

ORDINANCE

WHEREAS, the City of Chicago (the "City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low and moderate income; and

WHEREAS, the City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

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

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan to 3959 Lincoln 9, LLC, an Illinois limited liability company (the "9% Borrower"); and

WHEREAS, 3959 Lincoln 9 Manager, LLC, an Illinois limited liability company (the "9% Managing Member") is the managing member of 9% Borrower, with Brinshore Development L.L.C., an Illinois limited liability company, as the managing member of 9% Managing Member, and Apna Ghar, Inc., an Illinois not-for-profit corporation, or AG 3959 Lincoln 9, LLC, an Illinois limited liability company, a wholly-owned subsidiary thereof, as a member of 9% Managing Member; and

WHEREAS, as described in Exhibit A, the 9% Borrower and a separate entity, 3959 Lincoln 4, LLC, an Illinois limited liability company (the "4% Borrower"), will acquire the real property commonly known as 3959 N. Lincoln Avenue, Chicago, Illinois (the "Property"), and the 4% Borrower and 9% Borrower will thereafter submit the Property to the requirements of the Illinois Condominium Property Act, 765 ILCS Section 605/1 *et. seq.*, thereby creating the 3959 Lincoln Condominium pursuant to a Declaration of Condominium Ownership and of Easements, Restrictions, Covenants and By-Laws for 3959 Lincoln Condominiums or comparable document (the "Condominium Declaration"); and

WHEREAS, the 3959 Lincoln Condominium creates three units within the forthcoming 5-story mixed-use building to be rehabilitated with a new construction addition and located on the Property: (i) unit 1, which will consist of approximately 20 residential units for rental to very low-income and extremely low-income persons and families and will be located on floors 2 through 3 of the building ("Unit 1"); (ii) unit 2, which will consist of approximately 44 residential units for rental to very low-income and extremely low-income persons and families and will be located on floors 3 through 5 of the building ("Unit 2"); and (iii) unit 3, which is an approximately 3,852 square foot space that will be operated as commercial retail and will be located on the building's first floor ("Unit 3"); and

WHEREAS, pursuant to the Condominium Declaration, the 4% Borrower will exclusively own Unit 2 and its undivided interest in the common elements (the "4% Project") and the 9% Borrower will exclusively own Unit 1 and its undivided interest in the common elements and Unit 3 and its undivided interest in the common elements (collectively, the "9% Project"); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan to the 9% Borrower in an amount of approximately \$357,186 for the 9% Project (and in any case an amount not to exceed \$11,365,000 for the 9% Project and the 4% Project combined) (the "Loan"), which will be funded from Multi-Family Program Funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof, which Loan proceeds will be used exclusively for the 9% Project and which Loan will be secured by a mortgage lien exclusively encumbering the 9% Project, among other security as further described in Exhibit A; and

WHEREAS, DOH intends to make a separate loan to the 4% Borrower for the 4% Project pursuant to a separate Ordinance, provided that the Loan to the 9% Project will not be cross-collateralized or cross-defaulted with the separate loan that DOH will make to the 4% Borrower for the 4% Project; now, therefore,

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

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

SECTION 2. Upon the approval and availability of the Additional Financing as shown in Exhibit A, the Commissioner of Housing (the "Commissioner") and a designee of the Commissioner (collectively, the "DOH Officer") are each hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Loan. The DOH Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan which do not substantially modify the terms described in Exhibit A. Upon the execution and receipt of proper documentation, the DOH Officer is hereby authorized to disburse the proceeds of the Loan to the 9% Borrower and/or its affiliated entity.

SECTION 3. Section 2-44-080 through 2-44-105 of the Municipal Code of Chicago (the "Municipal Code") shall not apply to the Project or the Property, as hereinafter defined in Exhibit A.

SECTION 4. The Mayor, the Chief Financial Officer, the City Clerk, the DOH Officer and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this ordinance.

SECTION 5. To the extent that any ordinance, resolution, rule, order, or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause, or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this ordinance.

SECTION 6. This ordinance shall be effective as of the date of its passage and approval.