

FIN



OFFICE OF THE MAYOR
CITY OF CHICAGO

BRANDON JOHNSON
MAYOR

November 1, 2023

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 United Yards 1A affordable housing project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

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

Mayor

ORDINANCE

WHEREAS, by virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the “**State**”), 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, 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, 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 affordable multi-family housing facilities for low- and moderate-income families located in the City (“**Multi-Family Housing Financing**”); and

WHEREAS, New City Redevelopment Limited Partnership, an Illinois limited partnership, is the borrower with respect to the below-defined Bonds (the “**Borrower**”), the general partner of which is Celadon-Blackwood GP 1, LLC, an Illinois limited liability company (the “**General Partner**”). Celadon Partners, LLC, an Illinois limited liability company (“**Celadon**”) has an 80% ownership interest in the General Partner and Blackwood Development Partners, LLC, an Illinois limited liability company (“**Blackwood**”) has a 20% ownership interest in the General Partner. Borrower intends to (i) acquire from the City vacant land located at 1515 W. 47th Street, Chicago, Illinois (the “**6-Story Project Site**”), (ii) acquire from an affiliate of the Borrower vacant land located at 1635-1643 W. 47th Street, Chicago, Illinois (the “**3-Flat Project Site**” and, collectively with the 6-Story Project Site, the “**Project Sites**”), as the Project Sites are more particularly described on **Exhibit F** hereto, (iii) construct on the 6-Story Project Site a six-story new construction building with 45 units of family housing (the “**6-Story Facility**”) and (iv) construct on the 3-Flat Project Site two 3-flat buildings with a combined total of six 2-bedroom units (the “**3-Flat Facilities**” and collectively with the 6-Story Facility, the “**Facilities**”), all together to be known as “**United Yards 1A.**” At least 40% of the units in each of the 6-Story Facility and the 3-Flat Facilities will be occupied by households earning no more than 60% of the area median income, and the remainder of the units in each of the 6-Story Facility and the 3-Flat Facilities will be occupied by households earning no more than 80% of the area median income; and

WHEREAS, the Illinois General Assembly, pursuant to 20 ILCS 3805/728 (as supplemented, amended and restated from time to time), has authorized a program allowing the allocation of certain tax credits for qualified donations made in connection with affordable housing projects (the “**Donation Tax Credit Program**”); and

WHEREAS, the Borrower desires to (i) acquire the Project Sites and (ii) obtain Multi-Family Housing Financing from the City for the purpose of financing the construction of the Facilities on the Project Sites, as further defined in **Exhibit A**), and to pay a portion of the costs of issuance and other costs incurred in connection therewith (collectively, the “**Project**”); and

WHEREAS, the City has agreed to sell the 6-Story Project Site, which has an appraised fair market value of \$178,000 as of November 23, 2020, according to an appraisal prepared by Byrnes & Walsh LLC (which appraised value may be updated with the approval of the Authorized Officer (as defined below)), for a price of \$1.00, to the Sponsor (as defined below) or another not-

for-profit organization approved by the Authorized Officer and for the Sponsor (or another approved not-for-profit organization) to subsequently sell the 6-Story Project Site to the Borrower for seller financing for construction of the Project; and

WHEREAS, by 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 to the Borrower, to (i) pay a portion of the costs of acquiring the 6-Story Project Site and constructing the 6-Story Facility thereon, and (ii) pay a portion of the costs of constructing the 3-Flat Facilities, by issuing a series of tax-exempt revenue bonds and using the proceeds of the sale thereof to make an additional loan to the Borrower to finance a portion of the costs of the Facilities (the “**Borrower Loan**”); and

WHEREAS, by this ordinance, the City Council has determined that it is necessary and in the best interests of the City to borrow money for the purposes set forth above and in evidence of its limited, special obligation to repay that borrowing, to issue its Multi-Family Housing Revenue Bonds (United Yards 1A Project), Series 2023 (the “**Bonds**”); and

WHEREAS, in connection with the issuance of the Bonds, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into (i) an Indenture (the “**Indenture**”) between the City and an entity acceptable to the Authorized Officer, as trustee (the “**Trustee**”) providing for the security for and terms and conditions of the Bonds to be issued, (ii) a Loan Agreement (the “**Loan Agreement**”) among the City, the Borrower and the Trustee providing for the use of the proceeds of the Bonds to make a loan to the Borrower, the proceeds of which will finance a portion of the costs of the Project, (iii) a Bond Purchase Agreement among the City, the Borrower, and KeyBanc Capital Markets Inc., as underwriter for the Bonds (the “**Underwriter**”), or, alternatively, another sale agreement among the City, the Borrower and one or more purchasers of the Bonds (in each case, a “**Bond Purchase Agreement**”) providing for the sale of the Bonds and the preparation and circulation, if necessary, of a preliminary official statement for the Bonds or, alternatively, another type of disclosure document prepared in connection with the offer and sale of the Bonds (in either case, a “**Preliminary Official Statement**”) and a final official statement or alternative disclosure document prepared in connection with the offer and sale of the Bonds (the “**Official Statement**”), and (iv) an Arbitrage and Tax Compliance Agreement (a “**Tax Compliance Agreement**”) between the City and the Borrower; and

WHEREAS, the principal and interest on the Bonds will be secured by, among other things, Eligible Funds (as defined in the Indenture), which, in the aggregate, do not exceed the amount set forth in the Indenture; and

WHEREAS, in connection with the issuance of the Bonds and the financing of the Project with the proceeds thereof, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into a Land Use Restriction Agreement between the City and the Borrower (the “**Land Use Restriction Agreement**”); and

WHEREAS, the Bonds 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 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 owner of the Bonds shall

have the right to compel the taxing power of the City, the State or any political subdivision thereof to pay any principal installment of, prepayment premium, if any, or interest on the Bonds; and

WHEREAS, pursuant to an ordinance adopted by the City Council on March 27, 2002, and published at pages 81474-81623 of the Journal of the Proceedings of the City Council (the “**Journal**”) of such date, a certain redevelopment plan and project, as amended (the “**Plan**”) for the 47th/Ashland Tax Increment Financing 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 March 27, 2002, and published at pages 81627-81639 of the Journal of such date, the Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, pursuant to an ordinance adopted by the City Council on March 27, 2002, and published at pages 81641-80652 of the Journal of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Redevelopment Project Costs (as defined in the Act) incurred pursuant to the Plan (the “**TIF Ordinance**”); and

WHEREAS, the Facilities are necessary for the redevelopment of the Area; and

WHEREAS, pursuant to a request for proposals issued by the City on November 30, 2020, the City authorized the City’s Department of Planning and Development (“**DPD**”) to advertise its intent to sell the 6-Story Project Site to the Borrower and request alternative proposals for the sale and redevelopment of the 6-Story Project Site; and

WHEREAS, public notices advertising the proposed sale and requesting alternative proposals appears in the Chicago Tribune on November 30, 2020, December 7, 2020 and December 14, 2020; and

WHEREAS, pursuant to Resolution No. 23-CDC-37 adopted by the Commission on September 12, 2023, the Commission has recommended (i) that the Borrower, together with its affiliates, be designated as the developer for the Project described in **Exhibit A** hereto, (ii) that the Authorized DPD Officer (as defined herein) of DPD be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Borrower, and (iii) that the City sell the 6-Story Project Site to the Borrower in connection with the Project; and

WHEREAS, no alternative proposals have been received by the deadline set forth in the aforesaid public notices; and

WHEREAS, the Borrower and Celadon Construction Corporation NFP, an Illinois not-for-profit corporation (“**CCC**” or “**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 Plan and the terms and conditions of a proposed redevelopment agreement (the “**Redevelopment Agreement**”) to be executed by the Borrower, CCC (jointly as Developer) and the City, with such Project to be financed in part by certain pledged incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Area (the “**TIF Fund**”) pursuant to Section 5/11-74.4-8(b) of the Act (the “**Incremental Taxes**”); and

WHEREAS, there has been presented to this meeting of the City Council forms of the following documents in connection with the Bonds:

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

WHEREAS, the City has certain funds available from a variety of funding sources ("**Chicago Recovery 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 Chicago Recovery Program Funds are administered by the City's Department of Housing ("**DOH**"); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a grant or a loan to the Borrower in an amount not to exceed \$7,000,000 to be funded from Chicago Recovery Program Funds pursuant to the terms and conditions set forth in **Exhibit A** attached hereto and made a part hereof; and

WHEREAS, the Borrower now desires to obtain additional financing from various sources including, but not limited to, the Borrower Loan, all such financing as described in **Exhibit A**; 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 Indenture.

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 each of (i) the Mayor of the City (the "**Mayor**"), (ii) the Chief Financial Officer of the City (as defined below), (iii) the Comptroller of the City (the "**Comptroller**"), or (iv) any other officer designated in writing by the Mayor (the Mayor, the Chief Financial Officer, the Comptroller or any such other officer being referred to herein as the "**Authorized Officer**") to determine to sell the Bonds on such terms as and to the extent such officer determines that such sale or sales is 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. As used herein, the term "**Chief Financial Officer**" shall have the meaning given to such term in Section 1-4-090(k) of the

Municipal Code of Chicago (the "**Municipal Code**").

SECTION 3. Authorization of Bonds. Upon the approval and availability of the additional financing as shown in **Exhibit A** (the "**Additional Financing**"), the issuance of the Bonds in an aggregate principal amount of not to exceed Twenty-Two Million Five Hundred Thousand Dollars (\$22,500,000) is hereby authorized.

The Bonds shall contain a provision that they are issued under authority of this ordinance. The Bonds shall not mature later than ten (10) years after the date of issuance thereof. The Bonds shall bear interest at a rate or rates not to exceed eight percent (8%), payable on the interest payment dates as set forth in the Indenture. The Bonds shall be dated, shall be subject to redemption or tender prior to maturity, shall be payable in such places and in such manner and shall have such other details and provisions as prescribed by the Indenture and the form of the Bonds therein.

The provisions for execution, signatures, authentication, payment and prepayment, with respect to the Bonds shall be as set forth in the Indenture and the form of the Bonds therein.

The Authorized Officer is hereby authorized to execute and deliver the Indenture on behalf of the City, such Indenture to 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 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 Indenture attached to this ordinance.

The Authorized Officer is hereby authorized to execute and deliver the Loan Agreement on behalf of the City, such Loan Agreement to be 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 Loan Agreement attached to this ordinance.

The Authorized Officer is hereby authorized to execute and deliver the Tax Compliance Agreement on behalf of the City, in substantially the form of arbitrage and tax compliance agreements used in previous issuances of tax-exempt bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the applicable provisions of the Internal Revenue Code of 1986 (the "**Code**"), and the regulations promulgated thereunder or applicable thereto, 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 Bonds. The execution of the Tax Compliance Agreement by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council of the terms provided in the Tax Compliance Agreement.

The Authorized Officer is hereby authorized to execute and deliver the Land Use Restriction Agreement on behalf of the City in connection with the issuance of the Bonds, such Land Use Restriction Agreement to be 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.

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 Bonds. The Bonds shall be limited obligations of the City, payable solely from (i) all right, title and interest of the City in and to all revenues, derived or to be derived by the City under the terms of the Indenture and the Loan Agreement (other than certain reserved rights of the City), including the Borrower Note issued by the Borrower thereunder; (ii) the proceeds of the Bonds and income from the temporary investment thereof, as provided in the Indenture; and (iii) all funds, monies and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the City or by anyone on its behalf. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds, such rights, proceeds and investment income are hereby pledged to the extent and for the purposes as provided in the Indenture and are hereby appropriated for the purposes set forth in the Indenture. The Indenture 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 sale of the Bonds.

SECTION 5. Sale and Delivery of Bonds. The Bonds shall be sold and delivered to, or upon the direction of the Underwriter, subject to the terms and conditions of the Bond Purchase Agreement, or, alternatively, are hereby authorized to be sold and delivered directly to one or more investors to be selected by the Authorized Officer subject to the terms and conditions of the Bond Purchase Agreement. The Authorized Officer is authorized to execute and deliver on behalf of the City, with the concurrence of the Chairman of the Committee on Finance of the City Council, the Bond Purchase Agreement in substantially the form of bond purchase agreements used in previous sales of bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the fact that the Bonds may be sold to certain institutional investors at a premium or discount, and with such other revisions in text as the Authorized Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The execution of the Bond Purchase Agreement by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council of the terms provided in the Bond Purchase Agreement. The distribution of the Preliminary Official Statement and the Official Statement to prospective purchasers of the Bonds and the use thereof by the Underwriter in connection with the offering and sale of the Bonds are hereby authorized, provided that the City shall not be responsible for the content of the Preliminary Official Statement or the Official Statement except as specifically provided in the Bond Purchase Agreement executed by the Authorized Officer, and provided further that, if the Bonds are sold directly to institutional investors, the City may forgo the use of a Preliminary Official Statement or Official Statement, but only if such institutional investors execute and deliver to the City "sophisticated investor" letters satisfactory to the Authorized Officer. The compensation paid to the Underwriter in connection with the sale of the Bonds shall not exceed three-fifths of one percent (0.60%) of the aggregate principal purchase price of the Bonds, exclusive of legal cost in connection therewith. In connection with the offer and delivery of the Bonds, the Authorized Officer, and such other officers of the City as may be

necessary, are authorized to execute and deliver such instruments and documents as may be necessary to implement the transaction and to effect the issuance and delivery of the Bonds. Any limitation on the amount of Bonds issued pursuant to this ordinance as set forth herein shall be exclusive of any original issue discount or premium.

SECTION 6. Notification of Sale. Subsequent to the sale of the Bonds, the Authorized Officer shall file in the Office of the City Clerk a Notification of Sale for the Bonds directed to the City Council setting forth (i) the aggregate original principal amount of, sale price, maturity schedule, redemption provisions for and nature of the Bonds sold, (ii) the extent of any tender rights to be granted to the holder of the Bonds, including, without limitation, the right of the holder to tender the Bonds in exchange for one or more mortgage-backed securities held by the Trustee under the Indenture, (iii) the identity of the Trustee, (iv) the interest rates on the Bonds, and (v) the identity of any underwriters or institutional investors who purchase the Bonds directly from the City or through the Underwriter, along with the compensation paid to the Underwriter in connection with such sale. There shall be attached to such notification the final form of the Indenture.

SECTION 7. Use of Proceeds. The proceeds from the sale of the Bonds shall be deposited as provided in the Indenture and used for the purposes set forth in the fourth paragraph of the recitals of this ordinance.

SECTION 8. Declaration of Official Intent. It is possible that a portion of the cost of the Project which the City intends to finance with the proceeds of the Bonds will have been paid from available equity monies prior to the date of this ordinance. It is the intention of the City to utilize a portion of the proceeds of the Bonds to reimburse such expenditures, to the extent they have been or will be made for those costs, to the extent allowed by the Code and related regulations. As such, the City declared its official intent under Section 1.150-2 of the Treasury Regulations promulgated under the Code to utilize the proceeds of the Bonds as such, in an Inducement Resolution adopted by the City on June 21, 2023.

SECTION 9. Additional Authorization. The Mayor, the Authorized Officer, the City Treasurer and, upon the approval and availability of the Additional Financing, the Authorized DPD Officer and Authorized DOH Officer (as defined below) are each 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 and perform such other acts as may be necessary or desirable in connection with the Bonds, including, but not limited to, the exercise following the delivery date of the Bonds of any power or authority delegated to such official under this ordinance with respect to the Bonds upon original issuance, but subject to any limitations on or restrictions of such power or authority as herein set forth.

SECTION 10. Proxies. The Mayor and the Authorized Officer may each designate another to act as their respective proxy and to affix their respective signatures to each of the Bonds, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by the Mayor or the Authorized Officer pursuant to this ordinance or the Indenture. 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 11. Volume Cap. The Bonds are obligations taken into account under Section 146 of the Code in the allocation of the City's volume cap.

SECTION 12. 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 13. Public Approval. The City Council directs that the Bonds shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied. To the extent that the requirements of Section 147(f) of the Code, including the public hearing, have occurred prior to the date of this ordinance, this ordinance constitutes approval for purposes of Section 147(f) of the Code. All such actions taken prior to the enactment of this ordinance are ratified and confirmed.

SECTION 14. Authorization of Fees and Expenses. The following fees and expenses are hereby authorized in connection with the Bonds: (i) an Issuer Fee in an amount equal to 1.5 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds, (ii) a Bond Legal Reserve Fee in the amount of 0.1 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds (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), and (iii) a City Administrative Fee in an amount equal to 0.15 percent of the outstanding principal of the Bonds, accruing monthly but payable to the City on a semi-annual basis.

SECTION 15. Authorization of Redevelopment Agreement. Upon the approval and availability of the Additional Financing, the City's Commissioner of DPD or a designee or successor thereof (the "**Authorized DPD Officer**") are each hereby authorized, with the approval of the City's corporation counsel (the "**Corporation Counsel**"), to negotiate, execute and deliver the Redevelopment Agreement between the Developer and the City in connection with payment of the Redevelopment Project Costs with the tax increment financing ("**TIF**") funds, substantially in the form attached hereto as **Exhibit E** and made a part hereof, 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, with such execution to constitute conclusive evidence of the Authorized DPD Officer's approval of any changes or revisions from the form of Redevelopment Agreement attached to this Ordinance.

SECTION 16. Chicago Recovery Program Funds Authorization. Upon the approval and availability of the Additional Financing, the City's Commissioner of Housing or a designee or

successor 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 Chicago Recovery Program Funds. 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 Chicago Recovery Program Funds 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 Chicago Recovery Program Funds to the Borrower.

SECTION 17. Payment of Incremental Taxes. The City Council hereby finds that the City is authorized to pay an aggregate amount equal to \$14,500,000 (“**City Funds**”) from Incremental Taxes deposited in the general account of the TIF Fund (the “**General Account**”), to the Developer to finance a portion of costs included within the Project and eligible under the Act. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section 17.

SECTION 18. Maintenance and Use of TIF Fund. Pursuant to the TIF Ordinance, the City has created the TIF Fund. The Authorized Officer (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 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 19. Separability. 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 20. Inconsistent Provisions. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 21. No Impairment. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to impair the validity of this ordinance or the instruments authorized by this ordinance or to render any agreement or instrument authorized hereby voidable at the option of the City or to impair the rights of the owners of the Bonds to receive payment of the principal of, premium, if any, or interest on the Bonds or to impair the security for the Bonds; provided further, however, 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. Sections 2-44-085, 2-44-090, 2-44-100 and 2-44-105 of the Municipal Code shall not apply to the Project or the Project Sites.

SECTION 22. Conveyance of the 6-Story Project Site. The sale of the 6-Story Project Site to CCC in the amount of One Dollar (\$1) is hereby approved. This approval is expressly conditioned upon the City and the Developer entering into the Redevelopment Agreement. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, a quitclaim deed(s) conveying the 6-Story Project Site to CCC or to an entity of which Developer is the sole owner and the controlling party, for immediate subsequence conveyance to Borrower, subject to those covenants, conditions and restrictions set forth in this Ordinance. The

provisions in Section 3.13 of the Redevelopment Agreement shall govern the City's conveyance of the 6-Story Project Site to CCC. The Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago. Section 2-45-110 of the Municipal Code of Chicago shall not apply to the Project or the Project Sites.

SECTION 23. Donation Tax Credit Program. The City hereby approves the conveyance of the 6-Story Project Site as a donation to Sponsor from the City under the Donation Tax Credit Program in connection with the Project. The Authorized DOH Officer is hereby authorized to transfer the tax credits received by the City, if any, under the Donation Tax Credit Program in connection with the conveyance of the Property to an entity satisfactory to the Authorized DOH Officer on such terms and conditions as are satisfactory to the Authorized DOH Officer (the "**DTC Transfer**"). The proceeds, if any, received by the City in connection with the DTC Transfer are hereby appropriated, and the Authorized DOH Officer is hereby authorized to use such proceeds to make a grant to Sponsor or another entity affiliated with Sponsor or the Borrower, in their sole discretion (the "**DTC Grantee**"), for use in connection with the Project (the "**DTC Grant**"). The DTC Grantee may loan or contribute the proceeds of the DTC Grant to the Borrower for use in connection with the Project, and any such loan may be secured by a lien on the Property, which lien may be subordinated as described in Exhibit A. 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 DTC Transfer and the DTC Grant. Upon the execution and receipt of proper documentation, the Authorized DOH Officer is hereby authorized to disburse the proceeds of the DTC Grant to the DTC Grantee.

SECTION 24. 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: