

SUBSTITUTE ORDINANCE

WHEREAS, by virtue of Section 6(a) of Article VII of the 1970 Constitution (the “**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 individuals and families located in the City; and

WHEREAS, Lathrop Preservation Phase IC, LP, an Illinois limited partnership (the “**Borrower**”) has proposed the following, which shall hereinafter be known as the “**Project**”, construction of a mixed-income, rental development, comprising the renovation of seven (7) existing buildings that will result in 250 residential rental units, the demolition of three (3) existing buildings and the construction of one (1) new construction building that will generate 59 additional residential rental units, the construction of two (2) parking lots containing 101 parking spaces for the residents of all phases of the Lathrop housing redevelopment project (the “**Parking Lots**”), and functionally related and subordinate facilities all located in the City of Chicago, Illinois generally at 2600-2618, 2601-2631, 2628-2662, 2664-2704, 2633-2667, 2740, and 2750-2768 North Hoyne Avenue and 2731-2759 North Leavitt Street (all of the foregoing shall be known as the “**Property**”); and

WHEREAS, the construction of the Parking Lots is not anticipated to be funded with proceeds of the Bonds (as hereinafter defined), but portions of the costs of construction thereof may be funded with City TIF Funds (as hereinafter defined). The Parking Lots or the certain parking spaces located therein may not be included in the Leasehold Estate (as hereinafter defined) and, after construction completion, such Parking Lots or parking spaces therein may be eliminated or repurposed in accordance with the City’s applicable planned development for the Property; and

WHEREAS, the development also includes the structural rehabilitation of a powerhouse located generally at 2567 North Hoyne Avenue to create a space to be built out by a future commercial tenant (i.e., grey box space) (the “**Commercial Property**”), which will not be funded with the proceeds of the Bonds (as hereinafter defined) or City TIF Funds (as hereinafter defined) and is not a part of the Project; and

WHEREAS, the Chicago Housing Authority, an Illinois municipal corporation under the Housing Authorities Act, as amended (310 ILCS 10/1 et seq.) (“**CHA**”) owns the land and existing buildings where the Project will be constructed; and

WHEREAS, CHA intends to donate a long-term ground lease conveying a leasehold interest in the Property, excluding the Parking Lots or certain parking spaces located therein, to the CHA Community Support Corporation, an Illinois not-for-profit corporation (“**CHA CSC**”), and CHA CSC intends to immediately assign such leasehold interest to the Borrower (the “**Leasehold Estate**”), who will develop the Project on the Leasehold Estate; and

WHEREAS, the Borrower desires to obtain multi-family housing financing from the City for the purpose of financing the renovations, construction and equipping of the Project, and to pay a portion of the costs of issuance of the Bonds (as defined herein) and other costs incurred in connection therewith; and

WHEREAS, the City Council of the City (the “**City Council**”) adopted an ordinance on October 30, 2024 and published at pages 19335-19337 of the Journal of the Proceedings of the City Council (the “**Journal**”) for such date, preliminarily approving the Project and evidencing the City’s intent to issue multi-family housing revenue bonds, notes or other indebtedness in order to provide financing for costs associated with the Project; and

WHEREAS, by this Ordinance, the City Council has determined that it is necessary and in the best interests of the City to issue conduit revenue bonds for the purposes set forth above and in evidence of its limited, special obligation to repay that borrowing, to issue its Multifamily Housing Revenue Bonds (Lathrop IC), Series 2026 (the “**Bonds**”); and

WHEREAS, by this Ordinance , the City Council has determined that it is necessary and in the best interests of the City to provide the Bonds to the Borrower, to pay a portion of the costs of renovating, constructing and equipping the Project, by issuing the Bonds and using the proceeds of the sale thereof to make a conduit loan to the Borrower to finance a portion of the costs of the Project pursuant to a certain loan agreement (the “**Loan Agreement**”) upon the terms and conditions of a promissory note to be issued by the Borrower (the “**Borrower Note**”); and

WHEREAS, to provide construction financing for the Project, Bank of America, N.A. (the “**Construction Lender**”) will make a construction loan (the “**Construction Loan**”) to the Borrower in the original maximum principal amount of \$100,000,000 the proceeds of which shall be used to finance a portion of the costs of constructing, renovating and equipping of the Project and to serve as cash collateral for the Bonds as described below; and

WHEREAS, as construction costs are incurred, moneys held by the Trustee (as hereinafter defined) under the Indenture (as hereinafter defined) in the Project Fund created under the Indenture will be used to pay costs of the Project and the Construction Lender will cause a like amount of the Construction Loan and/or other funds available to the Borrower to be disbursed to the Trustee to fund the Collateral Fund under the Indenture as security for the Bonds; and

WHEREAS, by this Ordinance, the City Council has determined that it is necessary and in the best interests of the City that the Bonds be subject to mandatory tender on a date certain as set forth in the Indenture and the tender price of the Bonds will be funded by a funding loan (the “**Funding Loan**”) made by Citibank, N.A. or another lender selected by the Borrower and acceptable to the Authorized DOH Officer (as defined herein) (the “**Funding Lender**”) to the City; and

WHEREAS, when the tender price of the Bonds is paid, the Bonds will be exchanged for a governmental lender note (the “**Governmental Lender Note**”) evidencing the Funding Loan and issued by the City pursuant to a Funding Loan Agreement (the “**Funding Loan Agreement**”) to be entered into by the City and the Funding Lender at such time; and

WHEREAS, the Funding Loan will be repaid by a conduit loan made by the City to the Borrower pursuant to a Borrower Loan Agreement (the “**Borrower Loan Agreement**”) to be entered into by the City and the Borrower at the time of issuance of the Governmental Lender Note; and

WHEREAS, the amounts payable by the Borrower under the Borrower Loan Agreement will be made pursuant to a promissory note (the “**Borrower Loan Note**”) made by the Borrower to the City and assigned by the City to the Funding Lender; and

WHEREAS, simultaneously with the issuance of the Governmental Lender Note and the making of the Funding Loan, the date on which this occurs shall be hereinafter referred to as the “**Conversion Date**”, the Construction Loan will be repaid from the Collateral Fund created under the Indenture, other moneys held under the Indenture, and/or other amounts available to the Borrower and, thereafter, the Indenture and the Loan Agreement will be terminated and the Funding Loan Agreement and the Borrower Loan Agreement will be in full force and effect; and

WHEREAS, at the time of the issuance of the Bonds, the substantially final forms of the Funding Loan Agreement and the Borrower Loan Agreement will be exhibits to the Indenture; and

WHEREAS, in connection with the Bonds, the City Council has determined by this Ordinance that it is necessary and in the best interests of the City to enter into (i) a Trust Indenture (the “**Indenture**”) between the City and Zions Bancorporation, National Association, as trustee (the “**Trustee**”), providing for the security for and terms and conditions of the Bonds to be issued and also containing the forms of the Funding Loan Agreement and the Borrower Loan Agreement as exhibits thereto, (ii) the Loan Agreement and the Borrower Note to be issued thereunder, (iii) a Bond Purchase Agreement among the City, the Borrower and Stifel, Nicolaus & Company (the “**Underwriter**”) for the Bonds, or, alternatively, another sale agreement among the City, the Borrower and one or more purchasers of the Bonds (in either 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**”), (iv) a Certificate of the City regarding arbitrage/or a similar tax certificate (the “**City Tax Certificate**”) to be executed and delivered by the City and the Borrower and (v) a Tax Regulatory Agreement among the City, the Trustee and the Borrower (the “**Tax Regulatory Agreement**”); and

WHEREAS, the principal and interest on the Bonds will be secured by the Trust Estate pledged under the Indenture, including, among other funds and accounts, amounts held under the Collateral Fund, which, in the aggregate, do not exceed the amount set forth in the Indenture; and

WHEREAS, the Bonds, the Funding Loan and the obligation to pay interest thereon do not now and shall never constitute an indebtedness of or an obligation of the City, the State or any political subdivision thereof, within the purview of any Constitutional limitation or statutory provision, or a charge against the general credit or taxing powers of any of them. No owner of the Bonds, or any holder of the Governmental Lender Note, Borrower Note or the Borrower Loan Note shall have the right to compel the taxing power of the City, the State or any political subdivision thereof to pay any principal installment of, prepayment premium, if any, or interest on the Bonds, the Governmental Lender Note, Borrower Note or the Borrower Loan Note; and

WHEREAS, there has been presented to this meeting of the City Council forms of the following documents in connection with the partial financing of the Project:

- a) the form of Indenture, which includes a form of the Bonds to be issued by the City (attached as **Exhibit B** hereto), the form of the Funding Loan Agreement (attached as **Appendix C** thereto and the form of the Borrower Loan Agreement (attached as **Appendix D** thereto;
- b) the form of Loan Agreement (attached as **Exhibit C** hereto); and

c) the form of Tax Regulatory Agreement (attached as **Exhibit D** hereto).

WHEREAS, it is intended that the interest on the Bonds and the Governmental Lender Note will be excluded from gross income for federal income tax purposes; and

WHEREAS, pursuant to ordinances the City Council adopted on October 5, 2016 and published in the Journal for such date at pages 32905 to 32989 (as amended, the "**Diversey/Chicago 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 "**Diversey/Chicago Plan**") for a portion of the City known as the "Diversey/Chicago River Redevelopment Project Area" (the "**Diversey/Chicago Area**"); (ii) designated the Diversey/Chicago Area as a "redevelopment project area" within the requirements of the Act; and (iii) adopted tax increment financing for the Diversey/Chicago Area; and

WHEREAS, ad valorem taxes which, pursuant to Section 5/11-74.4-8(b) of the Act are allocated to and when collected are paid to the City Treasurer for deposit by the City Treasurer into a redevelopment project area special tax allocation fund established to pay redevelopment project costs (as defined in the Act) and obligations incurred in the payment thereof are known generally as the "**Increment**," and Increment from the Diversey/Chicago Area shall be known herein as "**Diversey/Chicago Increment**"; and

WHEREAS, the Project is consistent with the goals and objectives of the Diversey/Chicago Plan; and

WHEREAS, the Borrower has proposed to undertake the Project pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Borrower and the City to be financed in part by a portion of Diversey/Chicago Increment for the purpose of wholly or partially funding certain costs of the Project; and

WHEREAS, to induce certain redevelopment pursuant to the Act, the City Council adopted ordinances on May 9, 2007, which were published in the Journal for such date at pages 104322 to 104433, to accomplish the following: approve and adopt a tax increment financing redevelopment project and plan for the Addison South Redevelopment Project Area; designate the Addison South Redevelopment Project Area as a tax increment financing district; and adopt tax increment financing for the Addison South Redevelopment Project Area (the aforesaid ordinances, as amended, are collectively referred to herein as the "**Addison South TIF Ordinances**," the redevelopment plan approved by the Addison South Ordinances is referred to herein as the "**Addison South Plan**," the redevelopment project area created by the Addison South TIF Ordinances is referred to herein as the "**Addison South Area**," and the Increment collected from the Addison South Area shall be known as the "**Addison South Increment**"); and

WHEREAS, pursuant to Section 5/11-74.4-4(q) of the Act, the City can use Increment 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 Increment is received so long as the applicable redevelopment plans permit such use (the "**Transfer Rights**"); and

WHEREAS, the Diversey/Chicago Area is either contiguous to or is separated only by a public right of way from the Addison South Area; and

WHEREAS, the Addison South Plan permits the exercise of Transfer Rights with respect to the Addison South Increment and the Diversey/Chicago Plan permits the receipt of Increment pursuant to Transfer Rights; and

WHEREAS, it is anticipated that the City may, in its discretion, exercise its Transfer Rights pursuant to the Act, the Diversey/Chicago Plan and the Addison South Plan to allocate and use a portion of the Addison South Increment as part of and not in addition to the City Funds (as hereinafter defined); and

WHEREAS, the Project is necessary for the redevelopment of the Diversey/Chicago Area; and

WHEREAS, pursuant to Resolution 24-CDC-42 adopted by the Community Development Commission of the City (the “**Commission**”) on November 12, 2024, the Commission has recommended that the Borrower be designated as the developer for the Project and that Department of Planning and Development (the “**DPD**”) be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Borrower for the Project; and

WHEREAS, the Borrower and Bickerdike Redevelopment Corporation, an Illinois not-for-profit corporation (“**Bickerdike**” and collectively with the Borrower, the “**Developer**”) will be obligated to undertake the Project in accordance with the Diversey/Chicago Plan and the terms and conditions of a proposed redevelopment agreement (the “**Redevelopment Agreement**”) to be executed by the Developer and the City, with the Project to be financed in part by Diversey/Chicago Increment deposited from time to time in the TIF Fund (as hereinafter defined); 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 and Funding Loan Agreement.

SECTION 2. Findings and Determinations. The City Council hereby grants authority to the Chief Financial Officer of the City (the “**Chief Financial Officer**”) or the City Comptroller each such officer being referred to herein as the (“**Authorized Officer**”) to determine to sell the Bonds and establish the final terms of the Loan Agreement, the Borrower Note, the Funding Loan, the Funding Loan Agreement, the Governmental Lender Note, the Borrower Loan Agreement, and the related the Borrower Loan Note on such terms as and to the extent such officer determines that such sale or sales is desirable and in the best financial interest of the City. Any such designation and determination by the Authorized Officer shall be signed in writing by the Authorized Officer and filed with the City Clerk and shall remain in full force and effect for all purposes of this Ordinance unless and until revoked, such revocation to be signed in writing by the Authorized Officer and filed with the City Clerk.

SECTION 3. Authorization of Bonds. Upon the approval and availability of the additional financing as shown in **Exhibit A** (the “**Additional Financing**”), the issuance of the Bonds in an aggregate principal amount of not to exceed One Hundred Million Dollars (\$100,000,000) is hereby authorized. Upon the time of the tender of the Bonds and the payment of the tender price thereof, the Bonds will be exchanged for the Governmental Lender Note which will be delivered to the Funding Lender in the same principal amount of the Bonds then exchanged. The Bonds

and the Governmental Lender Note are sometimes referred to collectively herein as the “**Tax-Exempt Obligations.**”

The Tax-Exempt Obligations shall contain a provision that they are issued under authority of this Ordinance. The Tax-Exempt Obligations shall not mature later than thirty-six (36) years after the date of issuance of the Bonds. The Tax-Exempt Obligations shall bear interest at a rate or rates not to exceed twelve percent (12%), payable on the interest payment dates as set forth in the Indenture. The Bonds shall be dated, shall be subject to redemption or tender prior to maturity, shall be payable in such places and in such manner and shall have such other details and provisions as prescribed by the Indenture and the form of the Bonds therein. The Governmental Lender Note will be dated its date of delivery.

The provisions for execution, signatures, authentication, payment and prepayment, with respect to the Bonds shall be as set forth in the Indenture and the form of the Bonds therein. The provisions for execution, signatures, authentication, payment and prepayment, with respect to the Governmental Lender Note, shall be set forth in the Funding Loan Agreement and the form of the Governmental Lender Note therein.

The Authorized Officer is hereby authorized to execute and deliver the Indenture on behalf of the City, such Indenture to be in substantially the form attached hereto as **Exhibit B**, and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Indenture attached to this Ordinance.

The Authorized Officer is hereby authorized to execute and deliver the Loan Agreement on behalf of the City, such Loan Agreement to be in substantially the form attached hereto as **Exhibit C** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Loan Agreement attached to this Ordinance .

The Authorized Officer is hereby authorized to execute and deliver the Funding Loan Agreement on behalf of the City, such Funding Loan Agreement to be in substantially the form attached to the Indenture as **Appendix C** thereto and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Funding Loan Agreement attached to this Ordinance.

The Authorized Officer is hereby authorized to execute and deliver the Governmental Lender Note, as set forth in the Funding Loan Agreement and the form of the Governmental Lender Note therein.

The Authorized Officer is hereby authorized to execute and deliver the Borrower Loan Agreement on behalf of the City, such Borrower Loan Agreement to be in substantially the form attached to the Indenture as **Appendix D** thereto and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Loan Agreement attached to this Ordinance .

The Authorized Officer is hereby authorized to execute and deliver the City Tax Certificate on behalf of the City, in substantially the form of arbitrage certificates or tax regulatory agreements

used in previous issuances of tax-exempt bonds pursuant to programs similar to the Tax-Exempt Obligations, with appropriate revisions to reflect the terms and provisions of the Bonds and the Governmental Lender Note and the applicable provisions of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the regulations promulgated thereunder, and with such other revisions in text as the Authorized Officer executing the same shall determine are necessary or desirable in connection with the excludability from gross income for federal income tax purposes of interest on the Bonds.

The Authorized Officer is hereby authorized to execute and deliver the Tax Regulatory Agreement on behalf of the City in connection with the issuance of the Bonds, such Tax Regulatory Agreement to be in substantially the form attached hereto as **Exhibit D** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of the Tax Regulatory Agreement attached to this Ordinance .

The City Clerk or Deputy City Clerk is hereby authorized to attest the signature of the Authorized Officer to any document referenced herein and to affix the seal of the City to any such document.

SECTION 4. Security for the Tax-Exempt Obligations. The Tax-Exempt Obligations shall be special limited obligations of the City, payable solely from (i) with respect to the Bonds, all right, title and interest of the City in and to all revenues, derived or to be derived by the City under the terms of the Indenture and the Loan Agreement (other than certain reserved rights of the City) while the Tax-Exempt Obligations are outstanding; (ii) with respect to the Bonds and the Governmental Lender Note, to the extent any unspent proceeds are on deposit under the Funding Loan Agreement, the proceeds of the Bonds and the Governmental Lender Note, as the case may be, any income from the temporary investment thereof, as provided in the Indenture or the Funding Loan Agreement, as applicable; (iii) with respect to the Governmental Lender Note, all right, title and interest of the City in and to all revenues, derived or to be derived by the City under the terms of the Funding Loan Agreement and the Borrower Loan Agreement (other than certain reserved rights of the City) while the Governmental Lender Note is outstanding, and (iv) with respect to all Tax-Exempt Obligations, all funds, monies and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Tax-Exempt Obligations by the City or by anyone on its behalf. In order to secure the payment of the principal of, premium, if any, and interest on the Tax-Exempt Obligations, such rights, proceeds and investment income are hereby pledged to the extent and for the purposes as provided in the Indenture or the Funding Loan Agreement, as applicable, and are hereby appropriated for the purposes set forth in the Indenture and the Funding Loan Agreement. The Indenture and the Funding Loan Agreement shall set forth such covenants with respect to the application of such rights, proceeds and investment income as shall be deemed necessary by the Authorized Officer in connection with the sale of the Tax-Exempt Obligations.

SECTION 5.

A. Sale and Delivery of Bonds. The Bonds shall be sold and delivered to, or upon the direction of the Underwriter, subject to the terms and conditions of the Bond Purchase Agreement, or, alternatively, are hereby authorized to be sold and delivered directly to one or more investors to be selected by the Authorized Officer subject to the terms and conditions of the Bond Purchase Agreement. The Authorized Officer is authorized to execute and deliver on behalf of the City, with the concurrence of the Chairman of the Committee on Finance of the City Council, the Bond

Purchase Agreement in substantially the form of bond purchase agreements used in previous sales of bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the fact that the Bonds may be sold to certain institutional investors at a premium or discount, and with such other revisions in text as the Authorized Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The execution of the Bond Purchase Agreement by the Authorized Officer shall be deemed conclusive evidence of the Authorized Officer's approval of the terms provided in the Bond Purchase Agreement. The distribution of the Preliminary Official Statement and the Official Statement to prospective purchasers of the Bonds and the use thereof by the Underwriter in connection with the offering and sale of the Bonds are hereby authorized, provided that the City shall not be responsible for the content of the Preliminary Official Statement or the Official Statement except as specifically provided in the Bond Purchase Agreement and provided further that, if the Bonds are sold directly to institutional investors, the City may forgo the use of a Preliminary Official Statement or Official Statement, but only if such institutional investors execute and deliver to the City "sophisticated investor" letters satisfactory to the Authorized Officer. The compensation paid to the Underwriter in connection with the sale of the Bonds shall not exceed three quarters of one percent (0.75%) of the aggregate principal purchase price of the Bonds, exclusive of legal cost in connection therewith. In connection with the offer and delivery of the Bonds, the Authorized Officer, and such other officers of the City as may be necessary, are authorized to execute and deliver such instruments and documents as may be necessary to implement the transaction and to effect the issuance and delivery of the Bonds. Any limitation on the amount of Bonds issued pursuant to this Ordinance as set forth herein shall be exclusive of any original issue discount or premium.

B. Delivery of the Governmental Lender Note Sale and Delivery.

Subject to the terms and conditions of the Funding Loan Agreement with the approval of an Authorized Officer, the Governmental Lender Note shall be delivered to the Funding Lender, or such other funding lender as is approved by an Authorized Officer. The Funding Lender or such other successor funding lender shall hold the Funding Loan Agreement and the Governmental Lender Note, subject to the terms and conditions of the required transferee representations (the "**Required Transferee Representations**") which shall be delivered to the City by the Funding Lender. Any subsequent Funding Lender approved by an Authorized Officer, to the extent required under the Funding Loan Agreement, may succeed the initial Funding Lender as the registered holder of all or a portion of the Funding Loan, but only if such subsequent Funding Lender executes and delivers to the City, if required under the Funding Loan Agreement, the Required Transferee Representations, substantially in the form of the Required Transferee Representations set forth in the Funding Loan Agreement. The aggregate costs of origination of the Funding Loan paid from the proceeds of the Funding Loan to the Funding Lender shall not exceed two percent (2%) of the aggregate principal amount of the Governmental Lender Note.

SECTION 6. Notification of Sale and Funding Loan. Subsequent to the sale of the Bonds, the Authorized Officer shall file in the Office of the City Clerk a Notification of Sale for the Bonds, directed to the City Council setting forth (i) the aggregate original principal amount of, sale price, maturity schedule, redemption provisions for and nature of the Bonds sold, (ii) the extent of any tender rights to be granted to the holder of the Bonds, including, without limitation, the right of the holder to tender the Bonds in exchange for one or more mortgage-backed securities held by the Trustee under the Indenture, (iii) the identity of the Trustee, the interest rates on the Bonds, (iv) the identity of any underwriter or institutional investors who purchase the Bonds directly from the City or through the Underwriter, and the compensation paid to the Underwriter in connection with such sale, (vi) the interest rate or rates on the Borrower Note and/or a description of the method of determining the interest rate or rates applicable to the Borrower Note from time to time,

and (vii) any other matter authorized by this Ordinance to be determined by an Authorized Officer at the time of the sale of the Bonds. There shall be attached to such notification the final form of the Indenture (which Indenture shall include as exhibits thereto the substantially final forms of the Funding Loan Agreement and the Borrower Loan Agreement and specimens of the substantially final forms of the Bonds, the Governmental Lender Note, the Borrower Note and the Borrower Loan Note.

SECTION 7. Limited Obligations. The Tax-Exempt Obligations will be special, limited obligations of the City, payable by their respective terms as provided in the Indenture and the Funding Loan Agreement as the case may be. The Tax-Exempt Obligations and the interest thereon shall never constitute a debt or general obligation or a pledge of the faith, the credit or the taxing power of the City within the meaning of any Constitutional or statutory provision of the State. The Tax-Exempt Obligations shall be payable solely from the funds pledged therefor pursuant to the terms of the Indenture and the Funding Loan Agreement, as applicable.

SECTION 8. Use of Proceeds. The proceeds from the sale of the Bonds shall be deposited as provided in the Indenture and used for the purposes set forth in the recitals of this Ordinance. The proceeds from the Funding Loan as evidenced by the Governmental Lender Note shall be deposited as provided in the Funding Loan Agreement and used for the Project.

SECTION 9. Proxies. The Mayor and the Authorized Officer may each designate another to act as their respective proxy and to affix their respective signatures to each of the Tax-Exempt Obligations, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by the Mayor or the Authorized Officer pursuant to this Ordinance, the Funding Loan Agreement or the Indenture. In each case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor and the Authorized Officer, respectively. A written signature of the Mayor or the Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with signatures attached, shall be recorded in the Journal and filed with the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of the Authorized Officer is so affixed to an instrument, certificate or document at the direction of the Authorized Officer in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Authorized Officer in person.

SECTION 10. Volume Cap. The Tax-Exempt Obligations are obligations that are taken into account under Section 146 of the Code in the allocation of the City's volume cap.

SECTION 11. Public Hearing. The City Council directs that the Bonds shall not be issued unless and until the requirements of Section 147(f)(1) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Bonds shall be executed or undertaken prior to satisfaction of the requirements of Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. To the extent that the requirements of Section 147(f)(1) of the Code, including the public hearing, have occurred prior to the passage of this Ordinance, this Ordinance constitutes approval for purposes of Section 147(f) of the Code. The Authorized Officer is hereby authorized to prepare and publish notices, conduct hearings and take such other actions as are necessary to comply with the requirements of Section 147(f) of the Code. All such actions taken prior to the enactment of this Ordinance are ratified and confirmed.

SECTION 12. Developer Designation. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 13 Authorization of Redevelopment Agreement. Upon the approval and availability of the Additional Financing, 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 Developer 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 E** 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 14. Payment of Increment. The City Council hereby finds that the City is authorized to pay an aggregate amount not to exceed \$40,000,000 ("**City TIF Funds**") to Developer, which includes up to \$3,500,000 of Diversey/Chicago Increment and up to \$36,500,000 of Addison South Increment upon exercise of the City's Transfer Rights, to the Developer to finance a portion of the eligible costs included within the Project. The proceeds of the City TIF Funds are hereby appropriated for the purposes set forth in this Section 14.

SECTION 15. Maintenance and Use of TIF Fund. Pursuant to the Diversey/Chicago TIF Ordinances, the City has created the fund for the Diversey/Chicago Increment (the "**TIF Fund**"). The Authorized 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 Diversey/Chicago TIF Ordinances, all Diversey/Chicago Increment received by the City 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. The City is authorized to exercise its Transfer Rights and deposit \$36,500,000 of Addison South Increment into the TIF Fund to be used to support the Project pursuant to the Redevelopment Agreement.

SECTION 16. Authorization of Fees and Expenses.

A. The following fees and expenses are hereby authorized in connection with the Tax-Exempt Obligations: (i) an Issuer Fee in an amount equal to 1.5 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds, (ii) a Bond Legal Reserve Fee in the amount of 0.1 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds (such fee to be used to pay for other legal and other fees incurred by the City in connection with private activity bonds issued by the City), and (iii) a City Administrative Fee in an amount equal to 0.15 percent of the outstanding principal of the Tax-Exempt Obligations, accruing monthly but payable to the City on a semi-annual basis.

B. The following fees and expenses are hereby authorized in connection with Project: (i) a Donations Tax Credit Reservation Fee equal to 3 percent of the reservation amount payable at closing, (ii) a Low Income Housing Tax Credit Reservation Fee equal to 5 percent of the first full year's tax credit allocation payable upon acceptance of the credit reservation letter or tax-exempt bond agreement issued by the City's Department of Housing, and (iii) a Monitoring Fee in the amount of \$25 per unit, paid annually, submitted with the annual owner's certification.

SECTION 17. Additional Authorization The Mayor, each Authorized Officer, the City Treasurer, and, upon the approval and availability of the Additional Financing, the Commissioner of Housing or a designee thereof (the “**Authorized DOH Officer**”), and the Authorized DPD Officer are each hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are each hereby authorized to enter into, execute and deliver such other documents and agreements, including, without limitation, documents and agreements in connection with the Bonds, any documents necessary to evidence the receipt or assignment of any collateral for the Loan Agreement from the Borrower, and perform such other acts as may be necessary or desirable in connection with the Bonds, this Ordinance, the Indenture, the Bonds, the Governmental Lender Note, the Loan Agreement, the Funding Loan Agreement, the Bond Purchase Agreement, the City Tax Certificate, the Tax Regulatory Agreement, or the Borrower Loan Agreement (the “**City Agreements**”), including, but not limited to, the exercise following the delivery date of the City Agreements of any power or authority delegated to such official under this Ordinance with respect to the City Agreements upon original execution and delivery, but subject to any limitations on or restrictions of such power or authority as herein set forth. Notwithstanding anything contained herein, if any portion of the Additional Financing is not approved and available at such time as an Authorized Officer, but the Authorized DPD Officer and the Authorized DOH Officer otherwise deem it in the best interest of the City to execute the City Agreements, then such Authorized Officer, the Authorized DPD Officer and the Authorized DOH Officer may so execute the City Agreements (with such changes thereto as such Authorized Officer, the Authorized DPD Officer and the Authorized DOH Officer deem necessary and advisable) and any necessary ancillary documents and may impose such conditions upon the approval and availability of such Additional Financing as they deem necessary and advisable.

SECTION 18. Separability. 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 19. Inconsistent Provisions. 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.

SECTION 20. No Recourse. No recourse shall be had for the payment of the principal of, prepayment premium, if any, or interest on the Tax-Exempt Obligations or for any claim based on the Tax-Exempt Obligations or upon any obligation, covenant or agreement contained in this Ordinance or the City Agreements against any past, present or future officer, member of the City Council or employee of the City, or any officer, employee, director or trustee of any successor, as such, either directly or through the City, or any such successor, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member of the City Council, officer, employee, director or trustee as such is expressly waived and released as a condition of and consideration for the execution of the City Agreements and the issuance of the Tax-Exempt Obligations.

SECTION 21. No Impairment. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to impair the validity of this Ordinance or the instruments authorized by this Ordinance or to render any agreement or instrument authorized hereby voidable at the option of the City or to impair the rights of the owners of the Tax-Exempt Obligations to receive payment of the principal of, premium, if any, or interest on the Tax-Exempt Obligations, or to impair the security for the Tax-Exempt Obligations; provided further, however,

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.

SECTION 22. Affordable Housing. The Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code. Sections 2-44-080, 2-44-090, 2-44-100 and 2-44-105 of the Municipal Code shall not apply to the Project, the Property, or the Leasehold Estate.

SECTION 23. 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:

Exhibit A

BORROWER: Lathrop Preservation Phase IC, LP, an Illinois limited partnership, with Lathrop Preservation Phase IC GP, LLC, an Illinois limited liability company (the “**General Partner**”) (of which Related Lathrop LLC, an Illinois limited liability company, is the manager and a member, of which LR Development Company LLC d/b/a Related Midwest, a Delaware limited liability company, is the sole member), as the general partner, and the limited partners to be hereafter selected.

PROJECT: Acquisition of the Leasehold Estate, leasing, constructing, rehabilitating, developing, and equipping of low- and moderate- income residential facilities and related common facilities all located in the City of Chicago, Illinois generally at 2600-2618, 2601-2631, 2628-2662, 2664-2704, 2633-2667, 2740, and 2750-2768 North Hoyne Avenue and 2731-2759 North Leavitt Street and containing approximately 309 residential rental apartments including approximately 63 apartments to be rented to households earning up to 30% of area median income, approximately 113 apartments to be rented to households earning up to 60% of area median income, approximately 72 apartments to be rented to households earning up to 80% of area median income, and approximately 61 market rate units, and two (2) parking lots containing approximately 101 parking spaces for the residents of all phases of the Lathrop housing redevelopment project (the “**Parking Lots**”). The Parking Lots will not be funded with Bond proceeds but portions of the cost of construction thereof may be funded by City TIF Funds

1. The proceeds of the Bonds, Funding Loan Note, and Governmental Lender Note (collectively, the “**Tax-Exempt Obligations**”), which will be loaned to the Borrower as described in the Ordinance.

2. City TIF Grant

Amount: Not to exceed \$40,000,000.

Source: The City’s tax increment financing funds from available Increment up to \$3,500,000 from the Diversey/Chicago River Redevelopment Project Area and up to \$36,500,000 from the Addison South Redevelopment Project Area pursuant to the Redevelopment Agreement.

Security: Recapture Mortgage on the Leasehold Estate, exclusive of the Commercial Property (the “**City Mortgage**”), junior to the Senior Mortgages (as hereinafter defined) and the CHA Mortgage (as hereinafter defined); and/or such other security acceptable to the Authorized DOH Officer.

ADDITIONAL FINANCING:

3. Bank of America Construction

Amount: \$100,000,000, during the construction period, or such amount acceptable to the Authorized DOH Officer.

Source: Bank of America, N.A., or such other source acceptable to the Authorized DOH Officer.

- Term: 24 months during the construction period to be paid in full on the tender date of the Bonds from the Collateral Fund created under the Indenture, or such term acceptable to the Authorized DOH Officer.
- Interest: One-month Secured Overnight Financing Rate (“**SOFR**”) plus 260 basis points per annum or such other rate acceptable to the Authorized DOH Officer, or such other rate acceptable to the Authorized DOH Officer.
- Security: A mortgage lien on the Leasehold Estate (the “**Senior Construction Mortgage**”).
4. Senior Citibank Construction Loan
- Amount: \$100,000,000 to be funded on the tender date of the Bonds, or such amount acceptable to the Authorized DOH Officer.
- Source: Citibank, N.A., a national banking association, or such other lender acceptable to the Authorized DOH Officer, to be funded through the issuance of the Governmental Lender Note.
- Term: 12 months plus two six-month extensions, from Bond tender date to Conversion Date, or such other term acceptable to the Authorized DOH Officer.
- Interest: Variable rate equal to 1-month Term SOFR plus 1.85%, or such other rate acceptable to the Authorized DOH Officer.
- Security: A mortgage lien on the Leasehold Estate (the “**Senior Citibank Mortgage**,” and collectively with the Senior Construction Mortgage, the “**Senior Mortgages**”). It is contemplated that Citibank, N.A. will also record a mortgage securing fees in connection with its forward commitment agreement at closing and the lien position of such mortgage shall be acceptable to the Authorized DOH Officer.
5. Senior Permanent Loan
- Amount: \$43,722,000, during the permanent period, subject to 10% increase, or such amount acceptable to the Authorized DOH Officer.
- Source: Citibank, N.A., a national banking association, or such other lender acceptable to the Authorized DOH Officer, to be funded through the issuance of the Governmental Lender Note.
- Term: 18 years following the initial closing date when the Bonds are issued, or such other term acceptable to the Authorized DOH Officer.
- Interest: Fixed rate equal to 18-year SOFR plus 210 basis points per annum, or such other rate acceptable to the Authorized DOH Officer.
- Security: Secured by the Senior Citibank Mortgage.
6. Chicago Housing Authority (**CHA**) Loan
- Amount: \$41,000,000, or such amount acceptable to the Authorized DOH Officer.
- Term: 40 years plus the construction loan period, or such other term acceptable to the Authorized DOH Officer.
- Source: CHA, or such other source acceptable to the Authorized DOH Officer.
- Interest: 0% per annum, or such other rate acceptable to the Authorized DOH Officer.
- Security: A mortgage lien on the Leasehold Estate (the “**CHA Mortgage**”) junior to the Senior Mortgages and senior to the City Mortgage.
7. Illinois Affordable Housing Tax Credit (“**IAHTC**”) Proceeds Loan
- Amount: \$8,482,500, or such amount acceptable to the Authorized DOH Officer.
- Source: CHA, derived from the sale by CHA of IAHTCs issued by the City and the Illinois Housing Development Authority.
- Term: 40 years plus the construction loan period, or such other term acceptable to the Authorized DOH Officer.

Interest: 0% per annum, or such other rate acceptable to the Authorized DOH Officer.
Security: A mortgage lien on the Leasehold Estate junior to the City Mortgage.

8. TIF Proceeds Loan

Amount: \$40,000,000, or such amount acceptable to the Authorized DOH Officer.
Source: Bickerdike Redevelopment Corporation, an Illinois not-for-profit corporation, or such other entity acceptable to the Authorized DOH Officer, will make a loan of the proceeds received from available Increment provided by the City up to \$3,500,000 from the Diversey/Chicago River Redevelopment Project Area and up to \$36,500,000 from the Addison South Redevelopment Project Area pursuant to the Redevelopment Agreement.
Term: 40 years plus the construction loan period, or such other term acceptable to the Authorized DOH Officer.
Interest: 0% per annum, or such other rate acceptable to the Authorized DOH Officer.
Security: A mortgage lien on the Leasehold Estate junior to the City Mortgage.

9. Seller Loan

Amount: \$16,962,432, or such amount acceptable to the Authorized DOH Officer.
Source: CHA Community Support Corporation, an Illinois not-for-profit corporation, or such other entity acceptable to the Authorized DOH Officer.
Term: 40 years plus the construction loan period, or such other term acceptable to the Authorized DOH Officer.
Interest: Long Term Applicable Federal Rate as of the closing date, or such other rate acceptable to the Authorized DOH Officer.
Security: A mortgage lien on the Leasehold Estate junior to the City Mortgage.

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

Amount: \$63,103,000 or such amount as may be acceptable to the Authorized DOH Officer.
Source: To be derived from the syndication of the LIHTCs generated by issuance of the Bonds.

11. State Historic Tax Credit Proceeds

Amount: \$2,099,790 or such amount as may be acceptable to the Authorized DOH Officer.
Source: To be derived from the syndication of the Historic Tax Credits.

12. Federal Historic Tax Credit Proceeds

Amount: \$25,004,690 or such amount as may be acceptable to the Authorized DOH Officer.
Source: To be derived from the syndication of the Historic Tax Credits.

13. ComEd Grant

Amount: \$728,442, or such amount as may be acceptable to the Authorized DOH Officer.
Source: Commonwealth Edison Company or another source acceptable to the Authorized DOH Officer.
Structure: This amount will be granted to the Borrower to fund the Project.

14. General Partner Equity

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

Ordinance Exhibit B
Form of Bond Indenture

[See Attached]

Ordinance Exhibit C
Form of Loan Agreement

[See Attached]

Ordinance Exhibit D
Form of Tax Regulatory Agreement

[See Attached]

Ordinance Exhibit E
Form of Redevelopment Agreement

[See Attached]