

SUBSTITUTE ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois; 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 individuals and 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, Casa Yucatan LP, an Illinois limited partnership (the "9% Owner"), of which Casa Yucatan GP, LLC, an Illinois limited liability company, is the general partner (the "General Partner"), of which The Resurrection Project, an Illinois not-for-profit corporation ("TRP"), is currently its sole member and manager, and at closing may have an approximately 79% ownership interest in the General Partner and a to-be-determined entity acceptable to the Authorized DOH Officer (as defined below) may have an approximately 21% ownership interest in the General Partner, plans to undertake the 9% Project (as defined below); and

WHEREAS, Casa Yucatan 4% LP, an Illinois limited partnership (the "4% Owner"), of which Casa Yucatan 4% GP, LLC, an Illinois limited liability company (the "4% General Partner"), is the general partner, of which TRP is currently its sole member and the manager and at closing may have an approximately 79% ownership interest in the 4% General Partner and a to-be-determined entity acceptable to the Authorized DOH Officer (as defined below) may have an approximately 21% ownership interest in the 4% General Partner, plans to undertake the 4% Project (as defined below); and

WHEREAS, the 9% Owner, the 4% Owner and TRP (collectively, the "Developers") plan to develop real property located generally at 1609 West 21st Place, Chicago, Illinois (the "Overall Property") and the Developers plan to commence and complete construction of the following, which shall hereinafter be known as the "Project": (i) an eight-story residential building with approximately 98 residential dwelling units for families at or below 80% area median income and (ii) common elements consisting of a community space, outdoor space, approximately 20 parking spaces, and approximately 98 indoor and outdoor bicycle spaces (collectively, the "Common Elements"); and

WHEREAS, the Project will be subject to a declaration of condominium in accordance with the requirements of the Illinois Condominium Property Act, 765 ILCS Section 605/1, et seq., creating a condominium association of two units (the "Condominium Subdivision"), of which one such condominium unit will consist of approximately 70 affordable rental units contained in the eight-story building, all of which will be reserved for tenants at or below 80% of area median income, along with a proportionate share of the Common Elements (the "4% Project"), and of which the second such condominium unit will consist of the remaining approximately 28 affordable rental units contained in the eight-story building, all of which will be reserved for tenants at or

below 80% of area median income, along with a proportionate share of the Common Elements (the "9% Project"); and

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

WHEREAS, the 4% Owner and TRP propose to undertake the 4% Project; and

WHEREAS, pursuant to an ordinance adopted on April 19, 2024, and published at pages 11493-11568 of the Journal of the Proceedings of the City Council of the City (the "City Council") for such date (the "2024 Bond Ordinance"), the City Council authorized the issuance of certain general obligation bonds in one or more series, in an aggregate principal amount not to exceed \$1,250,000,000 for the Purposes as defined therein (the "2024 Bonds"); and

WHEREAS, for purposes of Section 2.19(h) of the 2024 Bonds Ordinance, this ordinance satisfies the requirement of City Council authorization; and

WHEREAS, DOH has preliminarily reviewed and approved the making of two loans to the 4% Owner, the first loan in an amount not to exceed \$13,411,450 (the "Loan 1") to be funded from the proceeds of the 2024 Bonds, other bond proceeds, Multi-Family Program Funds, or corporate funds, and the second loan in an amount not to exceed \$9,622,794 (the "Loan 2", and collectively with Loan 1, the "Loans") to be funded from the proceeds of the 2024 Bonds, other bond proceeds, Multi-Family Program Funds, or corporate funds, pursuant to the terms and conditions set forth for the Loans in Exhibit A attached hereto and made a part hereof; now, therefore,

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

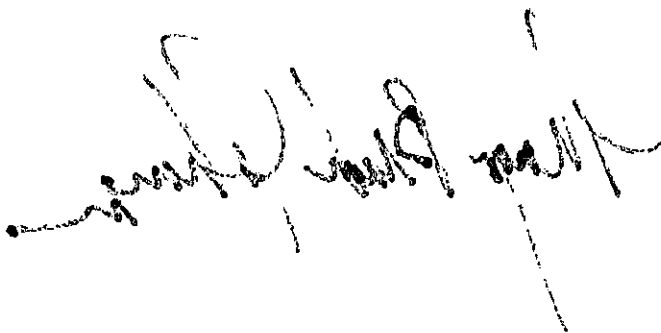
SECTION 1. The above recitals are incorporated herein and hereby made a part hereof.

SECTION 2. Upon the approval and availability of the additional financing as shown in Exhibit A hereto, the Commissioner of Housing (the "DOH Commissioner") and a designee of the DOH Commissioner (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 Loans and any agreements or amendments to existing agreements necessary or advisable in connection with the Condominium Subdivision. 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 Loans 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 Loans to the 4% Owner, and if such Loans are provided as grants as described on Exhibit A hereto, the Authorized DOH Officer is hereby authorized to disburse the proceeds of each such grant to TRP or an affiliated entity.

SECTION 3. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago (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. The 4% Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code. Sections 2-44-080 through 2-44-105 of the Municipal Code shall not apply to the Overall Property or the 4% Project.

SECTION 4. This ordinance shall be in full force and effect upon its passage and approval.

A handwritten signature in black ink, appearing to be "M. J. Smith", written in a cursive style.

42 81.51

Exhibit A

BORROWER: Casa Yucatan 4% LP, an Illinois limited partnership, the sole general partner of which is Casa Yucatan 4% GP, LLC, an Illinois limited liability company (the "General Partner"), the sole member and manager of which is currently The Resurrection Project, an Illinois not-for-profit corporation ("TRP"), provided at closing TRP may admit a 21% member of the General Partner, and others to be hereafter selected as limited partners.

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

LOANS:

Loan 1

Source: Multi-Family Program Funds, 2024 Bonds proceeds, other bond proceeds, corporate funds, or another source acceptable to the Authorized DOH Officer

Amount: Not to exceed \$13,411,450

Term: Approximately 35 years plus construction period or another term 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 Property ("City Mortgage 1")

Alternate Structure: If so determined by the Authorized DOH Officer, the City may provide a grant for all or a portion of the amount of the Loan 1 to TRP or another entity affiliated with TRP and acceptable to the Authorized DOH Officer. Repayment of such grant may or may not be secured by a mortgage on the Property with the same lien position as City Mortgage 1 and/or such other security acceptable to the Authorized DOH Officer.

Loan 2

Source: Multi-Family Program Funds, 2024 Bonds proceeds, other bond proceeds, corporate funds, or another source acceptable to the Authorized DOH Officer

Amount: Not to exceed \$9,622,794

Term: Approximately 35 years plus construction period or another term 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 Property ("City Mortgage 2", and collectively with City Mortgage 1, the "City Mortgages")

Alternate Structure: If so determined by the Authorized DOH Officer, the City may provide a grant for all or a portion of the amount of the Loan 2 to TRP or another entity affiliated with TRP and acceptable to the Authorized DOH Officer. Repayment of such grant may or may not

be secured by a mortgage on the Property with the same lien position as City Mortgage 2 and/or such other security acceptable to the Authorized DOH Officer.

ADDITIONAL FINANCING:

1. Senior Construction Loan

Construction Period:

- Amount: Approximately \$21,750,000, or such other amount acceptable to the Authorized DOH Officer, during the construction period
- Source: CIBC Bank USA, an Illinois state chartered bank, 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 ("IHDA"), or another source acceptable to the Authorized DOH Officer
- Term: Not to exceed 42 months during the construction period
- Interest: Not to exceed 15% percent per annum
- Security: A mortgage lien on the Property (the "Senior Construction Mortgage") senior to the City Mortgages

Permanent Period:

- Amount: Approximately \$1,885,000*, or such other amount acceptable to the Authorized DOH Officer, during the permanent period
- Source: IHDA, or another source acceptable to the Authorized DOH Officer
- Term: Approximately 35 years following the conversion of the Senior Construction Loan to permanent financing or another term acceptable to the Authorized DOH Officer
- Interest: Not to exceed 12% percent per annum
- Security: A mortgage lien or liens on the Property (the "Senior Permanent Mortgage", and collectively with the Senior Construction Mortgage, the "Senior Mortgage") junior to the lien of the Senior Construction Mortgage and senior to the City Mortgages

*This amount represents the approximate aggregate amount. IHDA may structure its financing as a single loan or as two loans with the same aggregate total amount as an alternate structure in the event of an increase in interest rates. If the second loan is required, said loan will have a lien position immediately behind the Permanent Period loan.

2. IHDA Loan

- Amount: Approximately \$4,310,000 or such other amount acceptable to the Authorized DOH Officer
- Term: Approximately 35 years plus construction period or another term acceptable to the Authorized DOH Officer
- Source: IHDA, or another source acceptable to the Authorized DOH Officer
- Interest: Approximately zero percent per annum or such other rate acceptable to the Authorized DOH Officer
- Security: A mortgage lien on the Property junior to the Senior Mortgage and the City Mortgages or as otherwise acceptable to the Authorized DOH Officer

3. ComEd Grant Proceeds Loan

- Amount: Approximately \$391,672 or such other amount acceptable to the Authorized DOH Officer
- Source: TRP, derived from the proceeds of a grant funded by the ComEd Energy Efficiency

Term: Program, or another source acceptable to the Authorized DOH Officer
Approximately 35 years plus construction period or another term acceptable to the Authorized DOH Officer

Interest: Approximately zero percent per annum or such other rate acceptable to the Authorized DOH Officer

Security: A mortgage lien on the Property junior to the Senior Mortgage and the City Mortgages or as otherwise acceptable to the Authorized DOH Officer

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

Amount: Approximately \$13,000,741, 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

5. General Partner Equity

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

Source: General Partner



CITY OF CHICAGO

COMMITTEE ON FINANCE

CITY COUNCIL

CITY HALL - ROOM 302
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL
CHAIRMAN

PHONE: 312-744-3380

**December 13, 2024
CHICAGO, ILLINOIS**

TO THE PRESIDENT AND MEMBERS OF THE CITY COUNCIL:

Your Committee on Finance which was referred a substitute ordinance establishing Casa Yucatan 4% LP as the developer and issuing Multi-Family program funds and other financial assistance to Casa Yucatan 4% LP for 4% Project at **1609 W. 21st Place. 25th Ward** (SO2024-0013660)
Amount not to exceed: \$13,411,450. Multi-Family
Amount not to exceed: \$ 9,622,794. HOME

Having the same under advisement, begs leave to report and recommend that Your Honorable Body **Pass** the proposed substitute ordinance transmitted herewith.

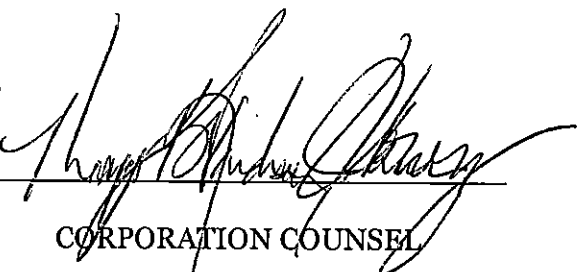
This recommendation was concurred in by a voice vote of the members of the committee present with no dissenting votes on **December 12, 2024.**

(signed)

A handwritten signature in cursive script that reads "Pat Dowell".

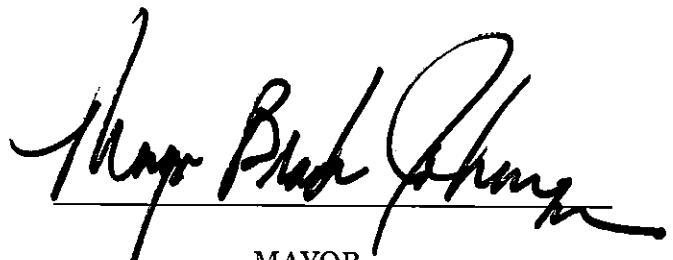
Pat Dowell, Chairman
Committee on Finance

APPROVED


CORPORATION COUNSEL

DATED: December 18, 2024

APPROVED


MAYOR

DATED: 12-18-24