

ORDINANCE

WHEREAS, the City of Chicago (the "City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low and moderate income; and

WHEREAS, the City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability, and general welfare of the City; and

WHEREAS, the City has certain funds potentially available from a variety of funding sources (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, DOH has preliminarily reviewed and approved the making of a loan to Harvest Homes II Apartments, LLC, an Illinois limited liability company (the "Borrower"), of which Harvest Homes II Manager, LLC, an Illinois limited liability company, is the managing member (the "Managing Member"), in an amount not to exceed \$11,000,000 (the "Loan") to be funded from Multi-Family Program Funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; and

WHEREAS, the use of federal financial assistance as part of the Multi-Family Program Funds for the Affordable Housing Loan (described in Exhibit A attached hereto) is subject to federal review under the National Environmental Policy Act and is conditional upon federal approval and any terms and conditions resulting from such review; and

WHEREAS, the Managing Member is wholly owned by The NHP Foundation, a District of Columbia not-for-profit corporation ("NHPF"), its managing member, and The People's Community Development Association of Chicago, an Illinois not-for-profit corporation ("PCDAC") and, together with NHPF and the Borrower, the "Developer"; and

WHEREAS, pursuant to an ordinance adopted by the City Council of the City (the "City Council") on May 17, 2000, and published at pages 30775-30925 of the Journal of Proceedings of the City Council (the "Journal") for such date, a certain redevelopment plan and project (as amended, the "Plan") for the Midwest Redevelopment Project Area (the "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"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on May 17, 2000, and published at pages 30926-30939 of the Journal for such date, the 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 May 17, 2000, and published at pages 30940-30953 of the Journal for such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, PCDAC owns or proposes to acquire certain property located within the Area at 3415–3449 West Jackson Blvd., Chicago, Illinois 60624 and 3414–3456 West Fifth Ave., Chicago, Illinois 60624, and legally described on Exhibit B (the "Property"), which includes three (3) City parcels specifically identified by PINs 16-14-215-008-0000, 16-14-215-009-0000, and 16-14-215-010-0000 (the "City Property"), and the Developer intends to commence and complete construction of an approximately 65,733 square-foot three-story, walk-up elevator building that will house 50 affordable one-, two- and three-bedroom rental units, tenant amenities, on-site parking spaces and indoor/outdoor bicycle spaces, along with certain preliminary construction of ground floor commercial space thereon (the "Project"); and

WHEREAS, subject to all required approvals, PCDAC will acquire the City Property from the City for and in consideration of One and No/100 Dollars (\$1.00) per parcel and/or other good and valuable consideration; and

WHEREAS, the Community Development Commission of the City of Chicago (the "Commission") is scheduled to consider a resolution recommending designation of Developer as the developer for the Project and authorizing the City to negotiate, execute, and deliver a proposed redevelopment agreement (the "Redevelopment Agreement") with Developer for the Project; and

WHEREAS, the authority granted by this Ordinance to execute and deliver the Redevelopment Agreement shall be effective only upon the Commission's approval of such resolution and such other approvals as set forth in this ordinance; and

WHEREAS, Developer will be obligated to undertake the Project in accordance with the terms and conditions of the Redevelopment Agreement to be executed by Developer and the City, with the Project to be financed in part by certain pledged incremental taxes deposited from time to time in the Midwest Tax Increment Financing Redevelopment Project Area Special Tax Allocation Fund for the Area (the "TIF Fund") pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"); and

WHEREAS, on January 16, 2002, the City Council enacted an ordinance published in the Journal for such date at pages 77362 through 77366, inclusive, as amended by an ordinance adopted by the City Council on September 4, 2003 and published in the Journal for such date at pages 6475 through 6626, inclusive, which authorized the establishment of a program (as supplemented, amended and restated from time to time, the "Donation Tax Credit Program") to be implemented by DOH in connection with the use of certain tax credits authorized by the Illinois General Assembly pursuant to Public Act 92-0491 (as supplemented, amended and restated from time to time) for donations made in connection with affordable housing projects; and

WHEREAS, the conveyance of the Property by the City to PCDAC or another not-for-profit corporation approved by the Authorized DOH Officer (as hereinafter defined) in connection with the Project may qualify under the Donation Tax Credit Program as an eligible donation, and may generate certain additional proceeds for the Project, but the receipt of such donations and proceeds is not a condition to the making of the Loan; now, therefore,

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

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. Upon the approval and availability of the Additional Financing and of federal financial assistance as part of the Multi-Family Program Funds for the Affordable Housing Loan as shown in Exhibit A hereto, the Commissioner of Housing (the "DOH Commissioner") and a designee of the DOH Commissioner (collectively, the "Authorized DOH Officer") are each hereby authorized, subject to approval by the Corporation Counsel and the terms and conditions required as a condition of any approval of federal financial assistance, 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 Loan. The Authorized DOH Officer is hereby authorized, subject to the approval of the Corporation Counsel and the terms and conditions of any federal financial assistance, to negotiate any and all terms and provisions in connection with the Loan 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 Loan to the Borrower.

SECTION 3. The Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago (the "Municipal Code"). Sections 2-44-080 through 2-44-105 of the Municipal Code shall not apply to the Project or the Property.

SECTION 4. Upon the approval of the Additional Financing and the approval and availability of federal financial assistance as part of the Multi-Family Program Funds for the Affordable Housing Loan, the 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 with Developer, 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, including those terms and conditions required as a condition of any approval of federal financial assistance. The Redevelopment Agreement shall be in substantially the form attached hereto as Exhibit C and made a part hereof and hereby approved with such changes therein as may be required as a condition of any approval of federal financial assistance, as may be approved by the City's Corporation Counsel, and 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 5. The City Council hereby finds that the City is authorized to pay an aggregate amount not to exceed \$11,500,000 ("City Funds") from Incremental Taxes deposited in the general account of the TIF Fund to NHPF to finance a portion of the eligible costs included within the Project, including securing any portion of the Additional Financing. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section 5.

SECTION 6. The Mayor, the Chief Financial Officer, the City Comptroller, the City Clerk, the Authorized DOH Officer, the Authorized DPD Officer and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this ordinance.

SECTION 7. Upon the approval and availability of the federal financial assistance as part of the Multi-Family Program Funds for the Affordable Housing Loan, the Mayor or the Mayor's proxy is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, a quitclaim deed ("Deed"), conveying the City Property to PCDAC, subject to review and approval

of the Corporation Counsel. With the approval of the City's Corporation Counsel and in compliance with the terms and conditions of any federal financial assistance as part of the Multi-Family Program Funds for the Affordable Housing Loan, the Authorized DPD Officer and the Authorized DOH Officer are each hereby authorized to negotiate, execute and deliver such documents as may be necessary or appropriate to carry out and comply with the provisions of this ordinance, with such changes, deletions and insertions as shall be approved by the Authorized DPD Officer or the Authorized DOH Officer. Such documents may contain terms and provisions that the Authorized DPD Officer or the Authorized DOH Officer deems appropriate, including provisions related to indemnification, releases, the terms and conditions of any federal financial assistance as part of the Multi-Family Program Funds for the Affordable Housing Loan, affidavits and other documents as may be reasonably necessary to remove exceptions from title to the Property or otherwise may be reasonably necessary or appropriate to consummate the transaction contemplated hereby.

SECTION 8. 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.

SECTION 9. This ordinance shall be in full force and effect immediately upon its passage and approval.