

## SUBSTITUTE ORDINANCE

WHEREAS, the City of Chicago (the "City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low and moderate income; and

WHEREAS, the City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, Brown Derby LLC, a Delaware limited liability company (the "Owner"), and R2 Development, LLC, an Illinois limited liability company ("R2", and collectively with Owner, the "Developer"), have submitted a proposal to the Department of Housing ("DOH") to redevelop certain real property located at 79 W. Monroe Street, Chicago, Illinois 60603 (as legally described in Exhibit B, the "Property"). The project will include the redevelopment of approximately 117 residential units, of which 41 units (35%) will be rental units affordable to moderate- to low-income families (the "Affordable Units"), a tenant lounge, fitness center, outdoor areas, a dog run, and a small retail space on the lower ground floor (the "Project"); and

WHEREAS pursuant to an ordinance adopted by the City Council on November 15, 2006, and published at pages 92019 – 92099 of the Journal of the Proceedings of the City Council (the "Journal") of such date, a certain redevelopment plan and project, as amended (the "Plan") for the LaSalle Central Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 *et seq.*) (the "Act"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on November 15, 2006, and published at pages 92100 – 92107 of the Journal of such date, the Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, pursuant to an ordinance adopted by the City Council on November 15, 2006, and published at pages 92108 -- 92114 of the Journal of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Redevelopment Project Costs (as defined in the Act) incurred pursuant to the Plan (as amended from time to time, the "TIF Ordinance"); and

WHEREAS, the Property is located in the Area; and

WHEREAS, the Project is consistent with the goals and objectives of the Redevelopment Plan and necessary for the redevelopment of the Area; and

WHEREAS, Developer will be obligated to undertake the Project in accordance with the terms and conditions of a proposed redevelopment agreement to be executed by the Developer and the City, with the Project to be financed in part by a grant (the "TIF Grant") of certain pledged incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Area (the "TIF Fund") pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"); now therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. Upon the approval and availability of the Additional Financing as shown on Exhibit A hereto, the Commissioner of the Department of Planning and Development ("DPD") or a designee or successor thereof (the "Authorized DPD Officer") are each hereby authorized, with the approval of the City's corporation counsel (the "Corporation Counsel") as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Developer and the City in connection with payment of the Redevelopment Project Costs with the tax increment financing ("TIF") funds, substantially in the form attached hereto as Exhibit C and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement, with such execution to constitute conclusive evidence of the Authorized DPD Officer's approval of any changes or revisions from the form of Redevelopment Agreement attached to this Ordinance.

SECTION 4. The City Council hereby finds that the City is authorized to pay an aggregate amount equal to \$28,000,000 ("City Funds") from Incremental Taxes deposited in the general account of the TIF Fund (the "General Account"), to the Developer to finance a portion of costs included within the Project and eligible under the Act. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section 4.

SECTION 5. Pursuant to the TIF Ordinance, the City has created the TIF Fund. The Chief Financial Officer (or his or her designee) is hereby directed to maintain the TIF Fund as a segregated interest-bearing account, separate and apart from the City's Corporate Fund or any other fund of the City. Pursuant to the TIF Ordinance, all Incremental Taxes received by the City for the Area shall be deposited into the TIF Fund. The City shall use the funds in the TIF Fund to make payments pursuant to the terms of the Redevelopment Agreement.

SECTION 6. The Mayor, the Chief Financial Officer, the City Comptroller, the City Clerk and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this ordinance

SECTION 7. The Project (as described on Exhibit A hereto) shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago (the Municipal Code).

SECTION 8. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 9. This ordinance shall be effective as of the date of its passage and approval.