

ORDINANCE

WHEREAS, the City of Chicago (the "City") is a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois and as such may legislate as to matters that pertain to its local government and affairs; and

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

WHEREAS, the City, pursuant to the HOME Investment Partnerships Program ("HOME Program"), received from the United States Department of Housing and Urban Development ("HUD") an allocation of funds ("HOME Funds") to make loans and grants to expand the long-term supply of affordable housing through, among other things, acquisition, new construction, reconstruction and moderate and substantial rehabilitation in low- and moderate-income areas; and

WHEREAS, the City has certain funds available from a variety of funding sources ("Multi-Family Program Funds") to make loans and grants for the development of multi-family residential housing to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, and such Multi-Family Program Funds are administered by the City's Department of Housing ("DOH"); and

WHEREAS, on July 3, 2003, the City made a loan of HOME Funds in the principal amount of \$6,341,532, with an interest rate of one percent per annum and a term not to exceed 43 years (the "Loan"), to Erie Cooperative Limited Partnership, an Illinois limited partnership (the "Borrower"), the general partner of which is BRC Affiliate, Inc., an Illinois not-for-profit corporation; and

WHEREAS, the Loan was evidenced by that certain Housing Loan Agreement (the "Loan Agreement") dated as of July 3, 2003, the Loan being secured by, among other things, that certain Junior Mortgage, Security Agreement and Financing Statement dated as of July 3, 2003, made by the Borrower in favor of the City (the "City Mortgage"), and which is further evidenced by that certain Note dated as of July 3, 2003 made by the Borrower in favor of the City in the original principal amount of the Loan (the "Note"), that certain Regulatory Agreement executed by the Borrower on July 3, 2003 (the "Regulatory Agreement") and that certain Assignment of Rents and Leases executed by the Borrower on July 3, 2003 (collectively, the "City Loan Documents"); and

WHEREAS, proceeds of the Loan were used to provide for the acquisition, construction and equipping by the Borrower of multi-family buildings including 87 low-income units and adjacent facilities located generally at 619-27 North Kedzie Avenue, 3136-38 West Ohio Street, 3120-22 West Ohio Street, 3117-19 West Huron Street, 3123-25 West Huron Street, 647-49 North Troy Street, 3136-38 West Huron Street, 3120-22 West Huron Street, 3116-18 West Huron Street, 718-20 North Troy Street, 626-28 North Albany Avenue, 626-28 North Albany Avenue, 636-38 North Albany Avenue, 3103-05 West Huron Street, 3100 West Huron Street, 3102 West Huron Street, 3106 West Huron Street, 3108 West Huron Street, and 3110 West Huron Street, Chicago, Illinois 60612 (the "Property"); and

WHEREAS, the Borrower desires to rehabilitate the Property, and in response to challenges presented by changing market conditions which may threaten the continued

affordability of the Project, desires that the City approve the Restructuring as hereinafter defined and the New City Financing as hereinafter defined; and

WHEREAS, DOH desires to approve a restructuring of the Loan (the "Restructuring") in a manner that: (1) will not alter the maturity date of the Loan, (2) will, subject to consent by HUD, amend the Regulatory Agreement to allow up to 29 units to be restricted to occupancy by households earning no more than 60 percent of the Chicago-area median income upon initial certification, and (3) will amend the Regulatory Agreement to extend the HOME Program affordability restrictions for an additional 15 years (collectively, the "Material Terms"); and,

WHEREAS, pursuant to an ordinance passed by the City Council of the City (the "City Council") on October 11, 2017 and published in the Journal of Proceedings of the City Council (the "Journal") for such date at pages 55903 through 55915, inclusive (the "STSC Ordinance"), as amended by an ordinance passed by the City Council on January 18, 2023 and published in the Journal for such date at pages 59125 through 59143, inclusive (the "STSC Reimbursement Ordinance" and together with the STSC Ordinance, the "STSC Bond Ordinance"), the City authorized the Sales Tax Securitization Corporation ("STSC") to issue bonds (the "STSC Bonds") with the expectation that the proceeds of the STSC Bonds, when issued, will reimburse the Corporate Funds used for the purposes identified in the STSC Reimbursement Ordinance; and

WHEREAS, DOH has preliminarily reviewed and approved the making of a new loan to the Borrower in an amount not to exceed \$2,600,000 (the "New City Financing"), to be funded from Multi-Family Program Funds and /or STSC Bond funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; now, therefore,

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

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

SECTION 2. The Restructuring is hereby approved as described above. The Commissioner of Housing (the "Commissioner") or a designee of the Commissioner (each, an "Authorized Officer") are each hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Restructuring. Each Authorized 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 any future restructuring of the Loan that does not substantially modify the Material Terms.

SECTION 3. Notwithstanding anything to the contrary contained in the Municipal Code of Chicago (the "Municipal Code") or any other ordinance or mayoral executive order, no parties other than the owners of the Property as of the date following the date of the closing of the Restructuring (collectively, the "Owner"), any legal entities that are direct owners in excess of 7.5 percent of the Owner that changed in connection with the Restructuring, and all legal entities that constitute the direct or indirect controlling parties of the Owner (as determined by the Corporation Counsel), shall be required to provide to the City the document commonly known as the "Economic Disclosure Statement and Affidavit" (or any successor to such document) in connection with the Restructuring.

SECTION 4 The Authorized 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 New City Financing. The Authorized Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the New City Financing which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the proceeds of the New City Financing to the Borrower as described in Exhibit A hereto.

SECTION 5. The Project (as described on Exhibit A hereto) shall be deemed to qualify as “Affordable Housing” for purposes of Chapter 16-18 of 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 6. 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 multi-family housing projects: (i) which receive loans or grants from the City (including from bond proceeds, funds from grants received by the City or corporate funds, but excluding (x) loans and grants funded solely by revenues from the Affordable Housing Opportunity Fund as described in Section 2-44-085(l) of the Municipal Code, and (y) funds derived from one or more special tax allocation funds created pursuant to 65 ILCS 5/11-74.4-1 et seq. or 65 ILCS 5/11-74.6-1 et seq.), and/or which are eligible for tax credits administered by the City in connection with Section 42 of the Internal Revenue Code of 1986, as amended, or 20 ILCS 3805/7.28; and (ii) for which the applicable loan, grant and/or tax credit documents have not been executed and delivered by the City as of the effective date of this ordinance.

SECTION 7. 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 8. This ordinance shall be effective as of the date of its passage and approval.