

ORDINANCE

WHEREAS, by virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the "**State**"); the City of Chicago (the "**City**") is a home rule unit of government and as such may exercise any power and perform any function pertaining to its government and affairs; 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, as a home rule unit and pursuant to the Constitution, the City is authorized and empowered to issue multi-family housing revenue obligations for the purpose of financing the cost of the acquisition, construction, rehabilitation, development, and equipping of affordable multi-family housing facilities for low- and moderate-income families located in the City ("**Multi-Family Housing Financing**"); and

WHEREAS, MHL 2 Prairie District Apartments-Wabash LP, an Illinois limited partnership (the "**Borrower**"), the general partner of which is MHL 2 Prairie District Apartments-Wabash GP LLC, an Illinois limited liability company (the "**General Partner**"), of which Mercy Housing Lakefront, an Illinois not-for-profit corporation, is the manager and a member (the "**Managing Member**"), of which Mercy Housing, Inc., a Nebraska not-for-profit corporation, is the sole member (the "**Sole Shareholder**"), intends to acquire, rehabilitate and equip a six-story building located generally at 1801 South Wabash Avenue in Chicago, Illinois on land more particularly described on **Exhibit E** hereto (the "**Property**"), to contain 100 studios (the "**Units**") affordable for rental to households earning at or below 80 percent of the area median income with at least 40 percent or more of the Units occupied by households earning 60 percent or less of the area median income, as well as a ground floor devoted to residential amenities and community space (collectively, the "**Project**"); and

WHEREAS, the City Council of the City (the "**City Council**") adopted an ordinance on September 18, 2024 and published at pages 15856-15999 in its Journal of Proceedings for such date (the "**Original Ordinance**") and has determined that it is necessary and in the best interests of the City to provide Multi-Family Housing Financing to the Borrower, to pay a portion of the costs of acquiring and rehabilitating the Project, by issuing a series of tax-exempt revenue bonds and using the proceeds of the sale thereof to make an additional loan to the Borrower to finance a portion of the costs of the Project (the "**Borrower Loan**"); and

WHEREAS, by the Original Ordinance, the City Council has determined that it is necessary and in the best interests of the City to borrow money for the purposes set forth above and in evidence of its limited, special obligation to repay that borrowing, to issue its Multi-Family Housing Revenue Bonds (Prairie District Apartments Project), Series 2024; and

WHEREAS, by the Original Ordinance, in connection with the issuance of the Bonds (as defined below), the City Council has determined that it is necessary and in the best interests of the City to enter into (i) a Bond Indenture (the "**Indenture**") between the City and a trustee (the "**Trustee**") to be selected by the Chief Financial Officer (as defined in the Original Ordinance), providing for the security for and terms and conditions of the Bonds to be issued, (ii) a Loan

Agreement (the "**Loan Agreement**") among the City, the Borrower and the Trustee providing for the use of the proceeds of the Bonds to make a loan to the Borrower, the proceeds of which will finance a portion of the costs of the Project, (iii) a Bond Purchase Agreement among the City, the Borrower and one or more underwriters for the Bonds, or, alternatively, another sale agreement among the City, the Borrower and one or more purchasers of the Bonds (in each case, a "**Bond Purchase Agreement**") providing for the sale of the Bonds and the preparation and circulation, if necessary, of a preliminary official statement for the Bonds or, alternatively, another type of disclosure document prepared in connection with the offer and sale of the Bonds (in either case, a "**Preliminary Official Statement**") and a final official statement or alternative disclosure document prepared in connection with the offer and sale of the Bonds (the "**Official Statement**"), and (iv) a Tax Regulatory Agreement and/or a tax certificate (a "**Tax Agreement**") between the City and the Borrower; and

WHEREAS, by the Original Ordinance, in connection with the issuance of the Bonds and the financing of the Project with the proceeds thereof, the City Council has determined that it is necessary and in the best interests of the City to enter into a Land Use Restriction Agreement between the City and the Borrower (the "**Land Use Restriction Agreement**"); and

WHEREAS, due to a delay in rehabilitating the Project and due to increases in the cost of the Project during such delay, the Borrower has determined that it is necessary to adjust certain of the funding sources described in the Original Ordinance to (i) increase the maximum amount of the City Loan (as defined below and described in Exhibit A) from \$10,968,816 to \$14,872,344 and (ii) replace Exhibit A with the attached Exhibit A, which reflects the currently anticipated Project financing after modifications to amounts, sources, and other changes, and the City has determined that it is in the best interests of the inhabitants of the City and necessary for the welfare of the government and affairs of the City to amend the Original Ordinance as follows; now, therefore,

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

SECTION 1. Incorporation of Recitals. The recitals contained in the preambles to this ordinance are hereby incorporated into this ordinance by this reference. All capitalized terms used in this ordinance, unless otherwise defined herein, shall have the meanings ascribed thereto in the Indenture.

SECTION 2. References in Original Ordinance. All references in the Original Ordinance to the "Ordinance" shall be deemed to refer to the Original Ordinance as amended by this Ordinance. All terms not otherwise defined herein shall have the definitions used in the Original Ordinance.

SECTION 3. Amendment of the Original Ordinance.

The seventh WHEREAS clause of the Original Ordinance is hereby amended in its entirety to read in full as follows:

WHEREAS, by this ordinance, the City Council has determined that it is necessary and in the best interests of the City to borrow money for the purposes set forth above and in evidence of its limited, special obligation to repay that borrowing, to issue its Multi-Family Housing Revenue Bonds (Prairie District Apartments Project), Series 2026 (the

“Bonds”); and”

The fifteenth WHEREAS clause of the Original Ordinance is hereby amended in its entirety to read in full as follows:

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan to the Borrower in an amount not to exceed \$14,872,344 to be funded from Multi-Family Program Funds (the **“City Loan”**) pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; and

SECTION 4. Amendment of Ordinance Exhibit A

Exhibit A is hereby amended in its entirety to read in full as attached hereto as Exhibit A.

SECTION 5. Amendment of Ordinance Exhibits B – D, the Form of Trust Indenture, the Form of Loan Agreement and the Form of Land Use Restriction Agreement attached to the Original Ordinance.

Exhibit B, the form of Trust Indenture, Exhibit C, the form of Loan Agreement and Exhibit D, the form of Land Use Restriction Agreement, are hereby amended in their entirety to read in full as collectively attached hereto as Exhibits B, C and D.

SECTION 6. Amendment of Ordinance Exhibit E.

Exhibit E, Project Site Legal Description, is hereby amended in its entirety to read in full as attached hereto as Exhibit E.

SECTION 7. Authorization of Additional Actions.

The Mayor or an Authorized Officer is hereby authorized to take all actions necessary and enter into or execute any other document necessary to effect the provisions of this Ordinance.

SECTION 8. Original Ordinance as amended Remains in Effect.

Except as amended by this Ordinance, the Original Ordinance shall continue in full force and effect.

SECTION 9. Severability.

If any provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 10. Inconsistent Provisions.

All ordinances, resolutions, motions or orders in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 11. No Impairment.

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 be controlling. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to render voidable at the option of the City any document, instrument or agreement authorized hereunder or to impair the validity of this Ordinance or the instruments authorized by this Ordinance or to impair the rights of the holders of the Borrower Loan and the Bonds to receive payment of the principal of, prepayment premium, if any, or interest on the Bonds or to impair the security for the Indenture and the Bonds; *provided further* that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision under the Municipal Code. Sections 2-44-080, 2-44-085, 2-44-090, 2-44-100 and 2-44-105 of the Municipal Code shall not apply to the Project or the Property.

Section 12. Effective Date.

This Ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibits "A," "B," "C," "D," and "E" referred to in this Ordinance read as follows: