

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, 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, construction, rehabilitation, development, and equipping of an affordable multi-family housing facility for low- and moderate-income families located in the City ("**Multi-Family Housing Financing**"); and

WHEREAS, the City owns one (1) parcel of vacant real property located at 7909 South Exchange Avenue, Chicago, Illinois, and legally described in **Exhibit F** and depicted in **Exhibit F-1** attached hereto and incorporated herein (the "**City Property**"); and

WHEREAS, Thrive Exchange, LLC, an Illinois limited liability company (the "**Borrower**"), owns two (2) parcels of real property located adjacent to the City Property at 7901-7907 and 7911 South Exchange Avenue, Chicago, Illinois, and legally described in **Exhibit F** and depicted in **Exhibit F-1** attached hereto and incorporated herein (the "**Borrower Property**" and together with the City Property, the "**Property**"); and

WHEREAS, the Borrower's managing member is DL3 Thrive Exchange LIHTC South, LLC, an Illinois limited liability company (the "**Managing Member**"), and the sole member of the Managing Member is DL3 Realty Advisors, LLC (the "**Sole Member**"); and

WHEREAS, the Borrower has proposed to acquire the City Property, assemble it with the Borrower Property, and construct, furnish and equip thereon, a low-income housing development and commercial project consisting of a six-story apartment building containing forty-three (43) rental dwelling units, and approximately 2,760 square feet of commercial space (together with related common areas and parking, the "**Project**"); and

WHEREAS, the Project is Phase I of a multi-building development across two (2) development sites consisting of sixteen (16) parcels along East 79th Street and South Exchange Boulevard under the City's INVEST South/West initiative; and

WHEREAS, the Managing Member will have a 0.01% membership interest in the Borrower and National Equity Fund Assignment Corp., an Illinois not for profit corporation, or another entity acceptable to the Authorized DOH Officer (as defined below) (the "**Investor Member**"), will have a 99.99% membership interest in the Borrower; and

WHEREAS, by this ordinance (this "**Ordinance**"), the City Council of the City (the "**City Council**") has determined that it is necessary and in the best interests of the City to provide Multi-Family Housing Financing and certain other funding, as provided herein, to the Borrower, to enable it to pay or reimburse a portion of the costs of the Project, and to pay a portion of the costs of issuance and other costs incurred in connection therewith; 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**") with Wintrust Bank, N.A. (the "**Bank**"), pursuant to which the City will borrow an aggregate principal amount not to exceed Nineteen Million One Hundred Seventy-Five Thousand Dollars (\$19,175,000) (the "**Funding Loan**") for the purposes set forth above and, in evidence of its limited, special obligation to repay that borrowing, issue (i) a tax-exempt revenue note in an aggregate principal amount not to exceed Eighteen Million Four Hundred Thousand Dollars (\$18,400,000), which is expected to be designated as Multi-Family Housing Revenue Note (Thrive Exchange South ISW Project), Series 2024A (the "**Series A Note**"), and (ii) a tax-exempt revenue note in an aggregate principal amount not to exceed Seven Hundred Seventy-Five Thousand Dollars (\$775,000), which is expected to be designated as Multi-Family Housing Revenue Note (Thrive Exchange South ISW Project), Series 2024B (the "**Series B Note**" and, together with the Series A Note, the "**Notes**"), both 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 a certain Borrower promissory note relating to the Series A Note (the "**Series A Borrower Note**") and a certain Borrower promissory note relating to the Series B Note (the "**Series B Borrower Note**" and, together with the Series A Borrower Note, the "**Borrower Notes**"), in order to finance a portion of the cost of the Project in return for loan payments sufficient to pay, when due, the principal of, prepayment premium, if any, and interest on the Notes; and

WHEREAS, the principal of, prepayment premium, if any, and interest payable on the Notes will be secured by, among other things, (i) a construction mortgage on the Property, (ii) certain capital contributions to be made to the Borrower by the Investor Member, (iii) federal low-income housing tax credits, and (iv) pledges and/or assignments of certain funds, personal property, and contractual rights of the Borrower and its affiliates (including certain Multi-Family Program Funds and CRP Funds, as defined below); and

WHEREAS, the Funding Loan and the Notes 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 any Notes 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 Notes 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 Notes, 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 Notes 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 and the Borrower Notes to be issued thereunder, (iii) a Tax Regulatory Agreement and/or tax certificate relating to the Notes (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, the City has certain funds available from a variety of funding sources ("**Multi-Family Program Funds**") and/or from Chicago Recovery Plan funds ("**CRP 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 and CRP Funds are administered by the Department of Housing ("**DOH**") and Department of Planning and Development ("**DPD**") of the City; and

WHEREAS, pursuant to ordinances adopted on July 31, 2002, and published at pages 91019 to 91030 in the Journal of Proceedings of the City Council (the "**Journal**") of such date, the City Council: (i) approved a certain redevelopment plan and project (the "**Avalon Park/South Shore Redevelopment Plan**") for the Avalon Park/South Shore Tax Increment Financing Redevelopment Project Area (the "**Avalon Park/South Shore Area**") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "**Act**"); (ii) designated the Avalon Park/South Shore Area as a redevelopment project area pursuant to the Act; and (iii) adopted tax increment allocation financing pursuant to the Act as a means of financing certain Avalon Park/South Shore Area redevelopment project costs (as defined in the Act) incurred pursuant to the Avalon Park/South Shore Redevelopment Plan (collectively, the "**TIF Ordinance**"); and

WHEREAS, the Property is located in the Avalon Park/South Shore Redevelopment Area; and

WHEREAS, the City, through DPD, issued a Request for Proposals ("**RFP**") for the sale and redevelopment of the City Property as part of the City's INVEST South/West initiative, pursuant to the following timeline:

April 23, 2021	RFP Released
April 26, May 3 & 10, 2021	Chicago Tribune Announcement of RFP Release Published
May 12, 2021	RFP Pre-Bid Conferences
August 31, 2021	RFP Due Date (2 responses received)
September 22, 2021	Community Presentation
November 18, 2021	Selection

WHEREAS, DPD received two (2) submissions in response to the RFP; and

WHEREAS, the responding development entities to the RFP are identified and their proposals briefly described in **Exhibit G** attached hereto and incorporated herein; and

WHEREAS, DPD evaluated the proposals on the basis of the criteria set forth in the RFP and determined that the proposal submitted by the Sole Member, best satisfied the goals and objectives of the RFP for the City Property; and

WHEREAS, pursuant to Resolution No. 23-057-21 adopted on December 21, 2023, the Chicago Plan Commission recommended the sale of the City Property to the Sole Member or related entity; and

WHEREAS, pursuant to Resolution No. 23-CDC-09, adopted on February 14, 2023, the Community Development Commission designated the Sole Member, together with its affiliates,

as the successful respondent to the RFP and recommended the sale of the City Property for One Dollar (\$1.00) per tax parcel; and

WHEREAS, the Project is consistent with the goals and objectives of the Avalon Park/South Shore Redevelopment Plan; and

WHEREAS, the fair market value of the City Property based on an appraisal dated June 6, 2024, is \$50,000; and

WHEREAS, the appraised value may be updated with the approval of the Authorized Officer (defined below); and

WHEREAS, the City has agreed to sell the City Property for the price of One Dollar (\$1.00) per tax parcel, to NHS Thrive Exchange LLC, an Illinois limited liability company or another entity approved by the Authorized Officer (the "**Sponsor**"), whereupon the Sponsor will immediately convey its interest in the City Property to the Borrower; and

WHEREAS, the Borrower and the Sponsor will jointly constitute the developer with respect to the Project (the "**Developer**") and will be obligated to undertake the Project in accordance with the terms and conditions of a redevelopment agreement to be executed by the Developer and the City, with the Project to be financed in part by a grant to the Sponsor of certain pledged incremental taxes deposited from time to time in the Avalon Park/South Shore Tax Increment Financing Redevelopment Project Area Special Tax Allocation Fund for the Avalon Park/South Shore Area (the "**Avalon Park/South Shore TIF Fund**") pursuant to Section 5/11-74.4-8(b) of the Act ("**Incremental Taxes**"), which shall thereafter lend the Incremental Taxes to the Borrower; and

WHEREAS, the Borrower now desires to obtain financing from various sources including the Borrower Loan, the Redevelopment Agreement (described below), the City Loan (described below) and equity from the syndication of low-income housing tax credits ("**LIHTCs**"), and various utility grants, all such additional financing as shown in **Exhibit A** attached hereto (the "**Additional Financing**"); and

WHEREAS, the City has preliminarily reviewed and approved the making of a loan or loans to the Borrower in an amount not to exceed \$5,700,000, to be funded from its Multi-Family Program Funds (the "**City Loan**") and a grant in an amount not to exceed \$1,000,000 to be funded from its CRP Funds (the "**City Grant**") (collectively, the "**City Funds**") pursuant to the terms and conditions set forth in this Ordinance and **Exhibit A** attached hereto and made a part hereof; **now, therefore,**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO, AS FOLLOWS:

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.

Section 2. Findings and Determinations. The City Council hereby finds and determines that the delegations of authority that are contained in this Ordinance, including the authority to make the specific determinations described herein, are necessary and desirable

because the City Council cannot itself as advantageously, expeditiously or conveniently exercise such authority and make such specific determinations. Thus, authority is granted to the Chief Financial Officer of the City or the City Comptroller of the City (either such officer being referred to herein as the "**Authorized Officer**") to establish the terms of the Funding Loan Agreement and the related Notes and the Borrower Loan Agreement and the related Borrower Notes on such terms as and to the extent the Authorized Officer determines that such terms are desirable and in the best financial interest of the City. Any such designation and determination by the Authorized Officer shall be signed in writing by the Authorized Officer 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 Authorized Officer and filed with the City Clerk.

Section 3. Authorization of the Funding Loan Agreement, the Notes, the Borrower Loan Agreement, the Borrower Notes and Related Agreements. Upon the approval and availability of the Additional Financing, the execution and delivery of the Funding Loan Agreement and the issuance of the Notes in an aggregate principal amount of not to exceed \$19,175,000, consisting of (i) the Series A Note in an aggregate principal amount of not to exceed \$18,400,000 and (ii) the Series B Note in an aggregate principal amount of not to exceed \$775,000, are hereby authorized. The principal amount of the Notes to be issued shall be as set forth in the Funding Loan Notification referred to in Section 6, below.

The Funding Loan Agreement and the Notes shall contain a provision that they are executed and delivered under authority of this Ordinance. The maximum term of the Funding Loan with respect to the Series A Note shall not exceed five (5) years from the date of execution and delivery of the Notes. The maximum term of the Funding Loan with respect to the Series B Note shall not exceed twenty (20) years from the date of execution and delivery of the Notes. The Series A Note and Series B Note shall bear interest at a rate or rates equal to the rate of interest on the Series A Borrower Note and the Series B Borrower Note, respectively, as provided in the Borrower Loan Agreement (which, in each case, shall not exceed the lesser of 12% or the maximum rate of interest allowable under state law except in the case of an event of default, in which case the rate of interest shall not exceed the maximum rate of interest allowable under state law) and shall be as determined by the Authorized Officer and shall be payable on the payment dates as set forth in the Funding Loan Agreement and the Funding Loan Notification. The Notes 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 Notes therein and the Funding Loan Notification. The provisions for execution, signatures, payment and prepayment, with respect to the Funding Loan Agreement and the Notes, shall be as set forth in the Funding Loan Agreement and the form of the Notes therein.

Each of (i) the Mayor, (ii) the Authorized Officer or (iii) any other officer designated in writing by the Mayor is hereby authorized to execute by their manual or, in the case of the Notes, 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 Notes, manual or facsimile signature, the Funding Loan Agreement and the Notes, each 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 and the City Council's approval of any changes or revisions from the form of the Funding Loan Agreement and Notes therein attached to this Ordinance and reflecting the terms as determined in the Funding Loan Notification.

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

The Authorized Officer is hereby authorized to execute and deliver on behalf of the City, and the City Clerk and the Deputy City Clerk are each 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 and the City Council's approval of any changes or revisions from the form of the Borrower Loan Agreement and the Borrower Notes therein attached to this Ordinance and reflecting the terms as determined in the Funding Loan Notification.

The Authorized Officer is hereby authorized to execute and deliver the Land Use Restriction Agreement 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 and the City Council'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.

The Authorized Officer is hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are each 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 Notes 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 Notes. The execution of the Tax Agreements by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council to the terms provided in the Tax Agreements.

The Authorized Officer is hereby authorized to execute and deliver on behalf of the City such security or collateral documents securing payment of the Notes 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 that pursuant to which the Notes is being executed and delivered, with appropriate revisions to reflect the terms and provisions of the Notes and with such other revisions as the Authorized Officer shall determine are appropriate and consistent with the other provisions of this Ordinance. The execution of security or collateral documents by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council to the terms provided in such documents.

The City Clerk or Deputy City Clerk is hereby authorized to attest the signature of the Authorized Officer to any document referenced herein and to affix the seal of the City to any such document.

Section 4. Security for the Funding Loan Agreement and the Notes. The obligations of the City under the Funding Loan Agreement and the Notes 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 Notes, including, without limitation, all rents, revenues and receipts derived by the City from the Borrower relating to the Project and including, without limitation, all Pledged Revenues, Borrower Loan Payments and Additional Borrower Payments (as such terms are defined in the Borrower Loan Agreement) 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 (as defined below) or a receiver appointed pursuant to the Funding Loan Agreement;

(e) any funds of the Borrower including certain capital contributions made to the Borrower by its Investor Member, amounts received from low-income housing tax credit, or other funds deposited and held under an escrow agreement between the Borrower and the Funding Lender (as defined below);

(f) a mortgage on and security interest in the Property and related collateral; and

(g) the other collateral set forth in the documents evidencing and securing the Funding Loan.

In order to secure the payment of the principal of, prepayment premium, if any, and interest on the Notes, 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 Notes, all as shall be determined by the Authorized Officer at the time of the execution and delivery of the Funding Loan Agreement and the Notes. 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 Notes.

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

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 Notes shall be sold and delivered to the Bank, or such other funding lender as approved by an Authorized Officer (the "**Funding Lender**"), and the Funding Lender shall hold the Funding Loan Agreement and the Notes, subject to the terms and conditions of the required transferee representations (the "**Required Transferee Representations**") which shall be delivered to the City by the Funding Lender. Any subsequent Funding Lender approved by the Authorized Officer, to the extent required under the Funding Loan Agreement, may succeed the initial 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 aggregate principal amount of the Notes.

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

Section 7. Limited Obligations. The Notes, when issued and outstanding, will be a limited obligation of the City, payable by its terms as provided in the Funding Loan Agreement. The Notes 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 Notes 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 Notes) shall be deposited as provided in the Funding Loan Agreement and used for the Project.

Section 9. Volume Cap. The proceeds from the Funding Loan (as evidenced by the sale of the Notes) are obligations that are taken into account under Section 146 of the Code in the allocation of the City's volume cap.

Section 10. Declaration of Official Intent. A portion of the cost of the acquisition and construction of the Project which the City intends to finance with the proceeds of the Funding Loan has been or is expected to be paid from available monies of the Borrower prior to the date of execution and delivery of the Funding Loan. It is the intention of the City that the Borrower will utilize a portion of the proceeds of the Notes to reimburse such expenditures which have been or

will be made for those costs, to the extent allowed by the Code and related regulations. It is necessary and in the best interests of the City to declare its official intent under Section 1.150-2 of the Treasury Regulations promulgated under the Code so to utilize the proceeds of the Funding Loan. The City declared such official intent in its ordinance passed on June 21, 2023.

Section 11. Proxies. Each Authorized Officer may designate another to act as their respective proxy and to affix their respective signatures to the Notes, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by the Mayor or an 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 the Mayor and the Authorized Officer, respectively. A written signature of the Mayor or the Authorized Officer, respectively, 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 Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. 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 12. Additional Authorization. Each Authorized Officer, the City Treasurer and the Commissioner of DOH or his or her designee (the "**Authorized DOH Officer**"), upon the approval and availability of the Additional Financing, is 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 Notes, the Borrower Loan Agreement or the Borrower Notes from the Borrower, and perform such other acts as may be necessary or desirable in connection with the City Agreements (as defined below) 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 and this Section 12), if any portion of the Additional Financing is not approved and available at such time as the Authorized Officer and the Authorized DOH Officer otherwise deem it in the best interest of the City to execute the City Agreements, then the Authorized Officer and the Authorized DOH Officer may so execute the City Agreements (with such changes thereto as the Authorized 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 13. City Loan Authorization. Upon the approval and availability of the Additional Financing, the 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 City Loan. The Authorized 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 City Loans that do not substantially modify the terms described in **Exhibit A** hereto. Upon the

execution and receipt of proper documentation, the Authorized DOH Officer is hereby authorized to disburse the proceeds of the City Loans to the Borrower.

Section 14. City Grant Authorization. Upon the approval and availability of the Additional Financing, the Authorized DPD Officer (defined below) 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 City Grant. The Authorized DPD 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 Grant that do not substantially modify the terms described in ***Exhibit A*** hereto. Upon the execution and receipt of proper documentation, the Authorized DPD Officer is hereby authorized to disburse the proceeds of the City Grant to the Borrower.

Section 15. Developer Designation. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

Section 16. Redevelopment Agreement. The Commissioner of DPD or his or her designee (the "Authorized DPD Officer") is hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement among the Developer and the City substantially in the form attached hereto as ***Exhibit E*** and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary 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 17. City Funds. The City Council hereby finds that the City is authorized to pay in an amount not to exceed \$13,100,000 ("**City Funds**") from Incremental Taxes deposited in the Avalon Park/South Shore TIF Fund to the Sponsor to make a loan to the Borrower 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 18. Avalon Park/South Shore TIF Fund. Pursuant to the TIF Ordinance, all Incremental Taxes received by the City for the Avalon Park/South Shore Redevelopment Area shall be deposited into the Avalon Park/South Shore TIF Fund. The TIF Ordinance directs the Authorized Officer (or his or her designee) to maintain the Avalon Park/South Shore TIF Fund as a segregated account, separate and apart from the City's Corporate Fund or any other fund of the City. The City shall use the funds in the Avalon Park/South Shore TIF Fund to make payments pursuant to the terms of the Redevelopment Agreement.

Section 19. Sale of City Property. The sale of the City Property to the Sponsor in the amount of One Dollar (\$1.00) per tax parcel and subsequent transfer by such entity to the Borrower is hereby approved. This approval is expressly conditioned upon the City entering into the Redevelopment Agreement with the Developer.

Section 20. Authorization of Conveyance of City Property. The Mayor or a proxy of the Mayor is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed conveying the City Property to the Sponsor, subject to those covenants, conditions and restrictions set forth in this Ordinance and the Redevelopment Agreement.

Section 21. Public Hearing. The City Council hereby directs that the Notes shall not be issued unless and until the requirements of Section 147(f)(1) 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 Notes 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. All such actions taken prior to the enactment of this Ordinance are hereby ratified and confirmed.

Section 22. Authorization of Fees and Expenses. The following fees and expenses are hereby authorized in connection with the Funding Loan Agreement and the Notes: (i) a **Bond Issuer Fee** in an amount equal to 1.5 percent of the par amount of the Notes, payable to the City on the date of execution and delivery of the Notes, (ii) a **Bond Legal Reserve Fee** in the amount of 0.10 percent of the par amount of the Notes, payable to the City on the date of execution and delivery of the Notes (such fee to be used to pay for other legal and other fees incurred by the City in connection with private activity bonds issued by the City), (iii) a **Bond Administrative Fee** in an amount equal to 0.15 percent of the outstanding principal of the Notes, accruing monthly but payable to the City on a semi-annual basis, (iv) a **Low Income Housing Tax Credit Reservation Fee** equal to 5.0% of the first full year's tax credit allocation payable upon acceptance of the credit reservation letter or tax-exempt bond agreement issued by DOH, and (v) a **Monitoring Fee** in the amount of \$25 per unit, paid annually, submitted with the annual owner's certification.

Section 23. 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 24. Inconsistent Provisions. All ordinances, resolutions, motions or orders in conflict with this Ordinance are hereby repealed to the extent of such conflict.

Section 25. No Recourse. No recourse shall be had for the payment of the principal of, prepayment premium, if any, or interest on the Notes or for any claim based thereon or upon any obligation, covenant or agreement contained in this Ordinance, the Funding Loan Agreement, the Notes, the Borrower Loan Agreement, the Land Use Restriction Agreement, or the Tax Agreements (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 Notes.

Section 26. No Impairment. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago (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 Notes to receive payment of the principal of, prepayment premium, if any, or interest on the Notes or to impair the security for the Funding Loan Agreement and the Notes; 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 under the Municipal Code.

Section 27. 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 the Project.

Section 28. Effective Date. This Ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibits "A", "B", "C", "D", "E", "F" and "G" referred to in this Ordinance read as follows:

Ordinance Exhibit A
Additional Financing

See Attached

Ordinance Exhibit B
Form of Funding Loan Agreement
See Attached

Ordinance Exhibit C
Form of Borrower Loan Agreement

See Attached

Ordinance Exhibit D
Form of Land Use Restriction Agreement

Ordinance Exhibit E
Form of Redevelopment Agreement

Ordinance Exhibit F

Legal Description

See Attached

Ordinance Exhibit G

RFP Submissions

See Attached



CITY OF CHICAGO

COMMITTEE ON FINANCE

CITY COUNCIL

CITY HALL - ROOM 302

121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

ALDERMAN PAT DOWELL
CHAIRMAN

PHONE: 312-744-3380

**December 2, 2024
CHICAGO, ILLINOIS**

TO THE PRESIDENT AND MEMBERS OF THE CITY COUNCIL:

Your Committee on Finance which was referred a substitute ordinance concerning the execution of a redevelopment agreement and issuance of Multi-Family Tax-Exempt Bonds and other financial assistance to Thrive Exchange, LLC for the Thrive Exchange South project located at **7905 S. Exchange Avenue.** **7th Ward**
(SO2024-0013072)

Amount not to exceed: \$6,700,000. Chicago Recovery Plan

Amount not to exceed: \$13,100,000. TIF

Amount not to exceed: \$19,175,000. Tax Exempt Bonds

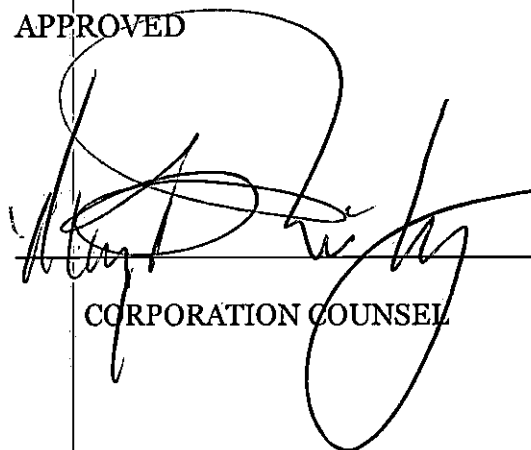
Having the same under advisement, begs leave to report and recommend that Your Honorable Body **Pass** the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present with no dissenting votes on **October 28, 2024.**

(signed)

Pat Dowell, Chairman
Committee on Finance

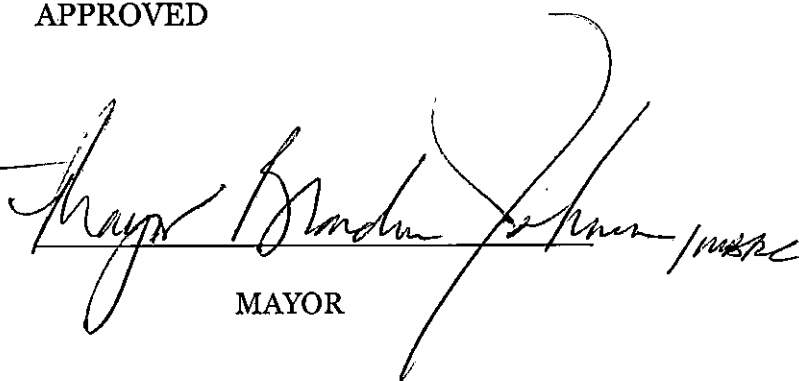
APPROVED



CORPORATION COUNSEL

DATED: 12/9/24

APPROVED



MAYOR

DATED: 12/9/24