

ORDINANCE

WHEREAS, by virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, the City of Chicago (the "**City**") is a home rule unit of local 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 affordable multi-family housing facilities for low- and moderate-income families located in the City ("**Multi-Family Housing Bond Financing**"); and

WHEREAS, the City has determined 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 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, not including the proceeds of the hereinafter defined 2024 GO/STSC Bonds, (the "**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 owns two (2) vacant parcels of real property generally located at 4531-4533 West Washington Boulevard in Chicago, Cook County, Illinois, as legally described in **Exhibit F** hereto and located in the Madison/Austin Area (as defined below) (the "**City Property**"); and

WHEREAS, United for Better Living, Inc., NFP, an Illinois not-for-profit corporation ("**UBL**") owns five (5) parcels of real property generally located at 4549-4555 West Washington Boulevard in Chicago, Cook County, Illinois, adjacent to the City Property, as legally described on **Exhibit F** hereto and located in the Madison/Austin Area (the "**Private Property**," and together with the City Property, the "**Property**"); and

WHEREAS, CARE Manor I L.P., an Illinois limited partnership (the "**Borrower**"), the general partner of which is CARE Manor Inc., an Illinois not-for-profit corporation (the "**General Partner**"), desires to purchase (1) the City Property, which has an appraised fair market value of \$35,000, for a price of \$1.00 per tax parcel (the "**Purchase Price**") and (2) the Private Property for the Bond Project (as defined below); and

WHEREAS, UBL submitted a proposal to the Department of Planning and Development ("**DPD**") to purchase and construct the Bond Project on the Property; and

WHEREAS, the City desires to convey the City Property to the Borrower for the Purchase Price for the development of the Bond Project; and

WHEREAS, UBL obtained a Phase I Environmental Site Assessment ("**ESA**") of the Property dated November 30, 2020, and a follow-up Phase II ESA dated April 27, 2022, which disclosed the presence of contamination exceeding residential remediation objectives as set forth

in 35 Ill. Adm. Code Part 74; and

WHEREAS, the Borrower has agreed to complete the remediation necessary to obtain a comprehensive residential "No Further Remediation" letter from the Illinois Environmental Protection Agency approving the use of the Property for the construction, development, and operation of the Bond Project; and

WHEREAS, pursuant to Resolution No. 23-CDC-41 adopted by the Community Development Commission of the City (the "**Commission**") on November 14, 2023, the Commission recommended that (1) the Borrower and UBL, together with their affiliates, be designated as the "Developer" for the Bond Project; and (2) DPD be authorized to (a) negotiate, execute and deliver on behalf of the City a Redevelopment Agreement (as defined below) with the Borrower, UBL, and their affiliates, and (b) enter into a negotiated sale for the disposition of the City Property to the Borrower and their affiliates if no responsive alternative proposals were received at the conclusion of the advertising period, or, if alternative proposals were received, if DPD determined in its sole discretion that it was in the best interest of the City to proceed with UBL's proposal; and

WHEREAS, public notices advertising DPD's intent to sell the City Property to the Developer and requesting alternative proposals appeared in the Chicago Tribune on November 24, December 1, and December 8, 2023; and

WHEREAS, no other proposals were received by the deadline indicated in the aforesaid notices; and

WHEREAS, by Resolution No. 23-056-21 adopted on December 21, 2023, the Chicago Plan Commission approved the disposition of the City Property; and

WHEREAS, by this ordinance (this "**Ordinance**"), the City Council has determined that it is necessary and in the best interests of the City to provide Multi-Family Housing Bond Financing and certain other funding, as provided herein, to the Borrower to enable it to pay or reimburse a portion of the costs of acquiring, leasing, constructing and equipping of one newly-constructed 3-story residential rental apartment building on the Property containing up to 44 dwelling units and up to 21 parking spaces for residents, all of which will be rented to households earning up to 60% of area median income (together with related common areas, parking lot facilities and on-site laundry facilities, and as further described on **Exhibit A** hereto, the "**Bond 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 (i) CIBC Bank USA, an Illinois state chartered bank (together with its successors and assigns, the "**Funding Lender**"), pursuant to which the City will borrow an aggregate principal amount not to exceed the Fifteen Million Dollars (\$15,000,000) for a portion of the purposes set forth above and in evidence of its limited, special obligation to repay that borrowing, the City will issue a tax-exempt revenue note, to be designated as the Multi-Family Housing Revenue Note (CARE Manor), 2024 Series A (the "**Governmental Note**") 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 that certain Borrower promissory note (the "**Borrower Note**"), made by the Borrower to the order of the City in order to finance a portion of the cost of the Bond Project

in return for loan payments sufficient to pay, when due, the principal of, prepayment premium, if any, and interest on the Governmental Note; and

WHEREAS, the principal of, prepayment premium, if any, and interest payable on the Governmental Note will be secured by, among other things, the Borrower Note, a mortgage on the Property and certain other related collateral, by certain capital contributions to be made to the Borrower by its investor member(s) in connection with the allocation to the Borrower of federal low-income housing tax credits and by pledges and/or assignments of certain funds, personal property, and contractual rights of the Borrower and its affiliates; and

WHEREAS, the Funding Loan and the Governmental Note 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 Governmental Note 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 Governmental Note 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 Governmental Note, 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 Governmental Note 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, (iii) a tax regulatory agreement and/or tax certificate (each, a "**Tax Agreement**" and 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, there has been presented to this meeting of the City Council forms of the following documents in connection with the Governmental Note:

- (a) the form of Funding Loan Agreement, which includes a form of the Governmental Note to be issued by the City (attached as **Exhibit B** hereto);
- (b) the form of Borrower Loan Agreement (attached as **Exhibit C** hereto); and
- (c) the form of the Land Use Restriction Agreement (attached as **Exhibit D** hereto); and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City (the "**City Council**") on September 29, 1999, and published at pages 11506 - 11621 in the Journal of the Proceedings of the City Council of the City (the "**Journal**") for such date, a certain redevelopment plan and project (the "**Madison/Austin Plan**") for the Madison/Austin Corridor Redevelopment Project Area (the "**Madison/Austin Area**") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "**Act**"), each as amended by an ordinance adopted by the City Council on September 8, 2010, published at pages 34555 to 34569 in the Journal for such date, and each further amended by an ordinance adopted by the City Council on April 19, 2023, published at pages 62459 to 62462 in the Journal for such date (as amended, the "**Madison/Austin Plan**" and the "**Madison/Austin Area**"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on September 29, 1999, and published at pages 11621-11642 in the Journal for such date, the Madison/Austin Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, pursuant to an ordinance (the "**TIF Ordinance**") adopted by the City Council on September 29, 1999, and published at pages 11643 - 11662 in the Journal for such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Madison/Austin Area redevelopment project costs (as defined in the Act) incurred pursuant to the Madison/Austin Plan; and

WHEREAS, the Bond Project is necessary for the redevelopment of the Madison/Austin Area; and

WHEREAS, the Borrower will be obligated to undertake the Bond Project in accordance with the terms and conditions of a proposed redevelopment agreement ("**Redevelopment Agreement**") to be executed by the Borrower, UBL, and the City, with such Bond Project to be financed in part by certain pledged incremental taxes deposited from time to time in the Madison/Austin Redevelopment Project Area Special Tax Allocation Fund for the Madison/Austin Area (the "**TIF Fund**") pursuant to the Redevelopment Agreement; and

WHEREAS, pursuant to an ordinance adopted by the City Council on April 19, 2024, and published at pages 11493 – 11568, the City Council authorized the issuance of general obligation bonds and/or additional sales tax obligations in one or more series, in an aggregate principal amount not to exceed \$1,250,000,000 (the "**2024 GO/STSC Bond**") to finance the costs of the Purposes (as defined therein), with such proceeds being issued as tax-exempt ("**Tax-Exempt 2024 GO/STSC Bond Proceeds**") or taxable ("**Taxable 2024 GO/STSC Bond Proceeds**"); and

WHEREAS, DOH has preliminarily reviewed and approved the making of loans and/or grants to the Borrower in a total combined amount not to exceed \$9,750,000 ("**DOH Assistance**") to be funded from (1) a loan of Multi-Family Program Funds; and/or (2) a loan of Taxable 2024 GO/STSC Bond Proceeds; and/or (3) a grant of Tax-Exempt 2024 GO/STSC Bond Proceeds pursuant to the terms and conditions set forth in **Exhibit A** hereto; and

WHEREAS, the Borrower now desires to obtain financing from various sources including, but not limited to, the Multi-Family Housing Bond Financing Loan, the TIF Fund, and DOH Assistance, all such financing as described in **Exhibit A** hereto; now, therefore,

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

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 or the Redevelopment Agreement, as applicable.

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. Thus, authority is granted to the Authorized Officer (as defined in **Section 3**) to establish the terms of the Funding Loan Agreement and Governmental Note, the Borrower Loan Agreement and the Borrower Note on such terms as and to the extent such officer determines that such terms are desirable and in the best financial interest of the City. Any such designation and determination

by an Authorized Officer shall be signed in writing by such 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 an Authorized Officer and filed with the City Clerk.

Section 3. Authorization of the Funding Loan Agreement, the Governmental Note the Borrower Loan Agreement and Related Agreements. Upon the approval and availability of the additional financing as shown in **Exhibit A** (the "**Additional Financing**"), the execution and delivery of the Funding Loan Agreement and the issuance of the Governmental Note in an aggregate principal amount of not to exceed \$15,000,000 are hereby authorized. The aggregate principal amount of the Governmental Note to be issued, and their division into one or more series of Governmental Note, shall be as set forth in the Funding Loan Notification referred to in **Section 6** below.

The Funding Loan Agreement and the Governmental Note shall contain a provision that they are executed and delivered under authority of this Ordinance. The maximum term of the Funding Loan shall not exceed 40 years from the date of execution and delivery of the Governmental Note. The Governmental Note shall bear interest at a rate or rates equal to the rate of interest on the related Borrower Loan as provided in the Borrower Loan Agreement (which shall not exceed the lesser of 12.0% or 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 Governmental Note 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 Governmental Note therein and the Funding Loan Notification. The provisions for execution, signatures, payment and prepayment, with respect to the Funding Loan Agreement and the Governmental Note shall be as set forth in the Funding Loan Agreement and the form(s) of the Governmental Note therein.

Each of (i) the Mayor of the City (the "**Mayor**"), (ii) the Chief Financial Officer of the City (as defined below), or (iii) any other officer designated in writing by the Mayor (the Mayor, the Chief Financial Officer or any such other officer being referred to as an "**Authorized Officer**") is hereby authorized to execute by their manual or, in the case of the Governmental Note, 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 Governmental Note, manual or facsimile signature, the Funding Loan Agreement and the Governmental Note, 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 Governmental Note therein attached to this Ordinance and reflecting the terms as determined in the Funding Loan Notification.

As used herein, the term "**Chief Financial Officer**" shall mean the Chief Financial Officer of the City appointed by the Mayor, or, if there is no such officer then holding said office, the City Comptroller.

Each Authorized Officer is hereby authorized to act as an authorized City representative (each an "**Authorized City Representative**") of the City for the purposes provided in the Funding Loan Agreement.

An Authorized Officer is hereby authorized to execute and deliver on behalf of the City, and the City Clerk and the Deputy City Clerk are 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 Note therein attached to this Ordinance and reflecting the terms as determined in the Funding Loan Notification.

An Authorized Officer is hereby authorized to execute and deliver a 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.

An Authorized Officer is hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are 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 bond financings (with appropriate revisions to reflect the terms and provisions of the Funding Loan Agreement and the Governmental Note 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 Governmental Note. 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.

An Authorized Officer is hereby authorized to execute and deliver on behalf of the City such security or collateral documents securing payment of the Governmental Note 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 the Governmental Note, with appropriate revisions to reflect the terms and provisions of the Governmental Note and with such other revisions as the Authorized Officer executing the same 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.

Section 4. Security for the Funding Loan Agreement and the Governmental Note.
The obligations of the City under the Funding Loan Agreement and the Governmental Note 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, as defined in the Funding Loan Agreement or the Borrower Loan Agreement):

(a) all right, title and interest of the City in, to and under the Borrower Loan Agreement and the Borrower Note, including, without limitation, all rents, revenues and receipts derived by the City from the Borrower relating to the Bond Project and including, without limitation, all Pledged Revenues (as defined in the Funding Loan Agreement), Borrower Loan Payments (as defined in the Borrower Loan Agreement), and Additional Borrower Payments (as 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 or a receiver appointed pursuant to the Funding Loan Agreement;

(e) certain capital contributions to be made to the Borrower by its low income housing tax credit non-managing member in accordance with the terms and conditions of the operating agreement of the Borrower in connection with the allocation to the Borrower of federal low-income housing tax credits and certain other funds, personal property and contractual rights of the Borrower and its affiliates pledged and/or assigned to the Funding Lender; and

(f) a mortgage on and security interest in the Bond Project and related collateral.

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

Section 5. Delivery of the Funding Loan Agreement Sale and Delivery of Governmental Note. 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 Governmental Note shall be sold and delivered to the Funding Lender, or such other funding lender as approved by an Authorized Officer, including The Community

Development Trust, LP, a Delaware limited partnership, and shall hold the Funding Loan Agreement and the Governmental Note, 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 an 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 principal amount of the Governmental Note.

Section 6. Funding Loan Notification. Subsequent to the execution and delivery of the Funding Loan Agreement and the sale of any Governmental Note, the Authorized Officer shall file in the Office of the City Clerk a Funding Loan Notification for such Funding Loan Agreement and the Governmental Note directed to the City Council setting forth (i) the aggregate original principal amount of, maturity schedule, redemption provisions for and nature of each series of the Governmental Note sold, (ii) the extent of any tender rights to be granted to the holders of the Governmental Note, (iii) the identity of the Funding Lender, if different from CIBC Bank USA, (iv) the interest rate on the Governmental Note and/or a description of the method of determining the interest rate applicable to the Governmental Note 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 Governmental Note, and (vi) any other matter authorized by this Ordinance to be determined by an Authorized Officer at the time of the sale of any Governmental Note. There shall be attached to such notification the final form of the Funding Loan Agreement, a specimen of the Governmental Note and the Borrower Loan Agreement.

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

Section 9. Volume Cap. The Funding Loan Agreement and the Governmental Note are obligations taken into account under Section 146 of the Code in the allocation of the City's volume cap.

Section 10. Developer Designation. The Borrower and UBL, together with their affiliates, are hereby designated as the developer for the Bond Project pursuant to Section 5/11-74.4-4 of the Act.

Section 11. Redevelopment Agreement. Upon the approval and availability of the Additional Financing, the City's Commissioner of Planning and Development or a designee thereof (the "**Authorized DPD Officer**") is hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver the Redevelopment Agreement and such

other supporting documents as may be necessary to carry out and comply with the provisions of such agreements, with such changes, deletions and insertions as shall be approved by the persons executing such agreements. Such documents may contain terms and provisions that the Authorized Officer deems appropriate, including indemnification, releases, affidavits and other documents as may be reasonably necessary to remove exceptions from title or otherwise may be reasonably necessary or appropriate to consummate the transaction contemplated hereby. The Redevelopment Agreement shall be in substantially the form attached hereto as **Exhibit E** and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized DPD Officer executing the same, with such execution to constitute conclusive evidence of such officer's approval of any changes or revisions from the form of Redevelopment Agreement attached to this Ordinance.

Section 12. Payment of Incremental Taxes. The City Council hereby finds that the City is authorized to pay a total amount not to exceed \$10,000,000 from Incremental Taxes deposited in the general account of the Madison/Austin Area's TIF Fund. The TIF Funds are hereby appropriated for the Bond Project.

Section 13. Maintenance and Use of TIF Fund. Pursuant to the TIF Ordinance, the City has created the TIF Fund. The Chief Financial Officer of the City (or his or her designee) is hereby directed to maintain the TIF Fund as a segregated interest-bearing account, separate and apart from the City's Corporate Fund or any other fund of the City. Pursuant to the TIF Ordinance, all Incremental Taxes received by the City for the Madison/Austin Area shall be deposited into the TIF Fund. The City shall use the funds in the TIF Fund to make payments pursuant to the terms of the Redevelopment Agreement.

Section 14. Sale of City Property. The sale of the City Property to the Borrower for the Purchase Price is hereby approved. This approval is expressly conditioned upon the City entering into the Redevelopment Agreement with the Borrower. The Borrower shall pay all escrow fees and other title insurance fees and closing costs associated with the conveyance of the City Property.

Section 15. Quitclaim Deed. The Mayor or the Mayor's proxy is each hereby authorized to execute, and the City Clerk or the Deputy City Clerk is each hereby authorized to attest, one or more quitclaim deeds (each, a "Deed") conveying the City Property to the Borrower, or to a land trust of which the Borrower is the sole beneficiary, or to an entity of which the Borrower is the sole controlling party, or to an entity which is comprised of the same principal parties. Without limiting the quitclaim nature of the Deed, the conveyance shall be subject to: (a) the standard exceptions in an ALTA title insurance policy; (b) general real estate taxes and any special assessments or other taxes; (c) all easements, encroachments, covenants and restrictions of record and not shown of record; (d) such other title defects that may exist; and (e) any and all exceptions caused by the acts of the Borrower or its agents.

Section 16. DOH Assistance. Upon the approval and availability of the Additional Financing as shown in **Exhibit A** hereto, the City's Commissioner of Housing or a designee thereof (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 DOH Assistance, including the making of loans and/or grants to the Borrower in a total combined amount not to exceed \$9,750,000 for the Bond Project to be funded from (1) a loan of Multi-Family Program Funds; and/or (2) a loan of Taxable 2024 GO/STSC Bond Proceeds; and/or (3) a grant of Tax-Exempt 2024 GO/STSC Bond Proceeds. 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 DOH Assistance which 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 DOH Assistance to the Borrower.

Section 17. Proxies. Each Authorized Officer may designate another to act as their respective proxy and to affix their respective signatures to the Governmental Note, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by such Authorized Officer pursuant to this Ordinance or the Funding Loan Agreement. In each case, each Authorized Officer 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 18. Additional Authorization. Each Authorized Officer, the City Treasurer, and, upon the approval and availability of the Additional Financing as shown in **Exhibit A**, the Authorized DOH Officer 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 Governmental Note, the Borrower Loan Agreement or the Borrower Note from the Borrower, and perform such other acts as may be necessary or desirable in connection with the City Agreements (as defined in **Section 23** hereof), 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 **Sections 3 and 11** hereof), if any portion of the Additional Financing is not approved and available at such time as the Authorized Officer, the Authorized DPD 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, the Authorized DPD Officer, and the Authorized DOH Officer may so execute the applicable City Agreements (with such changes thereto as the officer executing such documents 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 19. Public Hearing. This City Council hereby directs that the Governmental Note shall not be issued unless and until the requirements of Section 147(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 Governmental Note 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 20. 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 21. Administrative Fee. DOH is hereby authorized to charge an administrative fee or fees in connection with the delivery and administration of the Funding Loan Agreement and the Governmental Note, which shall be collected under such terms and conditions as determined by the Authorized DOH Officer and which shall be in an amount as determined by the Authorized DOH Officer but not to exceed the maximum amount permitted under Section 148 of the Code to avoid characterization of the Funding Loan Agreement and the Governmental Note as "arbitrage bonds" as defined in such Section 148. Such administrative fee or fees shall be used by DOH for administrative expenses and other housing activities. Initially, such administrative fee or fees shall be an amount equal to (i) 1.5% of the original principal amount of the Governmental Note payable upon issuance of the Governmental Note, plus (ii) an on-going compliance fee of \$25 per unit payable annually.

Section 22. Reserve for Legal Expenses. The City is authorized to assess a legal reserve fee with respect to the Bond Project, payable upon issuance of the Governmental Note from the proceeds of the Governmental Note or from funds contributed by the Borrower, which shall be in an amount equal to 0.10% of the original principal amount of the Governmental Note. Such fee shall be used by the City to pay legal costs or other expenses in connection with the Bond Project, the Governmental Note, or other City issuances.

Section 23. No Recourse. No recourse shall be had for the payment of the principal of, prepayment premium, if any, or interest on any of the Governmental Note or for any claim based thereon or upon any obligation, covenant or agreement contained in this Ordinance, the Funding Loan Agreement, the Governmental Note, the Borrower Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement, or the Redevelopment Agreement (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 Governmental Note.

Section 24. No Impairment. 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 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 Governmental Note to receive payment of the principal of, prepayment premium, if any, or interest on the Governmental Note or to impair the security for the Funding Loan Agreement and the Governmental Note; 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 of the Municipal Code. Sections 2-44-080 through 2-44-105, inclusive, of the Municipal Code shall not apply to the Bond Project or the Property.

Section 25. Effective Date. This Ordinance shall be in full force and effect immediately upon its passage and approval.