”), (c) pay certain working capital expenditures if deemed desirable by the Borrower, (d) fund a debt service reserve fund, if deemed necessary or desirable by the Borrower, and (e) pay certain costs relating to the issuance of the Series 2017 Bond if deemed necessary or desirable by the Borrower (collectively, the “**Financing Purposes**”).

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bond financing that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA’s issuance will convey federal income tax-exempt status on interest earned on the Bond paid to bondholders, thereby reducing the Borrower’s interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

JOBS

Current employment: 30	Projected new jobs: 0
Jobs retained: N/A	Construction jobs: 10 (1-2 months)

ESTIMATED SOURCES AND USES OF FUNDS (SUBJECT TO CHANGE)

Sources:		Uses:	
IFA Bonds	\$20,000,000	Series 2001/2006 Refunding	\$17,000,000
Equity	<u>250,000</u>	Rehabilitation	3,000,000
		Costs of Issuance	<u>250,000</u>
Total	<u>\$20,250,000</u>	Total	<u>\$20,250,000</u>

FINANCING SUMMARY

- Structure/
Security: **PNC Community Development Company, LLC** (“PNC” or the “**Bond Purchaser**”), a wholly-owned affiliate of PNC Bank, N.A., will hold the subject Bond as an investment.
- The Bond Purchaser is expected to be secured by a Mortgage that grants a security interest in certain real and personal property of the Borrower and a Security Agreement that grants a security interest in the Borrower’s Gross Revenues.
- Interest Rate: The Bond Purchaser will establish a fixed interest rate for an initial term of 10 years, estimated at current conditions to be between 2.00% and 4.00% during the initial term.
- Maturity: January 1, 2047 – Final Maturity Date (i.e., not-to-exceed parameter of 30 years from the anticipated closing date)
- Estimated
Closing Date: January 2017
- Rationale: The savings attained from issuing the proposed Series 2017 Bond (versus undertaking a conventional debt refinancing) will reduce monthly payments that will help Oak Park Residence Corporation keep its fixed charges (including debt service payments) as low as possible. The savings from a tax-exempt financing will also free up cash to be used for other projects that will enhance the real estate portfolio of the Corporation.
- An estimated \$3.0 million of Series 2017 bond proceeds will fund improvements and renovations of various multi-family residential rental properties within Oak Park Residence Corporation’s portfolio; particularly those improvements that result in energy efficiency and reduced cost. These capital improvements will reduce on-going maintenance and energy costs.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Whereas, the Illinois Development Finance Authority (a predecessor organization of the Authority) has heretofore issued its \$13,000,000 in original aggregate principal amount Variable Rate Demand Revenue Bonds (Village of Oak Park Residence Corporation Project), Series 2001 and the Authority has heretofore issued its \$4,000,000 in original aggregate principal amount Variable Rate Demand Revenue Bonds (Village of Oak Park Residence Corporation, Series 2006) (the “**Refunded Bonds**”), the proceeds of which were loaned to **Oak Park Residence Corporation (f/k/a Village of Oak Park Residence Corporation)**, an Illinois not for profit corporation (the “**Borrower**”) for the purposes of (a) financing and refinancing various properties located within the Village of Oak Park, Illinois consisting of residential rental units, (b) refunding certain debt of the Borrower, and (c) paying certain costs incurred with the issuance of the Refunded Bonds; and

Whereas, the Borrower has requested that the Authority issue its Revenue Bond, Series 2017 (Oak Park Residence Corporation Project) (the “**Series 2017 Bond**”) in the principal amount not to exceed \$22,000,000, and loan the proceeds from the sale thereof to the Borrower in order to assist the Borrower in providing a portion of the funds necessary to do any or all of the following: (a) finance, refinance or reimburse the Borrower for all or a portion of the costs, including capitalized interest, if any, of the acquiring, constructing, improving, renovating, furnishing and equipping of its residential rental properties, (b) currently refund the outstanding Refunded Bonds, (c) pay certain working capital expenditures if deemed desirable by the Borrower, (d) fund a debt service reserve fund, if deemed necessary or desirable by the Borrower, and (e) pay certain costs relating to the issuance of the Series 2017 Bond if deemed necessary or desirable by the Borrower, all as permitted under the Act (collectively, the “**Financing Purposes**”).

BUSINESS SUMMARY

Background: Oak Park Residence Corporation (f/k/a Village of Oak Park Residence Corporation), an Illinois not for profit corporation (the “Borrower” or “Applicant”) was established in 1966 and is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code

Oak Park Residence Corporation is governed by a 7-member Board of Directors (see Economic Disclosure Statement on pp. 5-6).

Day-to-day operations are managed by its Executive Director, Maria Saldaña. Ms. Saldaña has served in this current position since March 2004 and has a background in municipal government and investment banking.

Description: Oak Park Residence Corporation is a community-based, non-profit housing development corporation. Its primary mission is to promote Oak Park as a diverse and economically balanced community by providing quality rental housing at an affordable price. The Corporation carries out its mission principally by acquiring older apartment buildings, rehabilitating them into assets that contribute to their neighborhoods, and providing quality management services. A minimum of 20% of the Corporation’s units must be allocated for lease to individuals with incomes below 50% of the area median income (“AMI”) pursuant to their mission.

During its 48+ years of operation, the Corporation has acquired and rehabilitated more than 25 multi-family buildings. It currently owns and manages 22 multi-family buildings containing about 480 units of rental housing. In addition to the quality management of its own buildings, the Corporation offers professional management services to other multi-family building owners in Oak Park.

The Corporation is affiliated with the Oak Park Housing Authority and, through this partnership, provides housing for low-income elderly and individuals with disabilities in three buildings that receive federal rent subsidies. Among these buildings is an award-winning congregate housing facility for elderly residents and a building specially designed for severely mobility impaired individuals.

The Corporation is affiliated through common ownership with the Cyrus V. Giddings Corporation which owns the Ryan Farrelly Apartments, a 21-unit building for the handicapped subsidized by the U.S. Dept. of Housing and Urban Development (“HUD”). Additionally, the Corporation is the sole member of The Oaks Section 202 LLC which owns a 76-unit apartment building operated for the elderly and handicapped, and is subsidized by HUD. Most recently in August 2015, the Corporation as the sole member of OPRC A & L LLC purchased a 7-unit building at 1018 North Austin and a 4-unit building at 908 South Lombard (each in Oak Park, IL)

Proceeds of the IDFA \$13,000,000 in original aggregate principal amount Variable Rate Demand Revenue Bonds (Village of Oak Park Residence Corporation Project), Series 2001 and the IFA \$4,000,000 in original aggregate principal amount Variable Rate Demand Revenue Bonds (Village of Oak Park Residence Corporation, Series 2006) were used for the purposes of financing and refinancing various properties located within the Village of Oak Park, Illinois.

The Borrower is current on payments relating to the IDFA Series 2001 Bonds and IFA Series 2006 Bond as of 11/1/2016 and has made all payments as scheduled.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Oak Park Residence Corporation, 21 South Boulevard, Oak Park (Cook County), Illinois 60302
(c/o Ms. Maria Saldaña, Executive Director, Tel: 708-386-6061 ext. 111)
Email: MSaldana@oakparkrc.com)

Project name: IFA Revenue Bond, Series 2017 (Oak Park Residence Corporation)

Site Location(s): The proceeds of the Series 2017 Bond will refinance certain existing debt of the Borrower and finance the rehabilitation by the Borrower of certain residential rental properties.

The Borrower is engaged in improving housing in the Village of Oak Park, Illinois. The Borrower owns various residential rental properties located in the Village of Oak Park, including properties located at: 438-442 S. Lombard/ 128-132 Madison; 37-49 South Boulevard/103-111 S. Humphrey; 5 Pleasant/232-234 N. Austin; 470-492 N. Austin/3-11 Ontario; 2-12 Pleasant/302-304 N. Austin; 543-545 N. Humphrey/41-47 Iowa; 17-21 Harrison/906-908 S. Humphrey; 27-35 Harrison/905-911 S. Humphrey; 2-6 Thomas/1100-1102 N. Austin; 101-105 Harrison/905-911 Lyman; 901-911 Pleasant/201-211 S. Kenilworth; 213 S. Kenilworth; 411-115 S. Harvey; 1022-1024 N. Austin; 1000 N. Austin/2-4 Augusta; 1118-1126 S. Austin; 402-404 S. Austin/7 Van Buren; 301-311 Harrison/901-909 Highland; 514-516 S. Austin; and 16-24 N. Austin. The Borrower may utilize a portion of the proceeds of the Bonds to acquire, rehabilitate or refinance the properties listed above or others located in the Village of Oak Park at 464-466 N. Austin and 422-428 S. Taylor.

Organization: Illinois Not-for-Profit Corporation

Board
of Directors: The 7-member Board of Directors is listed below:

- Wayne Pierce, President
- Jennifer Stratman, Vice-President
- Bradley Beile, Treasurer
- Marjorie Greenwald, Secretary
- Nancy Leavy
- Charisse Hampton
- Peter Michael Gonzalez

Lessee
 Disclosure:

Building	Address	Commercial Lessee	Contact
Lombard & Madison	128-132 Madison, Oak Park	Frank's Barber Shop	Frank Cox 708-383-1366
		Addictions	Danielle Seals 773-569-2536
		Seafood Junction	Eyad Al-Hjouj 315-491-5793
South Court	41A South Blvd., Oak Park	North Shore Garage Doors LLC	Will Santiago 773-517-6319
Harrison East	17-21 Harrison, Oak Park	Liz Gaylord	Liz Gaylord 708-308-4602
		Reisha Williams	Reisha Williams 773-617-7188
		Martha Wade	Martha Wade Wade.Create@yahoo.com
Harrison West	27-31 Harrison, Oak Park	Whatever Comes to Mind	Tia Jones 708-299-2878
		Expressions Graphics	Janet Schill 708-447-9262
		Kathy Reller Designs	Kathy Reller 708-710-1813
Harrison & Highland	301 Harrison, Oak Park	Tom Bassett-Dilley Architect, Ltd.	Tom Bassett-Dilley 708-660-1345

PROFESSIONAL & FINANCIAL

Auditor:	Kolnicki, Peterson & Wirth, LLC	Downers Grove, IL	
Borrower's Advisor:	Acacia Financial Group, Inc.	Chicago, IL Marlton, NJ	Phoebe Selden Pete Nissen Josh Nykita Siamac Afshar Joe Calogero
Borrower Counsel:	Applegate Thorne-Thompson	Chicago, IL	Nicholas Brunick Andrew Massmann
Bond Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal Victoria Pool
Bond Purchaser:	PNC Community Development Co., LLC (PNC Financial Services Group)	Chicago, IL	Tony Smith Dorothy Abreu
Bank Counsel:	Quarles & Brady LLP	Chicago, IL	Mary Ann Murray
General Contractor:	(In-House)	Oak Park, IL	Cesar Nunez
Filing Agent:	To be determined		
IFA Counsel:	Arnstein & Lehr LLP	Chicago, IL	Randy Kulat
IFA Financial Advisor:	Sycamore Advisors LLC	Indianapolis, IN	Diana Hamilton, Courtney Tobin

LEGISLATIVE DISTRICTS

Congressional: 7
 State Senate: 4, 39
 State House: 8, 78
