

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, the City has certain funds available from a variety of funding sources ("Multi-Family Program Funds") to make loans and grants for the development of multi-family residential housing to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, and such Multi-Family Program Funds are administered by the City's Department of Housing ("DOH"); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan in an amount not to exceed \$9,500,000 (the "Loan"), to be funded from Multi-Family Program Funds, pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof to LeClaire Partners A-North JV LP, a Delaware limited partnership (the "Borrower"), of which LeClaire Partners A-North JV LLC, an Illinois limited liability company, is the sole general partner, of which LeClaire Partners LLC, an Illinois limited liability company, is the managing member ("Managing Member"), and 4400 S. Cicero LLC, an Illinois limited liability company, is the member ("Member"), and further, Cabrera Capital Partners, LLC, a Delaware limited liability company, and The Habitat Company LLC, an Illinois limited liability company, are indirectly the owners of Managing Member, and the Chicago Housing Authority, an Illinois municipal corporation under the Housing Authorities Act, as amended (310 ILCS 10/1 et. seq.) ("CHA"), is the sole member of Member; and

WHEREAS, the Borrower and its affiliate (the "9% Owner" and collectively with the Borrower, the "Developers") plan to develop real property located generally at 4809 West 44th Street, Chicago, Illinois and 4442 South Cicero Avenue, Chicago, Illinois (collectively, the "Overall Property"), and the Developers shall construct the following, which shall hereinafter be known as the "Development": (i) affordable residential housing units in two separate buildings on the Leasehold Estate(s) (as defined below), (ii) one building, which shall be hereinafter referred to as the "North Building", and is anticipated to be located generally at 4809 West 44th Street, and (iii) one building, which shall be hereinafter referred to as the "South Building", and is anticipated to be located generally at 4442 South Cicero Avenue; and

WHEREAS, the Development will be divided into two separate projects, with only one project receiving City assistance and such project, referred to hereinafter as the "4% Project", will consist of (i) approximately 138 market-rate and affordable residential housing units, of which approximately 110 such units will be located in the North Building and approximately 28 such units will be located in the South Building, and approximately 124 of such units will be reserved for households with incomes at or below 80% of area median income, and (ii) its allocable share of the common areas and parking; and

WHEREAS, the portion of the Overall Property on which the 4% Project will be situated shall be known as the “Property”; and

WHEREAS, CHA plans to enter into one or more long-term ground leases for the Overall Property with CHA Community Support Corporation, an Illinois not-for-profit corporation (“CHA CSC”), creating one or more leasehold estates which will be assigned to the Borrower and/or an affiliate of the Borrower (the “Leasehold Estate(s)"); and

WHEREAS, pursuant to ordinances which the City Council of the City (the “City Council”) adopted on July 20, 2022, and which were published in the Journal of the Proceedings of the City Council (the “Journal”) for such date at pages 51342 to 51420 (the “TIF Ordinances”), and under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1 et seq., as amended (the “Act”), the City Council: (i) approved a redevelopment plan and project (the “Plan”) for a portion of the City known as the “Cicero/Stevenson Redevelopment Project Area” (the “Area”); (ii) designated the Area as a “redevelopment project area” within the requirements of the Act; and (iii) adopted tax increment financing for the Area; and

WHEREAS, pursuant to ordinances which the City Council adopted on February 16, 2000, and which were published in the Journal for such date at pages 24918 to 25062, and under the provisions of the Act, the City Council: (i) approved a redevelopment plan and project for a portion of the City known as the “Midway Industrial Corridor Redevelopment Project Area” (the “Midway Area”); (ii) designated the Midway Area as a “redevelopment project area” within the requirements of the Act; and (iii) adopted tax increment financing for the Midway Area; and

WHEREAS, pursuant to ordinances which the City Council adopted on May 17, 2000, and which were published in the Journal for such date at pages 31380 to 31518, and under the provisions of the Act, the City Council: (i) approved a redevelopment plan and project for a portion of the City known as the “Cicero/Archer Redevelopment Project Area” (the “Cicero/Archer Area”); (ii) designated the Cicero/Archer Area as a “redevelopment project area” within the requirements of the Act; and (iii) adopted tax increment financing for the Cicero/Archer Area; and

WHEREAS, pursuant to Section 5/11-74.4-4(q) of the Act, the City can use incremental taxes from one redevelopment project area for eligible redevelopment project costs in another redevelopment project area that is either contiguous to, or is separated only by a public right of way from, the redevelopment project area from which the incremental taxes are received so long as the applicable redevelopment plans permit such use (the “Transfer Rights”); and

WHEREAS, pursuant to an ordinance which the City Council adopted on December 16, 2024, and which was published in the Journal for such date at pages 21972 to 21975, the City exercised its Transfer Rights by depositing incremental taxes in the amount of \$2,000,000 from the Midway Area (“Midway Incremental Taxes”) and \$3,500,000 from the Cicero/Archer Area (“Cicero/Archer Incremental Taxes,” and collectively with the Midway Incremental Taxes, the “Ported Funds”) into the TIF Fund (as defined below); and

WHEREAS, the 4% Project is necessary for the redevelopment of the Area; and

WHEREAS, pursuant to Resolution 24-CDC-32 adopted by the Community Development Commission of the City (the “Commission”) on August 13, 2024, the Commission has recommended that the Borrower be designated as the developer for the Project, and that the

City's Department of Planning and Development be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Borrower; and

WHEREAS, the Borrower will be obligated to undertake the 4% Project in accordance with the Plan and the terms and conditions of a proposed redevelopment agreement (the "Redevelopment Agreement") to be executed by the Borrower and the City, with the Project to be financed in part by 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 (the "Incremental Taxes"); now, therefore,

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

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

SECTION 2. Loan Authorization. Upon the approval and availability of the Additional Financing as shown in Exhibit A hereto, the Commissioner of Housing and a designee or successor thereof (collectively, the "Authorized DOH Officer") are each hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Loan. The Authorized DOH Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized DOH Officer is hereby authorized to disburse the proceeds of the Loan to the Borrower.

SECTION 3. Developer Designation. The Borrower is hereby designated as the "Developer" for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 4. Authorization of Redevelopment Agreement. Upon the approval and availability of the Additional Financing as shown in Exhibit A hereto, the City's Commissioner of Planning and Development or a designee or successor thereof (collectively, the "Authorized DPD Officer") are each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver the Redevelopment Agreement between the Borrower and the City in connection with payment of the eligible redevelopment project costs with the funds in the TIF Fund, substantially in the form attached hereto as Exhibit B and made a part hereof, 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 5. Payment of Incremental Taxes. The City Council hereby finds that the City is authorized to pay an aggregate amount equal to \$5,500,000 ("City Funds") from Incremental Taxes deposited in the general account of the TIF Fund, including the Ported Funds, to finance a portion of the costs included within the 4% Project and eligible under the Act, to the Borrower including securing any portion of the Additional Financing. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section 5.

SECTION 6. Maintenance and Use of TIF Fund. Pursuant to the TIF Ordinances, 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 Ordinances, 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 7. Affordability Provisions. The 4% Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago (the "Municipal Code"). Sections 2-44-080 through 2-44-105 of the Municipal Code shall not apply to the 4% Project, the Property or the Leasehold Estate(s) related to the 4% Project.

SECTION 8. No Impairment. 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. Effective Date. This ordinance shall be effective as of the date of its passage and approval.

EXHIBIT A

BORROWER: LeClaire Partners A-North JV LP, a Delaware limited partnership (the "Borrower"), of which LeClaire Partners A-North JV LLC, an Illinois limited liability company, is the sole general partner ("General Partner"), of which LeClaire Partners LLC, an Illinois limited liability company, is the managing member ("Managing Member"), and 4400 S. Cicero LLC, an Illinois limited liability company, is the member ("Member"). Further, Cabrera Capital Partners, LLC, a Delaware limited liability company, and The Habitat Company LLC, an Illinois limited liability company, are indirectly the owners of Managing Member and the Chicago Housing Authority ("CHA") is the sole member of Member.

PROJECT: 4% Project, as described in the Ordinance.

LOAN:

Source:	Multi-Family Program Funds
Amount:	Not to exceed \$9,500,000
Term:	40 years plus construction period, or such other term that is acceptable to the Authorized DOH Officer
Interest:	Zero percent per annum, or another rate acceptable to the Authorized DOH Officer
Security:	Non-recourse loan; junior mortgage on the Leasehold Estate(s) related to the 4% Project ("City Mortgage 1")

LOAN:

Source:	Available incremental taxes from the Area pursuant to the terms and conditions of the Redevelopment Agreement
Amount:	Not to exceed \$5,500,000
Term:	40 years plus construction period, or such other term that is acceptable to the Authorized DOH Officer
Interest:	Zero percent per annum, or another rate acceptable to the Authorized DOH Officer
Security:	Non-recourse loan; mortgage on the Leasehold Estate(s) related to the 4% Project junior to the Senior Mortgage (as defined below) and the City Mortgage 1 (the "City TIF Mortgage," and collectively with the City Mortgage 1, the "City Mortgages")

ADDITIONAL FINANCING:

1. Senior Loan

Construction Period:

Amount: \$44,000,000 or such other amount acceptable to the Authorized DOH Officer, during the construction period

Source: Bank of America, National Association, or such other lender acceptable to the Authorized DOH Officer, to be funded through the issuance of one or more multi-family housing revenue bonds or notes (the "Notes") issued by the Illinois Housing Development Authority, or another source acceptable to the Authorized DOH Officer

Term: 30 months plus a 6-month extension during the construction period or such other

term that is acceptable to the Authorized DOH Officer

Interest: 30-day Secured Overnight Financing Rate ("SOFR") plus 260 basis points per annum or such other rate acceptable to the Authorized DOH Officer

Security: A mortgage lien on the Leasehold Estate(s) related to the 4% Project (the "Senior Construction Mortgage") senior to the City Mortgages

Permanent Period:

Amount: \$7,000,000 or such other amount acceptable to the Authorized DOH Officer, during the permanent period

Source: Cedar Rapids Bank and Trust Company ("Senior Permanent Lender"), or another source acceptable to the Authorized DOH Officer

Term: 18 years following the conversion of the senior construction loan to permanent financing or such other term that is acceptable to the Authorized DOH Officer

Interest: Average SOFR + 1.60%, which variable rate is synthetically fixed (the "Interest Rate Swap") to be an amount up to eight percent per annum or such other rate acceptable to the Authorized DOH Officer

Security: A mortgage lien on the Leasehold Estate(s) related to the 4% Project (the "Senior Permanent Mortgage") and a mortgage lien on the Leasehold Estate(s) related to the 4% Project in connection with the Interest Rate Swap (the "Swap Mortgage", and collectively with the Senior Construction Mortgage and Senior Permanent Mortgage, the "Senior Mortgage"). Both the Senior Permanent Mortgage and the Swap Mortgage are junior to the Senior Construction Mortgage and senior to the City Mortgages.

Interest
Rate

Swap: The counterparties of the Interest Rate Swap are the Borrower and the Senior Permanent Lender and the Interest Rate Swap is subject to a termination payment obligation in the maximum amount of \$1,800,000, which amount is secured by the Swap Mortgage. It is anticipated that the Swap Mortgage will be effective during the 4% Project's construction period and the term of the Senior Permanent Lender's loan.

2. Chicago Housing Authority Loan

Amount: \$24,514,782 or such other amount acceptable to the Authorized DOH Officer

Term: 40 years plus construction period, or such other term that is acceptable to the Authorized DOH Officer

Source: CHA funds, or another source acceptable to the Authorized DOH Officer

Interest: Such rate acceptable to CHA and the Authorized DOH Officer

Security: A mortgage lien on the Leasehold Estate(s) related to the 4% Project (the "CHA Mortgage") junior to the Senior Mortgage and senior to the City Mortgages or as otherwise acceptable to the Authorized DOH Officer

3. Illinois Affordable Housing Tax Credit ("IAHTC") Proceeds Loan

Amount: \$1,255,766 or such other amount acceptable to the Authorized DOH Officer

Source: CHA, derived from the sale by CHA of IAHTCs issued by the City, or another source acceptable to the Authorized DOH Officer

Term: 40 years plus construction period, or such other term that is acceptable to the Authorized DOH Officer

Interest: Such rate acceptable to CHA and the Authorized DOH Officer.
Security: A mortgage lien on the Leasehold Estate(s) related to the 4% Project junior to the Senior Mortgage and the City Mortgages or as otherwise acceptable to the Authorized DOH Officer

4. Seller Loan

Amount: \$2,760,000 or such other amount acceptable to the Authorized DOH Officer
Source: CHA CSC, obtaining a leasehold interest in the Leasehold Estate(s) from CHA
Term: 40 years plus construction period, or such other term that is acceptable to the Authorized DOH Officer
Interest: Such rate acceptable to CHA CSC and the Authorized DOH Officer
Security: A mortgage lien on the Leasehold Estate(s) related to the 4% Project junior to the Senior Mortgage, the CHA Mortgage and City Mortgages or, as otherwise acceptable to the Authorized DOH Officer

5. Illinois Department of Commerce and Economic Opportunity Grant Proceeds Loan

Amount: \$712,500 or such other amount acceptable to the Authorized DOH Officer
Source: Such proceeds may be contributed as capital to the Borrower by CHA or loaned to the Borrower by CHA, or another source acceptable to the Authorized DOH Officer
Term: If applicable, 42 years plus construction or such other term that is acceptable to the Authorized DOH Officer
Interest: If applicable, zero percent per annum or such other rate acceptable to the Authorized DOH Officer
Security: If applicable, a mortgage lien on the Leasehold Estate(s) related to the 4% Project junior to the Senior Mortgage and the City Mortgages, or otherwise acceptable to the Authorized DOH Officer

6. Low-Income Housing Tax Credit ("LIHTC") Proceeds

Amount: \$33,722,564 or such amount as may be acceptable to the Authorized DOH Officer, all or a portion of which may be paid on a delayed basis
Source: To be derived from the syndication of the LIHTCs generated by issuance of the Notes

7. General Partner Equity

Amount: \$100 or such amount as may be acceptable to the Authorized DOH Officer
Source: General Partner

EXHIBIT B

See attached.