

SUBSTITUTE ORDINANCE

WHEREAS, by virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the "**Constitution**"), 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 there exists within the City a serious shortage of decent, safe and sanitary housing available for persons of low- and moderate-income and that the continuance of a shortage of affordable 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, rehabilitation, construction, development, and equipping affordable multi-family housing facilities for low- and moderate-income families located in the City; and

WHEREAS, the City also 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, the City Council of the City (the "**City Council**"), pursuant to an ordinance enacted on July 8, 1998 and published in the Journal of the Proceedings of the City Council (the "**Journal**") of such date at pages 72418 through 72425, inclusive, authorized DOH to extend a loan in the principal amount of \$7,559,026 with an interest rate of zero percent per annum and an initial maturity date of November 4, 2028 (the "**City HOME Loan**") to West Side Village Phase IV Limited Partnership, an Illinois limited partnership (the "**Current Owner**"); and

WHEREAS, the City HOME Loan was secured by, among other things, that certain Junior Mortgage, Security Agreement and Financing Statement made by the Current Owner in favor of the City, dated November 4, 1998 and recorded on November 4, 1998 in the Cook County Clerk's Office (the "**Clerk's Office**") as document number 98994562 (as amended, the "**City Mortgage**"), and was further supported by that certain Regulatory Agreement executed by the Current Owner on November 4, 1998 and recorded on November 4, 1998 in the Clerk's Office as document number 98994558 (as amended, the "**HOME Regulatory Agreement**"); and

WHEREAS, proceeds of the City HOME Loan were used by the Current Owner to provide for the acquisition of land and construction of six residential buildings for low- and moderate-income persons (the "**Original Project**") located at 3607, 3621, and 3645 West Polk Street, 906 and 908 South Central Park Avenue, and 921 South Lawndale Avenue in Chicago, Illinois and legally described on **Exhibit F** attached hereto (the "**Property**"); and

WHEREAS, in September 2004, the Current Owner restructured the financing for the Original Project in a manner which: (i) did not alter the principal amount, maturity or interest rate of the City HOME Loan and (ii) subordinated the City Mortgage to all liens securing new senior financing; and

WHEREAS, in October 2014, the Current Owner again restructured the financing for the Original Project in a manner which: (i) did not alter the principal amount or interest rate of the City HOME Loan, (ii) extended the maturity date of the City HOME Loan and (iii) subordinated the City Mortgage to all liens securing new senior financing; and

WHEREAS, the Current Owner now intends to sell the Property to Homan Square Apartments Phase IV Holder, LP, an Illinois limited partnership (the "**Borrower**") and has requested that the City consent to this change in the ownership of the Original Project; and

WHEREAS, the Borrower wishes to acquire and rehabilitate the Property and the Original Project thereon (the "**New Project**"); and

WHEREAS, in connection with the New Project, DOH desires to approve a restructuring of the City HOME Loan (the "**Third Restructuring**") in a manner that: (i) will subordinate the City Mortgage to all liens securing new senior financing, (ii) will alter the outstanding principal balance of the City HOME Loan by partially forgiving the City HOME Loan in an amount no less than \$2,000,000 and up to \$4,200,000, (iii) will not alter the repayment terms of the existing City HOME Loan, (iv) will alter the interest rate on the principal balance of the existing City HOME Loan, (v) will extend the maturity date of the existing City HOME Loan, (vi) will consent to the assignment and assumption from the Current Owner to the Borrower of the documents and regulatory agreements executed in connection with the City HOME Loan, and (vii) will consent to the transfer of the Property to the Borrower (collectively, the "**Material Terms**"); and

WHEREAS, further, by this ordinance (this "**Ordinance**"), the City Council has determined that it is necessary and in the best interests of the City to provide Multi-Family Program Funds and certain other funding, as provided herein, to the Borrower, the general partner of which is Homan Square Apartments Phase IV, LLC, an Illinois limited liability company (the "**General Partner**"), the manager of which is Homan Phase IV Manager, LLC, an Illinois limited liability company, the sole member and manager of which is FHS (as defined below), for the completion of the New Project; and

WHEREAS, the City Council adopted an ordinance the ("**Inducement Ordinance**") on July 18, 2025 preliminarily approving the New 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 New Project; and

WHEREAS, by this Ordinance, the City Council has determined that it is necessary and in the best interests of the City to enter into a funding loan agreement (the "**Funding Loan Agreement**") by and among the City, BMO Bank N.A., as Construction Funding Lender (the "**Construction Funding Lender**") and Cedar Rapids Bank & Trust Company, an Iowa state-chartered banking corporation, as Permanent Funding Lender (the "**Permanent Funding Lender**," and together with the Construction Funding Lender, the "**Funding Lender**"), pursuant to which the City will borrow a principal amount not to exceed Twenty Million Dollars (\$20,000,000) (the "**Funding Loan**") for a portion of the purposes set forth above and, in evidence of its limited, special obligation to repay that borrowing, issue a tax-exempt revenue note, to be designated as the Multifamily Mortgage Revenue Note, 2025 Series A (Homan Square Apartments Phase IV) (the "**Note**") under the terms and conditions of this Ordinance and the Funding Loan Agreement, and the City will thereafter loan the proceeds of the Funding Loan to the Borrower (the "**Borrower Loan**") pursuant to a borrower loan agreement (the "**Borrower Loan Agreement**") between the City and the Borrower, as evidenced by that certain Borrower promissory note (the "**Borrower Note**"), in order to finance a portion of the cost of the New Project in return for loan payments

sufficient to pay, when due, the principal of, prepayment premium, if any, and interest on the Note; and

WHEREAS, the principal of, prepayment premium, if any, and interest payable on the Note will be secured by, among other things, the Borrower Note, a mortgage on the Property and certain other related collateral, by certain capital contributions to be made to the Borrower by its limited partner(s) in connection with the allocation to the Borrower of federal low-income housing tax credits and by pledges and/or assignments of certain funds, personal property, and contractual rights of the Borrower and its affiliates; and

WHEREAS, the Funding Loan and the Note 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 of Illinois 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 party to the Funding Loan Agreement or holder of the Note shall have the right to compel the taxing power of the City, the State of Illinois or any political subdivision thereof to pay any principal installment of, prepayment premium, if any, or interest on the Note or obligations under the Funding Loan Agreement; and

WHEREAS, in connection with the execution and delivery of the Funding Loan Agreement and the issuance of the Note, the City Council has determined by this Ordinance that it is necessary and in the best interests of the City to enter into (i) the Funding Loan Agreement, providing for the security for and terms and conditions of the Funding Loan, and the Note to be issued thereunder, (ii) the Borrower Loan Agreement providing for the loan of the proceeds of the Funding Loan to the Borrower and the use of such proceeds, (iii) one or more tax regulatory agreements and/or tax certificates (each, a "**Tax Agreement**" and collectively, the "**Tax Agreements**") between the City and the Borrower, and (iv) a Land Use Restriction Agreement between the City and the Borrower (the "**Land Use Restriction Agreement**"); and

WHEREAS, pursuant to ordinances adopted on February 5, 1998, and published in the Journal of such dates at pages 60833 through 60916, inclusive (the "**TIF Ordinance**"), and as subsequently amended from time to time, the City Council approved and adopted a certain redevelopment plan and project (the "**Redevelopment Plan**") for a portion of the City known as the Homan-Arthington redevelopment project area (the "**Homan-Arthington Redevelopment Area**") in accordance with the provisions of the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1 et seq. (the "**Act**"); and

WHEREAS, pursuant to ordinances adopted on May 17, 2000, and published in the Journal of such dates at pages 30775 through 30925, inclusive, and as subsequently amended from time to time, the City Council approved and adopted a certain redevelopment plan and project for a portion of the City known as the Midwest redevelopment project area (the "**Midwest Redevelopment Area**") in accordance with the provisions of the Act; and

WHEREAS, the Homan-Arthington Redevelopment Area is either contiguous to, or is separated only by a public right of way from, the Midwest Redevelopment Area; and

WHEREAS, the Borrower or, alternatively, the Borrower and its affiliate, Foundation for Homan Square, an Illinois not-for-profit corporation ("**FHS**") (individually or collectively, the "**Developer**") will be obligated to undertake the New Project and the City is willing to have the Developer undertake the New Project in accordance with the terms and conditions of the

Redevelopment Plan and a proposed redevelopment agreement (the "**Redevelopment Agreement**") to be executed by the Developer and the City; and

WHEREAS, the New Project will be financed in part by a grant in an amount not to exceed \$10,000,000 funded partly from certain ad valorem taxes ("**Incremental Taxes**") from the Homan-Arthington Redevelopment Area, which pursuant to Section 5/11-74.4-8(b) of the Act, are deposited into a special tax allocation fund created by the City to pay Redevelopment Project Costs (as defined in Section 5/11-74.4-3(q) of the Act) that are included in the budget set forth in the Redevelopment Plan (the "**TIF Fund**"), and partly from Incremental Taxes from the Midwest Redevelopment Project Area transferred into the TIF Fund pursuant to the City's transfer rights under Section 5/11-74.4-4(q) of the Act; and

WHEREAS, the New Project is necessary for the redevelopment of the Homan-Arthington Redevelopment Area; and

WHEREAS, pursuant to Resolution 25-CDC-10 adopted by the Community Development Commission of the City of Chicago (the "**Commission**") on July 8, 2025, the Commission has recommended that the Developer be designated as the developer for the New Project and that City's Department of Planning and Development be authorized to negotiate, execute, and deliver on behalf of the City a redevelopment agreement with the Developer for the New Project; and

WHEREAS, the Borrower now desires to obtain financing for the New Project from various sources including, but not limited to, the Borrower Loan, all such financing as described in **Exhibit A** hereto; and

WHEREAS, the City Council has passed that certain ordinance on October 27, 2021 and published in the Journal for such date at pages 40213 through 40503, inclusive, authorizing the issuance of bonds to fund the purposes described therein (the "**CRP Ordinance**"); and

WHEREAS, the City Council has passed that certain ordinance on November 7, 2022 and published in the Journal for such date at pages 55618 through 55807, inclusive, authorizing the issuance of bonds to fund the purposes described therein (the "**CIP Ordinance**"); and

WHEREAS, the City Council has passed that certain ordinance on April 19, 2024 and published in the Journal for such date at pages 11493 through 11568, inclusive, authorizing the issuance of bonds to fund the purposes described therein (the "**HED Ordinance**," and collectively with the CRP Ordinance and the CIP Ordinance, the "**Prior Ordinances**"); and

WHEREAS, the City Council has determined to clarify certain designation authority provided to each Authorized Officer (as such term is defined in each of the Prior Ordinances) in connection with contracts, grants and loans with respect to proceeds of bonds issued under one or more of the Prior Ordinances; 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 Funding Loan Agreement or the Redevelopment Agreement, as applicable.

Section 2. Findings and Determinations. The City Council hereby grants authority to the Chief Financial Officer of the City (the Chief Financial Officer, being referred to herein as the "**CFO**") to determine to sell the Note on such terms as and to the extent the CFO determines that such terms are desirable and in the best financial interest of the City. Any such designation and determination by the CFO shall be signed in writing by the CFO 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 CFO and filed with the City Clerk. As used herein, the term "Chief Financial Officer" shall have the meaning given to such term in Section 1-4-090(k) of the Municipal Code of Chicago (the "**Municipal Code**").

Section 3. Authorization of the Funding Loan Agreement, the Note, the Borrower Loan Agreement and Related Agreements. Upon the approval and availability of the additional financing as shown in **Exhibit A** (the "**Additional Financing**"), the execution and delivery of the Funding Loan Agreement and the issuance of the Note in a principal amount not to exceed \$20,000,000 are hereby authorized. The principal amount of the Note to be issued, and its division into one or more series of Notes, if applicable, shall be as set forth in the Funding Loan Notification referred to in **Section 6** below.

The Funding Loan Agreement and the Note shall contain a provision that they are executed and delivered under authority of this Ordinance. The maximum term of the Funding Loan shall not exceed 40 years from the date of execution and delivery of the Note. The Note shall bear interest at a rate or rates equal to the rate of interest on the Borrower Loan as provided in the Borrower Loan Agreement (which interest at a rate or rates shall not exceed the lesser of 12.0% or the maximum rate of interest allowable under state law and with respect to which the default rate shall not exceed the maximum rate of interest allowable under state law) and shall be as determined by the Authorized Officer (as defined below) and shall be payable on the payment dates set forth in the Funding Loan Agreement and the Funding Loan Notification. The Note shall be dated, shall be subject to prepayment, shall be payable in such places and in such manner and shall have such other details and provisions as prescribed by the Funding Loan Agreement, the form(s) of the Note therein and the Funding Loan Notification. The provisions for execution, signatures, payment and prepayment, with respect to the Funding Loan Agreement and the Note shall be as set forth in the Funding Loan Agreement and the form(s) of the Note therein.

Each of (i) the Mayor of the City (the "**Mayor**"), the (ii) Chief Financial Officer, (iii) any other official of the City so designated by a Certificate (as defined below) signed by the Mayor or the Chief Financial Officer and (iv) the City Clerk with respect to the certification of any ordinance or resolution of the City Council or any other document filed in his or her office (the Mayor, the Chief Financial Officer, the City Clerk or any such other official being referred to as an "**Authorized Officer**") is hereby authorized to execute by their manual or, in the case of the Note, manual or facsimile signature, and to deliver on behalf of the City, and the City Clerk and the Deputy City Clerk are hereby authorized to attest by their manual or, in the case of the Note, manual or facsimile signature, the Funding Loan Agreement and the Note, 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 officer's approval of any changes or revisions from the form of the Funding Loan Agreement and Note therein attached to this Ordinance and reflecting the terms as determined in the Funding Loan Notification.

"**Certificate**" as used herein means an instrument of the City in writing signed by an Authorized Officer. Any such instrument in writing and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or

representation, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or representation of counsel, accountants, or engineers, respectively, unless the officer signing such instrument knows that the opinion or representation with respect to the matters upon which such instrument may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel or accountant or other persons, as the case may be, need not certify to all of the matters required to be certified under any provision of the Funding Loan Agreement, but different officers, counsel, accountants or other persons may certify to different facts, respectively.

Each Authorized Officer is hereby authorized to act as an authorized City representative of the City for the purposes provided in the Funding Loan Agreement.

An Authorized Officer is hereby authorized to execute and deliver on behalf of the City, and the City Clerk and the Deputy City Clerk are hereby authorized to attest, the Borrower Loan Agreement 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 Borrower Loan Agreement and the Borrower Note therein attached to this Ordinance and reflecting the terms as determined in the Funding Loan Notification.

An Authorized Officer is hereby authorized to execute and deliver one or more Land Use Restriction Agreements on behalf of the City, 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 Land Use Restriction Agreement attached to this Ordinance and reflecting the terms as determined in the Funding Loan Notification.

An Authorized Officer is hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are hereby authorized to attest the Tax Agreements on behalf of the City, in substantially the forms of such documents used in previous tax-exempt multi-family housing financings (with appropriate revisions to reflect the terms and provisions of the Funding Loan Agreement and the 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 exclusion from gross income for federal income tax purposes of interest on the Note.

An Authorized Officer is hereby authorized to execute and deliver on behalf of the City such security or collateral documents securing payment of the Note as the Authorized Officer regards as appropriate, in substantially the form of the security documents used in previous issuances of tax-exempt bonds pursuant to programs similar to the Note, with appropriate revisions to reflect the terms and provisions of the Note and with such other revisions as the Authorized Officer executing the same shall determine are appropriate and consistent with the other provisions of this Ordinance.

Section 4. Security for the Funding Loan Agreement and the Note. The obligations of the City under the Funding Loan Agreement and the Note shall be limited obligations of the

City, payable solely from and/or secured by a pledge of the following security (other than certain Unassigned Rights of the City):

(a) all right, title and interest of the City in, to and under the Borrower Loan Agreement and the Borrower Note, including, without limitation, all rents, revenues and receipts derived by the City from the Borrower relating to the New Project and including, without limitation, all Pledged Revenues, Borrower Loan Payments and Additional Borrower Payments derived by the City under and pursuant to, and subject to the provisions of, the Borrower Loan Agreement; provided that the pledge and assignment made under the Funding Loan Agreement shall not impair or diminish the obligations of the City under the provisions of the Borrower Loan Agreement;

(b) all right, title and interest of the City in, to and under, together with all rights, remedies, privileges and options pertaining to, the Funding Loan Agreement, and all other payments, revenues and receipts derived by the City under and pursuant to, and subject to the provisions of, the Funding Loan Agreement;

(c) any and all moneys and investments from time to time on deposit in, or forming a part of, all funds and accounts created and held under the Funding Loan Agreement, subject to the provisions of the Funding Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein;

(d) any and all other real or personal property of every kind and nature or description, which may from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of the Funding Loan Agreement as additional security by the City or anyone on its part or with its consent, or which pursuant to any of the provisions of the Borrower Loan Agreement may come into the possession or control of the Funding Lender or a receiver appointed pursuant to the Funding Loan Agreement;

(e) certain capital contributions to be made to the Borrower by its limited partner(s) in accordance with the terms and conditions of the partnership agreement of the Borrower in connection with the allocation to the Borrower of federal low-income housing tax credits and certain other funds, personal property and contractual rights of the Borrower and its affiliates pledged and/or assigned to the Funding Lender; and

(f) a mortgage and assignment of leases and rents on and security interest in the New Project and related collateral.

In order to secure the payment of the principal of, prepayment premium, if any, and interest on the Note, such rights, proceeds and investment income are hereby pledged to the extent and for the purposes as provided in the Funding Loan Agreement and are hereby appropriated for the purposes set forth in the Funding Loan Agreement. Nothing contained in this Ordinance shall limit or restrict the subordination of the pledge of such rights, proceeds and investment income as set forth in the Funding Loan Agreement to the payment of any other obligations of the City enjoying a lien or claim on such rights, proceeds and investment income as of the date of execution and delivery of the Funding Loan Agreement and the Note, all as shall be determined by the Authorized Officer at the time of the execution and delivery of the Funding Loan Agreement and the Note. 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 execution and delivery of the Funding Loan Agreement and the Note.

Section 5. Delivery of the Funding Loan Agreement Sale and Delivery of Note.

Subject to the terms and conditions of the Funding Loan Agreement and such additional terms as are set forth in the Funding Loan Notification with the approval of an Authorized Officer, the Note shall be sold and delivered to the Construction Funding Lender, with the understanding that upon completion of construction and satisfaction of other conditions, the Note shall be sold by the Construction Funding Lender to the Permanent Funding Lender, or such other funding lender as approved by an Authorized Officer. The Permanent Funding Lender, or such other funding lender approved by an Authorized Officer, shall hold the Note, subject to the terms and conditions of the required transferee representations (the "**Required Transferee Representations**") which shall be delivered to the City by both the Construction Funding Lender and the Permanent Funding Lender and any other funding lender. Any subsequent funding lender approved by an Authorized Officer, to the extent required under the Funding Loan Agreement, may succeed the 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 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 one and one half percent (1.5%) of the principal amount of the Note.

Section 6. Funding Loan Notification. Subsequent to the execution and delivery of the Funding Loan Agreement and the sale of the Note, the Authorized Officer shall file in the Office of the City Clerk a Funding Loan Notification for the Funding Loan Agreement and the Note directed to the City Council setting forth (i) the original principal amount of, maturity schedule, redemption provisions for and nature of the Note sold, (ii) the extent of any tender rights to be granted to the holders of the Note, (iii) the interest rates on the Note and/or a description of the method of determining the interest rates applicable to the Note from time to time, (iv) the origination fee or other compensation paid to the Funding Lender in connection with the origination of the Funding Loan and issuance of the Note, and (v) any other matter authorized by this Ordinance to be determined by an Authorized Officer at the time of the sale of the Note ("**Funding Loan Notification**"). There shall be attached to such notification the final form of the Funding Loan Agreement, a specimen of the Note and the final form of the Borrower Loan Agreement.

Section 7. Limited Obligations. The Note, when issued and outstanding, will be a limited obligation of the City, payable solely as provided in the Funding Loan Agreement. The Note 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 of Illinois. The Note shall be payable solely from the funds pledged therefor pursuant to the terms of the Funding Loan Agreement herein described.

Section 8. Use of Proceeds. The proceeds from the Funding Loan (as evidenced by the sale of the Note) shall be deposited as provided in the Funding Loan Agreement and used for the New Project.

Section 9. Volume Cap. The Funding Loan Agreement and the Note are obligations taken into account under Section 146 of the Code in the allocation of the City's volume cap.

Section 10. Developer Designation. The Developer is hereby designated as the developer for the New Project pursuant to Section 5/11-74.4-4 of the Act.

Section 11. Third Restructuring. The Third Restructuring is hereby approved as described above. The City's Commissioner of Housing (the "**DOH Commissioner**") or a designee of the DOH Commissioner (each, an "**Authorized DOH Officer**"), are each hereby authorized, subject to approval by the Corporation Counsel, to negotiate any and all terms and provisions in accordance with the Third Restructuring which do not substantially modify the Material Terms described herein. Each Authorized DOH Officer is 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 Third Restructuring. Each Authorized DOH Officer is 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 any future restructuring of the City Loan that does not substantially modify the Material Terms.

Section 12. Redevelopment Agreement. Upon the approval and availability of the Additional Financing, the Authorized DPD Officer (as defined below) is hereby authorized, with the approval of the Corporation Counsel, to negotiate, execute and deliver the Redevelopment Agreement and such other supporting documents as may be necessary to carry out and comply with the provisions of such agreements, with such changes, deletions and insertions as shall be approved by the persons executing such agreements. The Redevelopment Agreement shall be in substantially the form attached hereto as **Exhibit E** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized DPD Officer executing the same, with such execution to constitute conclusive evidence of such officer's approval of any changes or revisions from the form of Redevelopment Agreement attached to this Ordinance.

Section 13. Payment of Incremental Taxes. The City Council hereby finds that the City is authorized to pay an aggregate amount not to exceed \$10,000,000 ("**City Funds**") from Homan-Arthington Redevelopment Area Incremental Taxes and Midwest Redevelopment Area Incremental Taxes deposited and/or transferred into the general account of the TIF Fund to the Developer to finance a portion of the eligible costs included within the Project. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section.

Section 14. Maintenance and Use of TIF Fund. Pursuant to the TIF Ordinance, the City has created the TIF Fund. The Chief Financial Officer (or his or her designee) is hereby directed to maintain the TIF Fund as a segregated interest-bearing account, separate and apart from the City's Corporate Fund or any other fund of the City. Pursuant to the TIF Ordinance, all Incremental Taxes received by the City for the Homan-Arthington Redevelopment 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 15. Proxies. Each Authorized Officer may designate another to act as their respective proxy and to affix their respective signatures to the Note, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by such Authorized Officer pursuant to this Ordinance or the Funding Loan Agreement. 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 such Authorized Officer, respectively. A written signature of the Authorized Officer, 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 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 16. Additional Authorization. Each Authorized Officer, the City Treasurer, and, upon the approval and availability of the Additional Financing, the Authorized DOH Officer and the City's Commissioner of Planning and Development or a designee thereof (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, any documents necessary to evidence the receipt or assignment of any collateral for the Funding Loan Agreement and the Note, the Borrower Loan Agreement or the Borrower Note from the Borrower, and perform such other acts as may be necessary or desirable in connection with the City Agreements (as defined in **Section 21** hereof), 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 (including but not limited to **Section 3** hereof), if any portion of the Additional Financing is not approved and available at such time as an Authorized Officer, the Authorized DPD Officer and the Authorized DOH Officer otherwise deem it in the best interest of the City to execute the City Agreements, for which such officers are authorized to execute under this Ordinance, then such Authorized Officer, the Authorized DPD Officer and the Authorized DOH Officer may so execute the applicable 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 17. Public Hearing. This City Council hereby directs that the Note shall not be issued unless and until the requirements of Section 147(f) 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 Note shall be executed or undertaken prior to satisfaction of the requirements of said 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 such requirements are satisfied prior to the date of this Ordinance, this Ordinance shall constitute formal approval thereof. All such actions taken prior to the enactment of this Ordinance are hereby ratified and confirmed.

Section 18. 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 19. Administrative Fee. DOH is hereby authorized to charge an administrative fee or fees in connection with the delivery and administration of the Funding Loan Agreement and the Note, which shall be collected under such terms and conditions as determined by the Authorized DOH Officer and which shall be in an amount as determined by the Authorized DOH Officer but not to exceed the maximum amount permitted under Section 148 of the Code to avoid characterization of the Funding Loan Agreement and the Note as "arbitrage bonds" as defined in such Section 148. Such administrative fee or fees shall be used by DOH for administrative expenses and other housing activities. Initially, such administrative fee or fees shall be an amount equal to (i) 1.5% of the original principal amount of the Note payable upon issuance of the Note, plus (ii) an on-going compliance fee of \$25 per unit payable annually.

Section 20. Reserve for Legal Expenses. The City is authorized to assess a legal reserve fee with respect to the New Project, payable upon issuance of the Note from the proceeds of the Note or from funds contributed by the Borrower, which shall be in an amount equal to 0.10% of the original principal amount of the Note. Such fee shall be used by the City to pay legal costs or other expenses in connection with the New Project, the Note, or other City issuances.

Section 21. No Recourse. No recourse shall be had for the payment of the principal of, prepayment premium, if any, or interest on the Note or for any claim based thereon or upon any obligation, covenant or agreement contained in this Ordinance, the Funding Loan Agreement, the Note, the Borrower Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement, or the Redevelopment Agreement (collectively, the "**City Agreements**") against any past, present or future officer, member 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, officer, employee, director or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the City Agreements and the issuance of the Note.

Section 22. 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 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 Funding Loan and the Note to receive payment of the principal of, prepayment premium, if any, or interest on the Note or to impair the security for the Funding Loan Agreement and the Note; 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 of the Municipal Code.

Section 22. Affordable Housing. The New Project (as described on **Exhibit A** hereto) shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code.

Section 23. Special Exceptions. In order to ensure clarity in the applicable affordability restrictions, the requirements of Sections 2-44-080 through 2-44-105, inclusive, of the Municipal Code shall not apply to multi-family housing projects: (i) which receive loans or grants from the City (including from bond proceeds, funds from grants received by the City or corporate funds, but excluding loans and grants funded solely by revenues from the Affordable Housing Opportunity Fund as described in Section 2-44-085(1) of the Municipal Code), and/or which are eligible for tax credits administered by the City in connection with Section 42 of the Internal Revenue Code of 1986, as amended, or 20 ILCS 3805/7.28; and (ii) for which the applicable loan, grant and/or tax credit documents have not been executed and delivered by the City as of the effective date of this ordinance.

Section 24. Economic Disclosure Statements. Notwithstanding anything to the contrary contained in the Municipal Code or any other ordinance or mayoral executive order, the Current Owner shall not be required to provide to the City the document commonly known as the "Economic Disclosure Statement and Affidavit" (or any successor to such document) in connection with the Third Restructuring.

Section 24. Declaration of Official Intent. In accordance with Section 1.150-2 of the Treasury Regulations promulgated under the Code, the Mayor, the Chief Financial Officer and the City Comptroller are each hereby authorized to declare official intent of the City to reimburse prior expenditures made by the City from its corporate funds, special revenue funds or other funds available to the City (not including proceeds of tax-exempt bonds issued by the City) with (i) proceeds of tax-exempt bonds issued by the City under one or more of the Prior Ordinances or (ii) the proceeds of a tax-exempt draw on a general obligation line of credit borrowing by the City (authorized under that certain ordinance adopted on May 1, 2002 by the City Council), to then be reimbursed with proceeds of tax-exempt bonds issued by the City under one or more of the Prior Ordinances.

Section 25. Amendment to CRP Ordinance. The third and fourth sentences of Section 3.20(l) of the CRP Ordinance are deleted in their entirety, and the following text is inserted in their place:

With respect to each grant or loan of Recovery Bond proceeds or contract for goods, work and/or services paid from Recovery Bond proceeds, each Authorized Officer is authorized to designate in writing, with the written concurrence of the Budget Director of the City (the "Budget Director"), (i) one or more City departments or agencies to administer such grant or loan of Recovery Bond proceeds or contract for goods, work and/or services paid from Recovery Bond proceeds, and/or (ii) the head of the City department or agency who shall be authorized to execute a grant or loan agreement or contract for goods, work and/or services paid from Recovery Bond proceeds and such other documents, agreements or instruments as shall be deemed necessary or desirable by such City department or agency head. Upon any such written designation by an Authorized Officer pursuant to subsection (i) above, such City department or agency shall be authorized to administer such grant or loan of Recovery Bond proceeds or contract for goods, work and/or services paid from Recovery Bond proceeds. Upon any such written designation by an Authorized Officer pursuant to subsection (ii) above, the head of such City department or agency shall be authorized to execute a grant agreement, loan agreement or contract for goods, work and/or services, as applicable, and such other documents, agreements or instruments as such City department or agency head shall deem necessary or desirable. The designations in subsections (i) and (ii) may be effected in the same document.

Section 26. Amendment to CIP Ordinance. The third and fourth sentences of Section 2.20(l) of the CIP Ordinance are deleted in their entirety, and the following text is inserted in their place:

With respect to each grant or loan of Authorized Funds or with respect to each contract for goods, work and/or services paid from Authorized Funds, each Authorized Officer is authorized to designate in writing, with the written concurrence of the Budget Director of the City (the "*Budget Director*"), (i) one or more City departments or agencies to administer such grant or loan of Authorized Funds or contract for goods, work and/or services paid from Authorized Funds, and/or (ii) the head of the City department or agency who shall be authorized to execute a grant or loan agreement or contract for goods, work and/or services paid from Authorized Funds and such other documents, agreements or instruments as shall be deemed necessary or desirable by such City department or agency head. Upon any such written designation by an Authorized Officer pursuant to subsection (i) above, such City department or agency shall be authorized to administer such grant or loan of Authorized Funds or contract for goods, work and/or services paid from Authorized Funds. Upon any such written designation by an Authorized Officer pursuant to subsection (ii) above, the head of such City department or agency shall be authorized to execute a grant agreement, loan agreement or contract for goods, work and/or services, as applicable, and such

other documents, agreements or instruments as such head of the City department or agency shall deem necessary or desirable. The designations in subsections (i) and (ii) may be effected in the same document.

Section 27. Amendment to HED Ordinance. The third and fourth sentences of Section 2.18(l) of the HED Ordinance are deleted in their entirety, and the following text is inserted in their place:

With respect to each grant or loan of Authorized Funds or with respect to each contract for goods, work and/or services paid from Authorized Funds, each Authorized Officer is authorized to designate in writing, with the written concurrence of the Budget Director of the City (the "Budget Director"), (i) one or more City departments or agencies to administer such grant or loan of Authorized Funds or contract for goods, work and/or services paid from Authorized Funds, and/or (ii) the head of the City department or agency who shall be authorized to execute a grant or loan agreement or contract for goods, work and/or services paid from Authorized Funds and such other documents, agreements or instruments as shall be deemed necessary or desirable by such City department or agency head. Upon any such written designation by an Authorized Officer pursuant to subsection (i) above, such City department or agency shall be authorized to administer such grant or loan of Authorized Funds or contract for goods, work and/or services paid from Authorized Funds. Upon any such written designation by an Authorized Officer pursuant to subsection (ii) above, the head of such City department or agency shall be authorized to execute a grant agreement, loan agreement or contract for goods, work and/or services, as applicable, and such other documents, agreements or instruments as such head of the City department or agency shall deem necessary or desirable. The designations in subsections (i) and (ii) may be effected in the same document.

Section 28. Effective Date. This Ordinance shall take effect upon its passage and approval.

Exhibit A

New Project and Financing

BORROWER: Homan Square Apartments Phase IV Holder, LP, an Illinois limited partnership, the general partner of which is Homan Square Apartments Phase IV, LLC, an Illinois limited liability company, the manager of which is Homan Phase IV Manager, LLC, an Illinois limited liability company, the sole member and manager of which is Foundation for Homan Square, an Illinois not-for-profit corporation.

NEW PROJECT: Acquisition and rehabilitation of six residential facilities and related common facilities for low-income individuals containing approximately 107 residential rental apartment units (together with related common areas along with parking lot facilities, the **"New Project"**).

ADDITIONAL FINANCING:

1. **The Note:** as described in the Funding Loan Agreement. The Note will be secured as described in the Funding Loan Agreement, including by a senior mortgage.

2. Existing City HOME Loan:

Amount: Not to exceed \$5,235,025, or such amount as may be acceptable to the Authorized DOH Officer.

Term: Approximately 30 years plus construction period, or another term acceptable to the Authorized DOH Officer.

Source: Multi-Family Program Funds loaned by the City.

Interest: Not less than the applicable federal rate, compounding, at the time of transfer of the New Project, or such interest rate as may be acceptable to the Authorized DOH Officer.

Security: Mortgage on the New Project and/or such other security acceptable to the Authorized DOH Officer. Such mortgage and/or other security shall be junior to the Note Mortgage and any Swap Mortgage (as defined below). If an interest rate swap arrangement is entered into (i) between the Borrower and the Permanent Lender, a mortgage senior to the Mortgage on the New Project in favor of the Permanent Lender to secure Borrower's obligations may be required and/or (ii) between the Borrower and the Construction Funding Lender, a mortgage senior to the Mortgage on the New Project in favor of a party through which the interest rate swap is obtained to secure Borrower's obligations may be required (each individually, a "Swap Mortgage").

3. TIF Proceeds Loan/ TIF Capital Contribution:

Amount: Approximately \$10,000,000, or such amount as may be acceptable to the Authorized DOH Officer.

Source: From proceeds of the Redevelopment Agreement.

Term: To the extent any portion is structured as a loan, approximately 30 years plus construction period, or another term acceptable to the Authorized DOH Officer.

Interest: To the extent any portion is structured as a loan, 0%, or such other interest rate acceptable to the Authorized DOH Officer.

Security: Mortgage on the New Project and/or such other security acceptable to the Authorized DOH Officer. Such mortgage and/or other security shall be junior to the Note Mortgage, the Swap Mortgage, the Existing City HOME Loan, and any mortgage securing the City Funds.

Alternate Structure: FHS may use all or part of the approximately \$10,000,000 amount to make a capital contribution to the General Partner, and then the General Partner may use such funds to make a capital contribution to the Borrower.

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

Amount: Approximately \$11,798,480, or such amount as may be acceptable to the Authorized DOH Officer, all or a portion of which may be paid in on a delayed basis, and all or a portion of which will be applied to the payment of a portion of the Note upon the completion of the New Project.

Source: To be derived from the syndication of the LIHTCs generated by the issuance of the Note.

5. General Partner Capital Contribution:

Amount: Approximately \$4,000,000 or such other amount as may be acceptable to the Authorized DOH Officer.

Source: General Partner.

6. Deferred Developer Fee:

Amount: \$367,881 or such other amount as may be acceptable to the Authorized DOH Officer

Source: Developer Fee

Exhibit B
Form of Funding Loan Agreement

[See Attached]

Exhibit C

Form of Borrower Loan Agreement

[See Attached]

Exhibit D

Form of Land Use Restriction Agreement

[See Attached]

Exhibit E

Form of Redevelopment Agreement

[See Attached]

Exhibit F

Property

[Subject to Survey and Title Insurance]

Property Address:

3645, 3621 and 3607 West Polk Street, 908 and 906 South Central Park Avenue and 921 South Lawndale Avenue, Chicago, Illinois

Property identification numbers (PINs):

16-14-316-034-0000 3607 W Polk St
16-14-316-033-0000 3621 W Polk St
16-14-316-032-0000 3645 W Polk St
16-14-322-013-0000 906 S Central Park Ave
16-14-322-014-0000 908 S Central Park Ave
16-14-322-015-0000 921 S Lawndale Ave

Legal Description:

LOTS 1, 2, 3 AND 4 IN SECTION ONE AND LOTS 1, 2, 3 AND 4 IN SECTION TWO, IN HOMAN SQUARE PHASE FOUR SECTION ONE AND TWO, BEING A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 9, 1998 AS DOCUMENT NUMBER 98804192, AS AMENDED BY CERTIFICATE OF CORRECTION RECORDED OCTOBER 2, 1998 AS DOCUMENT NUMBER 98885813, IN COOK COUNTY, ILLINOIS.