

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 Council of the City (the "City Council") 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, the City Council, pursuant to an ordinance enacted on November 15, 2006, and published at pages 92011 - 92018 of the Journal of the Proceedings of the City Council (the "Journal") of that date, authorized DOH to provide Multi-Family Program Funds in the amount of \$1,300,000 (the "Original Phoenix House Loan") to finance a portion of the costs of the construction of a building called the Phoenix House Apartments, located at 1251 South Sawyer Avenue in Chicago, Illinois (the "Phoenix House Property"), and the 32 residential dwelling units therein (the "Original Phoenix House Project"); and

WHEREAS, the City conveyed the Phoenix House Property and several adjacent parcels, all as described on Exhibit A attached hereto and made a part hereof (collectively, the "AidsCare Campus Parcels"), to AidsCare, Inc., an Illinois not-for-profit corporation n/k/a EdgeAlliance, Inc. ("AidsCare"), pursuant to the ordinances, agreements for redevelopment of land ("Agreements") and deeds ("Deeds") identified on Exhibit B hereto and made a part hereof; and

WHEREAS, the Agreements and Deeds encumbered the AidsCare Campus Parcels with various covenants that run with the land; and

WHEREAS, the City Council, pursuant to an ordinance ("Vacation Ordinance") enacted March 31, 2004, and published at pages 21596 – 21600 of the Journal of that date, authorized the vacation of a public alley in the block bounded by W. Roosevelt Road, S. Kedzie Avenue, W. 13th Street and S. Sawyer Avenue; and

WHEREAS, in accordance with Section 5 of the Vacation Ordinance, the City and AidsCare, Inc., an Illinois not-for-profit corporation, among others, entered into that certain Agreement for the Sale and Redevelopment of Land ("Alley RDA"), dated September 28, 2004, and recorded with the Office of the Recorder of Deeds of Cook County, Illinois, on September 30, 2004, as document No. 0427441076; and

WHEREAS, the Alley RDA encumbered the vacated alley with various covenants that run with the land, and portions of the vacated alley became part of the Sawyer Gardens Project (as hereafter defined), the Garden View Project (as hereafter defined, and hereafter, the portion of the vacated alley that was incorporated into the Garden View Project is the "Garden View Alley Property"), the Original Phoenix House Project (hereafter, the portion of the vacated alley that was incorporated into the Original Phoenix House Project is the "Phoenix House Alley Property"),

and the Wellness Center Lots (as hereafter defined, and hereafter, the portion of the vacated alley that was incorporated into the Wellness Center Lots is the "Wellness Center Alley Property"); and

WHEREAS, Section 6.B. of the Alley RDA states, in part, that a transfer of the "All Encumbered Property," as that term is defined in the Alley RDA, is subject to City Council approval; and

WHEREAS, each of the Phoenix House Alley Property, the Wellness Center Alley Property, and the Garden View Alley Property are included in the "All Encumbered Property"; and

WHEREAS, in connection with the Original Phoenix House Project, the City made the Original Phoenix House Loan to The Phoenix House LLC, an Illinois limited liability company (the "Original Phoenix House Borrower"), on March 30, 2007 with an interest rate of zero percent per annum, which Original Phoenix House Loan is secured by, among other things, that certain Mortgage, Security Agreement and Financing Statement dated March 30, 2007, and recorded with the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") on March 30, 2007 as document No. 0708905157 (the "Original Phoenix House Mortgage"); and

WHEREAS, in connection with the Original Phoenix House Project, Aidscore conveyed the Phoenix House Property to the Original Phoenix House Borrower, by quitclaim deed dated March 30, 2007, and recorded with the Recorder's Office on March 30, 2007, as document No. 0708905147; and

WHEREAS, the City Council, pursuant to an ordinance enacted on October 16, 2019 and published at pages 7085 – 7088 of the Journal of that date, authorized Heartland Phoenix House LLC (the "New Phoenix House Borrower"), an Illinois limited liability company, to acquire the Phoenix House Property and Original Phoenix House Project and assume (i) the Original Phoenix House Mortgage and other associated loan documents in connection with the Original Phoenix House Loan, and (ii) the Agreements, as amended, that encumbered the Phoenix House Property, as evidenced by that certain Consent, Assignment and Assumption Agreement dated January 10, 2020 and recorded with the Recorder's Office on January 14, 2020 as document No. 2001406065; and

WHEREAS, as indicated on Exhibit A, the Aidscore Campus Parcels also include the "Wellness Center Lots" and "Multipurpose Lots," neither of which were developed as intended under the Agreements by Aidscore and/or its affiliates; and

WHEREAS, the City Council, pursuant to an ordinance enacted on April 24, 2020 and published at pages 15217-15223 of the Journal of that date, authorized Heartland Property Holding Company LLC's, an Illinois limited liability company ("Heartland Property Holding"), which is an affiliate of the New Phoenix House Borrower, purchase of the Wellness Center Lots and the Multipurpose Lots and its assumption and amendment of the applicable Agreements (the "Wellness and Multipurpose Transfers") for future development; and

WHEREAS, the City Council, pursuant to an ordinance enacted on April 24, 2020 and published at pages 16100-16118 of the Journal of that date, consented to (i) the conveyance of the Wellness Center Alley Property to Heartland Property Holding, (ii) certain amendments to the Alley RDA that allow the vacated alley to be used as landscaped green space, and (iii) Heartland Property Holding's assumption of the Alley RDA, as amended, as evidenced by that certain Partial Assignment, Assumption and Amendment Agreement for the September 28, 2004 Agreement for

the Sale and Redevelopment of Land (Section 811 and Wellness Centers) dated June 19, 2020 and recorded September 24, 2020 as document no. 2026857032; and

WHEREAS, pursuant to an ordinance enacted by City Council on April 24, 2020 and published at pages 15217-15223 of the Journal of that date, the City made a loan of Multi-Family Program Funds to the New Phoenix House Borrower, in the amount of \$1,000,000, with an interest rate of zero percent per annum (the "New Phoenix House Loan"), which New Phoenix House Loan is secured by, among other things, that certain Junior Mortgage, Security Agreement and Financing Statement dated July 10, 2020 and recorded with the Recorder's Office on July 23, 2020 as document No. 2020557019 (the "New Phoenix House Mortgage"); and

WHEREAS, as indicated on Exhibit A, the Aidscore Campus Parcels also include the "Sawyer Gardens Lots," which were developed as a rental residential project (the "Sawyer Gardens Project") as intended under the applicable Agreement (the "Sawyer Garden Agreement," as noted on Exhibit B) by Aidscore and/or its affiliates (which development the City recognized by issuing a certificate of completion pursuant to the Sawyer Gardens Agreement); and

WHEREAS, Heartland Sawyer Gardens, Inc., an Illinois not-for-profit corporation, ("Heartland Sawyer Gardens"), which is also an affiliate of the New Phoenix House Borrower, acquired the Sawyer Gardens Lots, pursuant to special warranty deed dated June 3, 2020, and recorded with the Recorder's Office on August 13, 2020, as document No. 2022657006, and purchased the Sawyer Gardens Project in accordance with the provisions of the Sawyer Gardens Agreement, as amended; and

WHEREAS, as indicated on Exhibit A, the Aidscore Campus Parcels also include the "Garden View Lots," which were developed as a rental residential project (the "Garden View Project") as intended under the applicable Agreement (the "Garden View Agreement," as noted on Exhibit B) by Aidscore and/or its affiliates (which development the City recognized by issuing a certificate of completion pursuant to the Garden View Agreement); and

WHEREAS, Heartland Garden View LLC, an Illinois limited company ("Heartland Garden View"), which is also an affiliate of the New Phoenix House Borrower, previously purchased the Garden View Lots and the Garden View Project in accordance with the provisions of the Garden View Agreement, as amended, and the City consented to this purchase pursuant to the City Council ordinance enacted on April 24, 2020 and published at pages 15217 to 15223 of the Journal of that date, and as further evidenced by the Modification Agreement (Garden View Apartments Redevelopment Agreements and Quit Claim Deed Covenants) dated June 19, 2020 and recorded on September 17, 2020 as document no. 2026157042; and

WHEREAS, the City Council, pursuant to an ordinance enacted on October 16, 2019 and published at pages 7802-7823 of the Journal of that date, consented to the conveyance of the Garden View Alley Property to the Heartland Garden View, certain amendments to the Alley RDA, and Heartland Garden View's assumption of the Alley RDA, as amended, as evidenced by that certain Partial Assignment, Assumption and Amendment Agreement for the September 28, 2004 Agreement for the Sale and Redevelopment of Land dated January 10, 2020 and recorded on January 14, 2020 as document no. 2001406067; and

WHEREAS, the New Phoenix House Borrower wishes to sell, or to cause its affiliate(s) to sell, the Phoenix House Property to CHASSA Phoenix House LLC, an Illinois limited liability company ("New Owner"), the sole member of which is Chicago House and Social Service Agency, an Illinois not-for-profit corporation, and requests that the City approve (i) the proposed sale of

the Phoenix House Property and the Phoenix House Alley Property to the New Owner, (ii) the assumption of the Mortgage and other associated Original Phoenix House Loan documents and New Phoenix House Loan documents by New Owner, (iii) the assumption by the New Owner of the Agreements, as amended, that encumber the Phoenix House Property, and (iv) the assumption by the New Owner of the Alley RDA, as amended, that encumbers the Phoenix House Alley Property (collectively, the "Phoenix House Transfer"); and

WHEREAS, DOH has approved a restructuring of the Original Phoenix House Loan and the New Phoenix House Loan (the "Restructuring") in a manner which (1) will authorize the Transfer, (2) will not alter the principal amount of the Original Phoenix House Loan or the New Phoenix House Loan, (3) will not alter the interest rate on the principal balance of the Original Phoenix House Loan or the New Phoenix House Loan, and (4) will not alter the maturity date of the Original Phoenix House Loan or the New Phoenix House Loan (collectively, the "Material Terms"); and

WHEREAS, DOH has approved the New Phoenix House Borrower's assignment as described in the Phoenix House Transfer (and, subject to DOH approval, the amendment of the Alley RDA, as amended, and the amendment of the Agreements, as amended) to New Owner; and

WHEREAS, Heartland Property Holding wishes to sell, or to cause its affiliate(s) to sell, the Wellness Center Lots, Multipurpose Lots and Wellness Center Alley Property to CHASSA S. Kedzie Lots, LLC, an Illinois limited liability company ("New Vacant Lots Owner"), the sole member of which is Chicago House and Social Service Agency, an Illinois not-for-profit corporation, and requests that the City approve (i) the proposed sale of the Wellness Center Lots, Multipurpose Lots and Wellness Center Alley Property to the New Vacant Lots Owner, (ii) the assumption by the New Vacant Lots Owner of the Agreements, as amended, that encumber the Wellness Center Lots and Multipurpose Lots, and (iii) the assumption by the New Owner of the Alley RDA, as amended, that encumbers the Wellness Center Alley Property (collectively, the "Vacant Lots Transfer"); and

WHEREAS, DOH has approved the Heartland Property Holding's assignment as described in the Vacant Lots Transfer (and, subject to DOH approval, the amendment of the Alley RDA, as amended, and the amendment of the Agreements, as amended) to New Vacant Lots Owner;

WHEREAS, Heartland Garden View wishes to sell, or to cause its affiliate(s) to sell, the Garden View Lots and Garden View Alley Property to CHASSA Garden View, LLC, a Illinois limited liability company (the "New Garden View Owner"), and requests that the City approve (i) the proposed sale of the Garden View Property and Garden View Alley Property to the New Garden View Owner, (ii) the assumption by the New Garden View Owner of the Garden View Agreement, as amended, and (iii) the assumption by the New Garden View Owner of the Alley RDA, as amended, that encumbers the Garden View Alley Property (collectively, the "Garden View Transfer", and together with the Phoenix House Transfer and the Vacant Lots Transfer, the "Transfer"); and

WHEREAS, DOH has approved the Heartland Garden View's assignment as described in the Garden View Transfer (and, subject to DOH approval, the amendment of the Alley RDA, as amended, and the amendment of the Garden View Agreements, as amended) to New Garden View Owner; 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. The Restructuring is hereby approved as described above. The Commissioner of Housing (the "Housing Commissioner") or a designee of the Housing Commissioner, are each hereby authorized, subject to approval by the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Restructuring which do not substantially modify the Material Terms of the documents for the Original Phoenix House Loan or the New Phoenix House Loan, except as indicated herein. The Housing Commissioner, or a designee of the Housing Commissioner, 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 Restructuring, including but not limited to assignments/assumptions and amendments of any of the Agreements, as amended, the Alley RDA, as amended, and the Deeds, consistent with the Restructuring, and with respect to the Transfer pursuant to Section 2-44-040(a)(3) of the Municipal Code of Chicago (the "Municipal Code"). The Housing Commissioner or a designee of the Housing Commissioner 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 any future restructuring of the Original Phoenix House Loan or the New Phoenix House Loan, which do not substantially modify the Material Terms of the Original Phoenix House Loan or the New Phoenix House Loan.

SECTION 3. The Vacant Lots Transfer is hereby approved as described above. The Housing Commissioner or a designee of the Housing Commissioner, 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 foregoing sale, including but not limited to assignments/assumptions and amendments of any of the Agreements, as amended, the Alley RDA, as amended, and the Deeds that encumber the Wellness Center Lots, Multipurpose Lots and Wellness Center Alley Property.

SECTION 4. The Garden View Transfer is hereby approved as described above. The Housing Commissioner or a designee of the Housing Commissioner, 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 foregoing sale, including but not limited to assignments/assumptions and amendments of any of the Garden View Agreements, as amended, the Alley RDA, as amended, and the Deeds that encumber the Garden View Lots and Garden View Alley Property.

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. Sections 2-44-080 through 2-44-105 of the Municipal Code shall not apply to the Aidscares Campus Parcels, All Encumbered Property, the Original Phoenix House Project, the Garden View Project, or the Sawyer Gardens Project in connection with the Restructuring.

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