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OFFICE OF THE MAYOR
CITY OF CHICAGO

BRANDON JOHNSON
MAYOR

January 24, 2024

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the issuance of financial assistance for the Charles Earle Apartments Project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to be "BJ", with a long horizontal line extending to the right.

Mayor

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, pursuant to an ordinance adopted on October 27, 2021, and published at pages 40213-40503 of the Journal of the Proceedings of the City Council of the City (the "Journal") of such date, the City Council of the City (the "City Council") authorized the issuance of general obligation bonds in one or more series, in an aggregate principal amount not to exceed \$660,000,000 for the Chicago Recovery Plan, to finance the costs of the Recovery Purposes (as defined therein); and

WHEREAS, Department of Housing ("DOH") has preliminarily reviewed and approved the making of a grant or loan to Earle School, LLC, a Wisconsin limited liability company (the "Owner"), of which Earle School MM, LLC, a Wisconsin limited liability company is the managing member, in an amount not to exceed \$462,658 (the "City Funds"), to be funded from Chicago Recovery Plan funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; and

WHEREAS, pursuant to ordinances adopted on March 29, 2006, published in the Journal of the Proceedings of the City Council of the City (the "City Council") for such date at pages 72958 to 73124, 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 "Plan") for a portion of the City known as the "63rd/Ashland Redevelopment Project Area" (the "Area"); (ii) designated the Area as a "redevelopment project area" within the requirements of the Act; and (iii) adopted tax increment financing for the Area (the "TIF Ordinance"); and

WHEREAS, the Plan and/or the Area were first amended pursuant to an ordinance adopted by the City Council on September 8, 2010, and published at pages 98411- 98459 of the Journal of such date (as amended, the "Plan" and the "Area"); and

WHEREAS, the Owner has entered into a contract to purchase the former Charles W. Earle School building from the Board of Education of the City of Chicago, which building is located at 1711 West 61st Street (previously assigned an address of 6121 South Hermitage Avenue) in the City (the "Property"); and

WHEREAS, by this ordinance, the City has determined that it is necessary and in the best interest of the City to provide additional financing from the TIF Fund (as defined below) to the Owner and/or the Foundation (as defined below) to pay or reimburse a portion of the costs of the rehabilitation of the building on the Property for the creation of an affordable, multi-family development offering permanent supportive housing services, comprising approximately fifty (50) residential rental housing units for low- and moderate-income households earning between 15%-60% area median income, related amenities, and up to forty-seven (47) parking spaces (and as further described in Exhibit A, the "Project"); and

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

WHEREAS, the Owner and the Foundation will be obligated to undertake the Project in accordance with the Plan and the terms and conditions of a proposed redevelopment agreement to be executed by the Developer (as defined below) and the City, with the Project to be financed in part by certain pledged incremental taxes (the "Incremental Taxes") deposited from time to time in the Special Tax Allocation Fund for the Area (as defined in the TIF Ordinance, the "TIF Fund") pursuant to Section 5/11-74.4-8(b) of the Act; and

WHEREAS, pursuant to Resolution 23-CDC-36 adopted by the Community Development Commission of the City (the "Commission") on October 12, 2023, the Commission has recommended that the Owner and/or its affiliated entities be designated as the developer for the Project and that DOH be authorized to negotiate, execute, and deliver on behalf of the City a redevelopment agreement with the Developer; 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 hereto, the Commissioner of Housing (the "Commissioner") and a designee of the Commissioner (collectively, the "Authorized 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 City Funds. The Authorized Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the City Funds which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the proceeds of the City Funds to the Owner.

SECTION 3. The 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 of Chicago (the "Municipal Code").

SECTION 4. Section 2-44-085 of the Municipal Code shall not apply to the Project or the Property.

SECTION 5. The Owner and Celesterling Foundation, an Illinois not for profit corporation doing business as Phoenix Foundation, NFP (the "Foundation") are hereby collectively designated as the "Developer" for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 6. The Commissioner of the Department of Planning and Development (the "DPD Commissioner") and a designee of the DPD Commissioner (collectively, the "Authorized DPD Officer") are each hereby authorized, with the approval of the Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement between the Developer and the City substantially in the form attached hereto as Exhibit B and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary or appropriate 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.

SECTION 7. The City Council hereby finds that the City is authorized to pay an amount not to exceed \$4,200,000 (the "City TIF Funds") from Incremental Taxes deposited in the general account of the TIF Fund (the "General Account") to the Developer or one of the entities that comprise 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 6.

SECTION 8. The Mayor, the Chief Financial Officer, the City Clerk, the Commissioner (or his or her designee), the DPD Commissioner (or his or her designee) 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 9. To the extent that any ordinance, resolution, rule, order, or provision of the Municipal Code of Chicago, 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 10. This ordinance shall be effective as of the date of its passage and approval.