

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 for 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, Lathrop Preservation Phase IC, LP, an Illinois limited partnership (the "Borrower"), the general partner of which is Lathrop Preservation Phase IC GP, LLC, an Illinois limited liability company, has proposed the construction of a mixed-income, rental development, comprising (1) one newly-constructed elevator building containing approximately 59 dwelling units; (2) the rehabilitation of seven buildings to create approximately 250 dwelling units; and (3) the demolition of three existing buildings, with items (1) – (3) all generally located in the City at the following addresses: 2740 N. Hoyne Avenue (new construction); 2730-59 N. Leavitt Street/2039-49 W. Diversey Parkway (rehabilitation); 2750-68 N. Hoyne Avenue/2029-35 W Diversey Parkway (rehabilitation); 2633-67 N. Hoyne Avenue (rehabilitation); 2601-31 N. Hoyne Avenue (rehabilitation); 2600-18 N. Hoyne Avenue (rehabilitation); 2628-62 N. Hoyne Avenue (rehabilitation); 2664-2704 N. Hoyne Avenue (rehabilitation); 2742-48 N. Hoyne Avenue (demolition); 2706-40 N. Hoyne Avenue (demolition); and 2620-26 N. Hoyne Avenue (demolition) (all of the foregoing shall be known as the "Bond Project"); and

WHEREAS, the development also includes the structural rehabilitation of a powerhouse located at 2567 N. Hoyne Avenue to create a space to be built out by a future commercial tenant (i.e., grey box space), which will not be funded with the proceeds of the Bonds, as hereinafter defined, and is not a part of the Bond Project; and

WHEREAS, the Borrower has requested that the City issue multi-family housing revenue bonds, notes, or other indebtedness in an amount not to exceed One Hundred Million Dollars (\$100,000,000) (the "Bonds") for the purpose of financing all or a portion of the Bond Project costs, including the Eligible Bond Project Costs (as defined herein); and

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

WHEREAS, it is intended that this ordinance shall constitute a declaration of official intent to reimburse certain eligible expenditures for the Bond Project made prior to the issuance of the Bonds ("Eligible Bond Project Costs") from the proceeds of the Bonds (if and when issued) within the meaning of Section 1.150-2 of the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Treasury Regulations"); 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 City intends to issue the Bonds and lend all or a portion of the proceeds thereof ("Bond Proceeds") to the Borrower, or an entity affiliated with or related to the Borrower, for the purpose of financing all or a portion of the Bond Project costs, as well as costs incurred in connection with the issuance of the Bonds and funding certain reserves, if required, subject to the City and the Borrower agreeing to the terms and conditions necessary to issue the Bonds and further approval by the City Council of the City. The maximum principal amount of Bonds which the City intends to issue for the Bond Project will not exceed One Hundred Million Dollars (\$100,000,000).

SECTION 3. Certain Eligible Bond Project Costs will be incurred and paid by the Borrower, or an entity affiliated with or related to the Borrower, in connection with the Bond Project prior to the issuance of the Bonds. The City reasonably expects to reimburse such Eligible Bond Project Costs with Bond Proceeds.

SECTION 4. The Eligible Bond Project Costs to be reimbursed with Bond Proceeds will be paid initially from funds of the Borrower, and/or an entity or entities affiliated with or related to the Borrower.

SECTION 5. This ordinance is consistent with the budgetary and financial circumstances of the City. No funds from sources other than Bond Proceeds are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the City for the Bond Project for costs to be paid from Bond Proceeds.

SECTION 6. This ordinance constitutes a declaration of official intent of the City with respect to the Bond Project under Section 1.150-2 of the Treasury Regulations.

SECTION 7. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or any 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 8. This ordinance shall be effective as of the date of its passage and approval.