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OFFICE OF THE MAYOR
CITY OF CHICAGO

BRANDON JOHNSON
MAYOR

January 24, 2024

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the issuance of financial assistance for the Parkside Phase III affordable housing project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "BJ", with a horizontal line extending to the right.

Mayor

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 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, pursuant to an ordinance adopted on October 27, 2021, and published at pages 40213-40503 of the Journal of the proceedings of the City Council (the "**Journal**") of such date, the City Council of the City (the "**City Council**") authorized the issuance of general obligation bonds in one or more series, in an aggregate principal amount not to exceed \$660,000,000 for the Chicago Recovery Plan ("**CRP**") to finance the costs of the Recovery Purposes (as defined therein); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan to Parkside Phase III, L.P., an Illinois limited partnership (the "**Borrower**" or the "**Partnership**"), the general partner of which is Parkside III, LLC, an Illinois limited liability company, (the "**General Partner**"), the sole member of which is Parkside Associates, LLC, an Illinois limited liability company, of which Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation ("**LAC**"), and Holsten Real Estate Development Corporation, an Illinois corporation, are members, in an amount not to exceed \$4,250,000 (the "**Loan**"), to be funded from Multi-Family Program Funds and/or CRP proceeds, pursuant to the terms and conditions set forth in **Exhibit A** attached hereto and made a part hereof, to enable it to pay or reimburse a portion of the costs of acquiring, leasing, constructing, and equipping of low- and moderate-income residential rental facilities and related common facilities and containing approximately 99 units, 65 of which will be affordable units and approximately 34 of which will be unrestricted units (together with related common areas along with parking lot facilities and as further described on **Exhibit A** hereto, the "**Project**"), located on the properties: (i) bounded by N. Larrabee Street on the west, W. Elm Street on the south, N. Cambridge Avenue on the east, and a prior Parkside Phase to the North, and (ii) bounded by N. Cambridge Avenue on the west, W. Elm Street on the north, N. Cleveland Avenue on the east, and W. Hobbie Street on the south, Chicago, Cook County, Illinois (the "**Property**"); and

WHEREAS, in the event LAC receives the Loan, LAC will loan all Loan proceeds to the Borrower in connection with the Project; and

WHEREAS, pursuant to ordinances adopted on July 30, 1997, and published in the Journal for such date at pages 49207 to 49373, and under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1 et seq., as amended (the "**Act**"), the City Council: (i) approved a redevelopment plan and project (the "**Original Plan**") for a portion of the

City known as the "Near North Redevelopment Project Area" (the "**Area**") (the "**Original Plan Ordinance**"); (ii) designated the Area as a "redevelopment project area" within the requirements of the Act (the "**Designation Ordinance**"); and (iii) adopted tax increment financing for the Area (the "**TIF Adoption Ordinance**"). The Original Plan Ordinance, the Designation Ordinance, and the TIF Adoption Ordinance, as amended by Amendment No. 1 and Amendment No. 2 (defined below), are referred to herein collectively as the "**TIF Ordinances**"; and

WHEREAS, the City Council first amended the Original Plan Ordinance pursuant to an ordinance adopted on April 24, 2020, and published in the Journal for such date at pages 15310 to 15313 ("**Amendment No. 1**"), and subsequently amended it pursuant to an ordinance adopted on October 14, 2021, and published in the Journal for such date at pages 37143 to 37296 ("**Amendment No. 2**", and together with the Original Plan and Amendment No. 1, the "**Plan**"); and

WHEREAS, LAC and the Chicago Housing Authority, an Illinois municipal corporation under the Housing Authorities Act, as amended (310 ILCS 10/1 et seq.) (the "**CHA**") are entering into a long-term ground lease for the Property, which leasehold interest will be assigned to the Partnership, on which the Partnership will construct the Project; and

WHEREAS, the Project is necessary for the redevelopment of the Area; and

WHEREAS, the Borrower and LAC (hereinafter collectively referred to as the "**Developer**") will be obligated to undertake the Project in accordance with the terms and conditions of a proposed redevelopment agreement ("**Redevelopment Agreement**") to be executed by the Developer and the City, with such Project to be financed in part by certain pledged incremental taxes deposited from time to time in the Near North 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, pursuant to its Resolution 23-CDC-28 adopted by the Community Development Commission of the City of Chicago (the "**Commission**") on June 13, 2023, the Commission has recommended that the Developer be designated as the developer for the Project and that the City's Department of Planning and Development ("**DPD**") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project; **now, therefore**,

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

Section 1. 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 Redevelopment Agreement.

Section 2. Upon the approval and availability of the Additional Financing (as described on **Exhibit A** hereto), 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 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 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 LAC and/or the Borrower.

Section 3. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

Section 4. Upon the approval and availability of the Additional Financing, the Commissioner of DPD or a designee thereof (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 the Redevelopment Agreement with the 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. The Redevelopment Agreement shall be 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 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 \$16,400,000 ("**City Funds**") from Incremental Taxes deposited in the general account of the TIF Fund to LAC 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 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. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall control. 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 8. This Ordinance shall be in full force and effect upon its passage and approval.