

SUBSTITUTE 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 11, 2017 and published in the Journal for such date at pages 55903 through 55915, inclusive, 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 City Council authorized the Sales Tax Securitization Corporation to issue taxable bonds (the "STSC Bonds") with the expectation that the proceeds of the STSC Bonds, when issued, will reimburse the corporate funds used for, among other things, improving the quality of housing through various rehabilitation and housing redevelopment programs; and

WHEREAS, the City, pursuant to its Multi-Family Loan Program, received from the United States Department of Housing and Urban Development an allocation of Community Development Block Grant funds ("CDBG 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, pursuant to a Housing Loan Agreement dated January 31, 1992 ("Original Loan Agreement") the City made a loan of CDBG Funds to Boulevard Apartments Limited Partnership, an Illinois limited partnership (the "Original Borrower"), in the principal amount of \$1,350,000, with an interest rate of one percent per annum and a term of approximately thirty years (the "Original Loan"); and

WHEREAS, the proceeds of the Original Loan were used to provide for the acquisition and rehabilitation of a 70-unit housing development in three buildings located generally at 1930-1938 North Humboldt Boulevard, 929-935 North Sacramento Avenue, and 2212-2214 North Sacramento Avenue, in Chicago, Illinois (collectively, the "Property"); and

WHEREAS, the sole general partner of the Original Borrower is Rockwell Community Development, Inc., an Illinois not-for-profit corporation ("Rockwell"), an affiliate of which is Bickerdike Redevelopment Corporation, an Illinois not-for-profit corporation ("Bickerdike"); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a new loan to Boulevard Apartments Preservation LP, an Illinois limited partnership ("New Borrower"), the general partner of which is Rockwell in an amount not to exceed \$12,725,000 (the "New Loan"), 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; and

WHEREAS, the Original Borrower and the New Borrower desire to pay off the Original Loan ("Payoff") and desire to sell and transfer the Project, as described on Exhibit A, from the Original Borrower to the New Borrower ("Conveyance"); and

WHEREAS, the City desires to consent to the Pay Off and the Conveyance; 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 as shown in Exhibit A hereto, the City's Commissioner of Housing ("Commissioner") and 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 New Loan, Payoff and Conveyance. 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 Loan 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 Loan to the New Borrower or to proceed with the Alternate Structures as described in Exhibit A hereto.

SECTION 3. 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 of Chicago. Sections 2-44-080 through 2-44-105 of the Municipal Code of Chicago (the "Code") shall not apply to the Project or the Property (as defined on Exhibit A hereto).

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the 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 5. This ordinance shall be effective as of the date of its passage and approval.