

**City of Chicago
Department of Planning and Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING DEVELOPER DESIGNATION
MARCH 11, 2014**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	Cornerstone Apartments
Applicant Name:	The Community Builders, Inc.
Project Address:	611 E. 50 th Street 633 E. 50 th Street 636 E. 50 th Street 731 E. 50 th Place 4950 S. Langley Street
Ward and Alderman:	4 th / Will Burns
Community Area:	38. Grand Boulevard
Redevelopment Project Area:	49 th / St. Lawrence
Requested Action:	TIF Developer Designation
Proposed Project:	Construction of 20 new affordable units in three three-story buildings and renovation of 45 units. The project will provide 65 housing units of which 12 units or 18% will be affordable to 50% or less, 44 units or 67 percent will be affordable for households earning no more than 60 percent of the area median income and seven units or 10 percent will be affordable for households earning no more than 80 percent of the area median income and two units or three percent will be unrestricted.
Goal of Project:	To provide both new and rehabilitated affordable units and build on three currently vacant parcels.

TIF Assistance: \$2,500,000

II. PROPERTY DESCRIPTION

Address: 611 E. 50th Street
633 E. 50th Street
636 E. 50th Street
731 E. 50th Place (Evans Bldg.)
4950 S. Langley Street (Langley Bldg.)

Location: The project is on scattered sites with one parcel on the northeast corner of Champlain and 50th St; one on southeast corner of same; and parcel on 50th St. between Champlain on the east and S. St. Lawrence on the west. The Langley Building is located nearby at the northwest corner of Langley and 50th Street and the Evans Building on the southeast corner of Evans and 50th Place.

Tax Parcel Numbers: 20-10-232-010
20-10-220-033
20-10-225-016
20-10-225-004
20-10-220-020

Land Area: 78,900 sq. ft.

Current Use: The three vacant lots have grass and are well-maintained. The two existing buildings are masonry three-story walk-ups with limestone detail built in the early 1900s. Both buildings are occupied and in generally good repair on the exterior but would benefit from interior renovations to increase energy efficiency and improve the quality of the affordable housing offered. The Evans Building is 22,213 sq. feet and the Langley Building is 18,509 sq. feet.

Current Zoning: RM5, Residential Multi-Unit District

Environmental Condition: For the vacant land, Phase 1 and related environmental reviews were conducted and submitted to HUD because the project is also using HUD NSP2 funds. HUD reviewed the confirmed a Finding of No Significant Impact (FONSI). Phase 1 reviews were also conducted at the Evans and Langley

Buildings and no Recognized Environmental Conditions (RECs) were found.

III. BACKGROUND

The Grand Boulevard Community Area in which the project planned covers 1.73 sq. miles on the south side of Chicago. The boulevard from which the community area takes its name is now Martin Luther King, Jr. Drive. The area is bounded by 39th to the north, 51st Street to the south, Cottage Grove Avenue to the east, and the Chicago, Rock Island & Pacific Railroad tracks to the west. The Robert Taylor Homes were located mostly in Grand Boulevard. The population according to the 2010 Census was 21,929 down from 28,006 (-21.7%) in 2000. The median income in 2010 was \$28,040 with 28 % of the residents living below the poverty line. In terms of education, of the 14,007 people over 25 years old, 19% have less than a high school education, 24% have high school diploma, GED or equivalent, 31 % have some college or an Associate's degree and 25% have a Bachelor's degree or higher. 20.6% of the residents are unemployed.

The proposed project is located in North Washington Park in the 49th/St. Lawrence TIF District. This district was established in 1996 with the main goal of encouraging new development and or rehabilitation activity in the area. A prime site for redevelopment mentioned in the plan was the southeast corner of 49th Street and St. Lawrence where the long abandoned Francis E. Willard School was located. In 1997, the Willard Square Apartments was developed by Technical Assistance Corporation for Housing (TACH) and was granted \$2,180,000 in TIF funds. The project is affordable new infill construction consisting of 100 units in 16 six-flats and two three-flats, some of which are located on the former Willard School site. The Willard Square project has been the only TIF supported redevelopment since the district was established. See the attached 49th/St. Lawrence TIF district description. More recent housing built in the area included Savoy Square, the newest phase of CHA's Legends South completed in 2010 with 139 units in mid-rise buildings.

With regard to the proposed project, TCB purchased the Evans and Langley Buildings from TACH in the Fall of 2012 for \$705,040. In addition they assumed a City loan of \$1,254,000. The property at the time appraised for \$2,340,000. TCB is under negotiations to buy 11 PINs from TACH for a deeply discounted price. The land has appraised for \$277,657 and is being sold by TACH for \$79,549. Hales Franciscan High School is a well-regarded, private, 4-year Roman Catholic high school established in 1962, located across Langley St. from the Langley Building.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity:

The Community Builders (TCB) will be the developer and property manager for Cornerstone.

TCB is a national nonprofit organization which had its start in Boston in 1964. Since then, it has grown to include 500 employees across 14 states. The Community Builders, Inc. is one of the largest and most accomplished non-profit development corporations in the United States. As stated in the organization's strategic plan, their mission is "to build and sustain strong communities where people of all incomes can achieve their full potential." Nationally, the company's revenue in 2014 is projected to be \$53.5 million dollars with 6% coming from their property management work and property cash flow, 39% from construction (fees, construction management, legal, consulting and planning) and 1% from philanthropic and donor support.

Locally TCB has over 10 years of mixed-income revitalization experience in the 4th ward as the master developer for Oakwood Shores. Their work in Chicago includes the preservation of affordable housing, including the preservation of the Lorington Apartments in Logan Square and Merrill Court Apartments in the South Shore.

TCB was also one of the developer entities for Shops and Lofts presented to the CDC on July 10, 2012 and passed by City Council on October 3, 2012. Located at the southwest corner of 47th Street and Cottage Grove Avenue, this project is currently under construction and will contain 96 residential rental dwelling units will be affordable to households earning no more than 60% of the area median income. It also includes 54,678 square feet of retail space which will be anchored by a Walmart grocery store. TIF assistance in the amount of \$12,850,000 makes up 28.2% of the entire budget, and the land write down (approximately \$2.241M) makes up 4.9% of the entire budget (\$45,631,629). A list of additional TCB projects in Illinois and northwest Indiana is attached as an exhibit to this report.

Consultants:

Architect: PappaGeorge Haymes/Steve Rezabek

PappaGeorge Haymes began in Chicago in 1981 and has since expanded nationally. Their experience includes adaptive reuse and single-family renovations as well as low-rise apartments, mid-rises, high-rises and tall towers of 80 stories or more.

General Contractor: Linn-Mathes, Inc.

Linn-Mathes has been in business since 1916 and has worked on a wide range of projects from new construction to rehabilitation as well as senior and affordable projects.

V. PROPOSED PROJECT

Project Overview:

The proposed project consists of two major components. One component is the renovation of the 45 units in the Evans and Langley Buildings. Planned renovations include new roofs, flooring, kitchens, bathrooms and window replacements where needed. It is anticipated that the buildings will each be renovated a stairwell (approximately six households) at a time and that these residents time will be relocated to "host units" in nearby buildings for the period of the

renovation. These two existing buildings are masonry three-story walk-ups with limestone detailing were built in the early 1900s. The Evans Building (731 E. 50th Pl.) has 24 affordable apartments and the Langley Building (4950 S. Langley St.) has 21 affordable apartments. Both buildings were rehabbed in 1992. All 45 units in the Evans & Langley buildings are already set at affordability levels of 60% AMI. Going forward, twelve units at Evans and Langley will be preserved for households earning no more than 50% AMI.

Also planned is the construction of three three-story apartment buildings containing a total of 20 units on three currently vacant lots nearby on 50th Street. These new apartments will be designed, marketed, and operated to serve working artist households. Concentrating artists in this new development is intended to strengthen the burgeoning arts community in and around the Washington Park community. A few blocks to the north is the Bronzeville Artist Loft’s project, a mixed-use development including 16 residential units and an art gallery on the first floor. The Little Black Pearl Workshop, a 40,000 sq. ft. non-profit arts center that offers art classes and programming is located 0.3 miles west of the proposed Cornerstone development. Because artists often provide services to their neighborhood, it is anticipated that their presence will enhance the quality of life for their neighbors, including the nearby Hales-Franciscan High School.

The 20 new apartments will be divided so that 11 are reserved for households earning less than 60% AMI, and 9 units are reserved for households earning less than 80% AMI. The buildings will have a face brick veneer, some with wide glazed brick, prefinished sheet metal panel system, and wood paneling. Currently a total of surface 16 parking spaces are planned with five located behind one building, seven behind another, and four behind the last building. The infill construction is planned to fit in with the existing neighborhood buildings in height and scale. A site plan, floor plans and elevation are provided as exhibits to this report.

Residential Unit Profile: The following table provides a detailed description of the proposed project. The subject property will provide a total of 65 rental units of which 12 units or 18 percent will be affordable for households earning no more than 50 percent of the area median income, 44 units or 67 percent will be affordable for households earning no more than 60 percent of the area median income, seven units or 10 percent will be affordable for households earning no more than 80 percent of the area median income and two units or three percent will be unrestricted. The overall project will satisfy the Chicago affordable housing ordinance, which requires 10 percent affordable units in projects developed on land sold by the City or 20 percent affordable units in projects receiving TIF assistance.

Unit Profile for New Construction

Unit Type	Number	Market/Affordable	Size-sf	Monthly Rent/sf*	Monthly Rent*	Market Rate Rent
1 bed/1 bath)	9	Affordable at 60% AMI	750-850	0.83	650-670	900-950

2 bed/1 bath	2	Affordable at 60% AMI	1050	0.76	803	1200
1 bed/1 bath	3	Affordable at 80% AMI	750-850	1.13	900	900-950
2 bed/1 bath	4	Affordable at 80% AMI	1050	1.05	1100	1200
3 bed/2 bath	2	Affordable at 80% AMI	1250	1.08	1400	1430
Total	20					

* The tenants pay for gas heat, electric cooking, and gas water heating. Parking is included with 16 of the newly constructed units.

Unit Profile for Rehab (Evans and Langley Buildings)

Unit Type	Number	Market/Affordable	Size-sf	Monthly Rent/sf*	Monthly Rent*	Market Rate Rent
1 bed/1 bath	1	Affordable at 50% AMI	700	0.96	673	800-850
2 bed/1 bath	10	Affordable at 50% AMI	873	0.89	778	950-1000
3 bed/1 bath	1	Affordable at 50% AMI	963	0.90	864	1150-1200
1 bed/1 bath	1	Affordable at 60% AMI	700	1.13	790	800-850
2 bed/1 bath	17	Affordable at 60% AMI	873	1.05	890-949	950-1000
3 bed/1 bath	15	Affordable at 60% AMI	963	.10	1026-1093	1150-1200
Total	45					

*In the Evans Building, rent includes heating and the tenants pay for the other utilities. In the Langley Building the tenants pay for all utilities.

The affordable rent paid by the tenant is based on the tenant’s income and not on market comparables. The maximum rent for each defined “affordable” income level is published annually by the US Department of Housing and Urban Development and listed according to building construction type (i.e. apartment, townhouse, house), number of bedrooms and household size. Rent per square foot is not considered except that HUD housing quality standards and Chicago zoning and building codes set minimum room and unit sizes. Different federal funding development and operating support sources may have different maximum income and rent restrictions.

Environmental Features: The renovations will incorporate Energy Star features including Energy Star windows (where replaced) and appliances. A key element of renovations to the Evans & Langley buildings will be energy efficiency and water conservation improvements. Particular focus will be placed on upgrading heating, cooling, ventilation and insulation systems to reduce utility cost for residents and building operations. The new construction will all be Energy Star rated.

The Cornerstone development strategy itself is location efficient and reuse-focused. Well-built existing residential buildings are being renovated and vacant lots redeveloped, all within a 10 minute walk or less to CTA train stops, the University of Chicago, shopping hubs, schools, cultural institutions and substantial green space.

VI. FINANCIAL STRUCTURE

This rental project is being financed using a variety of different sources. The primary source of fund is tax credit equity in the amount of \$9,262,500. The renovation of the Evans and Langley Buildings will be partially supported by a \$1,254,887 CDBG loan assumed from TACH upon purchase of these buildings. National Housing Trust Equity, LLC will be the tax credit syndicator and has provided the attached commitment letter. In addition TCB is receiving \$1,023,649 in Neighborhood Stabilization Loan funds which had been allocated to TCB, Inc. The developer is also requesting \$957,000 in Illinois Donation Tax Credits based on the donated value of the land and buildings from TACH. The proposed TIF amount is \$2,500,000 which will be paid from area-wide PINS. This represents 16% of the total project cost of \$15,398,136. It will be paid at benchmark completion points during construction with \$1M paid in 2014, \$1M in 2015 and \$500,000 paid in 2016. TIF is required because of the low level of affordability (below 50 and 60% AMI) of more than half of the units in the project.

The following tables identify the sources and uses of funds:

Sources and Uses of Funds

<u>Sources</u>	<u>Amount</u>	<u>% of total</u>
Equity	\$ 9,262,500	60%
TIF (paid in during construction)	\$ 2,500,000	16 %
NSP 2 Loan (TCB)	\$ 1,023,649	7%
CDBG Loan (assumed from TACH)	\$ 1,254,887	8%
Deferred Dev. Fee	\$ 100,000	1%
Donation Tax Credits	\$ 957,000	6%
<u>City of Chicago Multifamily Loan</u>	<u>\$ 300,000</u>	<u>2%</u>
Total Sources	\$15,398,136	100%

<u>Uses</u>	<u>Amount</u>	<u>\$/sf of Building*</u>	<u>\$/Unit</u>
Land Acquisition (\$ 8.69 per sf of land)**	\$ 79,549	\$ 3.19 per gsf	\$3,977
Building Acquisition (\$6.77per gsf)	\$ 705,040	\$ 13.06 per gsf	\$15,668
City Loan Assumption (\$15.90 per gsf)	\$1,254,887	\$15.90 per gsf	
Hard Costs			
Renovation (Hard Costs)	\$4,590,985		
<u>New Construction (Hard Costs)</u>	<u>\$5,006,525</u>		
Total Hard Costs	\$9,597,511	\$121.64 per gsf	
Soft Costs			
Architect's Fee (5% of hard costs)	\$480,000		
Loan Origination Fee (0.6% of loan)	\$35,000		
Legal Fees (1.7% of total costs)	\$275,000		
Marketing (0.4% of total costs)	\$75,000		
Loan Interest (2% of total costs)	\$318,000		
Reserves (3.2% of total costs)	\$494,105		
Developer Fee (5.8% of total costs)	\$900,000		
Other financing (1.8% of total costs)	\$284,644		
Construction period costs (0.9% of total costs)	\$137,000		
Tenant relocation (1% of total costs)	\$150,000		
Other soft costs (3.9% of total costs)	\$612,500		
Total Soft Costs	\$3,761,249	\$47.67 per gsf	\$57,865
Total Uses	\$15,398,236		\$236,904

*Gross building area is 78,900 sf

**Land area is 49,089 sf

The proposed project will provide the following public benefits:

Affordable Housing: The project will provide 20 new affordable housing units and 45 rehabilitated units.

Property Taxes: The project will expand the tax base because the investment in the property will result in an increase in its assessed value.

Permanent Jobs: The project is estimated to generate 2 permanent jobs-- 1 for maintenance and 1 for property management/administration.

Construction Jobs: The project will produce 130 temporary construction jobs.

Affirmative Action: The developer will comply with the requirements of Chicago's affirmative action ordinance, which requires contract participation of 24% by minority-owned business enterprises (MBEs) and 4% by woman-owned business enterprises (WBEs). The developer has provided notification of the proposed project, by certified mail, to several associations of minority and women contractors. A sample version of the letter and copies of the post office receipts for the certified letters are presented as exhibits to this report.

City Residency: The developer will comply with the requirements of Chicago's city residency ordinance, which requires that at least half of all construction-worker hours be filled by Chicago residents. The developer will also comply with the requirement that all construction jobs are paid the prevailing wage.

VIII. COMMUNITY SUPPORT

Alderman Burns endorses the project and has provided a letter of support (see exhibits for copy). The project was presented to the community at a meeting held in 2011. Recently the Developer met for a second time with residents of the Evans and Langley Buildings to give an update about the project and collect their input as the renovations plans are finalized. The project has been well-received both by the alderman and the community. The Developer will have an informational booth at Chicago's Creative Expo this March at the Chicago Cultural Center to promote the artist component of the project. Quad Community Development Corporation (QCDC) has endorsed this project and a copy of their support letter is attached.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the 49th/St. Lawrence Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area's redevelopment plan:

- To improve the quality of life within the Project Area by eliminating the influences and manifestations of physical and economic deterioration and obsolescence.
- To create an environment which will contribute to the health, safety and general welfare of the City, and enhance the value of properties within and near the Project Area.

The implementation strategy for achieving the plan's goals envisions the need to provide TIF financial assistance for the development of residential units. The proposed project also conforms to the plan's land use map, which calls for residential development at the subject site.

X. CONDITIONS OF ASSISTANCE

If the proposed resolution is approved by the CDC, DPD will negotiate a redevelopment agreement with the developer. The redevelopment agreement will incorporate the parameters of

the proposed project as described in this staff report.

It is DPD policy that no business will be conducted with a development entity whose any principal has outstanding municipal debts (such as unpaid parking tickets, unpaid water bills, unpaid business licenses, and others), is in arrears of child support payments, or who is a debtor in bankruptcy, a defendant in a legal action for deficient performance, a respondent in an administrative action for deficient performance, or a defendant in any criminal action.

Closing of the sale of the property will not occur before the City Council has approved the redevelopment agreement the developer has obtained all necessary City approvals including zoning and building permits, and the developer has presented proof of financing. The documents will include a development timetable.

XI. RECOMMENDATION

The Department of Planning and Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, its need for public assistance, its public benefits, and the project's conformance with the redevelopment area plan, and DPD recommends that the CDC recommend to the City Council the designation of The Community Builders, Inc. as Developer for the development of Cornerstone Apartments at 611 E. 50th Street, 633 E. 50th Street, 636 E. 50th Street, 731 E. 50th Place and 4950 S. Langley Street.

EXHIBITS

TIF Project Scorecard
TIF District Report
Section 5 from 49th/St. Lawrence TIF Annual Report
List of TCB Builders Projects
TCB Board of Directors
Ownership Structure
Redevelopment Area Map
TIF Legal Description
Neighborhood Map or Aerial
Site Plan
Typical Floor Plan
Front Elevation or Rendering
Sample M/WBE Letter
Copies of M/WBE Certified Letter Receipts
Lender's Letter of Interest
Community Letters of Support
Alderman's Letter of Support

EXHIBITS

TIF Project Scorecard
TIF District Report
Section 5 from 49th/St. Lawrence TIF Annual Report
List of TCB Builders Projects
TCB Board of Directors
Ownership Structure
Redevelopment Area Map
TIF Legal Description
Neighborhood Map or Aerial
Site Plan
Typical Floor Plan
Front Elevation or Rendering
Sample M/WBE Letter
Copies of M/WBE Certified Letter Receipts
Lender's Letter of Interest
Community Letters of Support
Alderman's Letter of Support

TIF PROJECT SCORECARD

**Cornerstone Apartments--611 E. 50th St.; 633 E. 50th St.
636 E.50th St;731 E.50th Pl.; 4950 S. Langley Ave.**

The proposed project consists of two major components. One component is the renovation of the 45 units in the Evans and Langley Bldgs. The Evans Building (731 E. 50th Pl.) has 24 affordable apartments and the Langley Building (4950 S.Langley Ave.) Also planned is the construction of three three-story apartment buildings containing a total of 20 units on three currently vacant lots nearby on 50th Street. These new apartments will be designed, marketed, and operated to serve working artist households.

Type of Project: Residential/Affordable Housing

Developer: The Community Builders

Total Project Cost: \$15,574,487

Timeline for Completion: June 30, 2015

TIF Funding Request: \$2,500,000

Project Status: CDC March 2014

TIF District: 49th/St. Lawrence

RETURN ON INVESTMENT BENCHMARKS

Advances Goal of Economic Development Plan YES or NO
 YES NO

Jobs Created/Retained
1 created/2 retained

Advances Goal of TIF District YES or NO
 YES NO
Promote the redevelopment of vacant parcels and properties

Affordable Housing Units Created/Preserved
20 created/45 preserved

Addresses Community Need YES or NO
 YES NO
Affordable Housing

Return on Investment to City
N/A

FINANCIAL BENCHMARKS

Other Funds Leveraged by \$1 of TIF
\$1.19

Financing Structure Equity \$ 9,262,500; TIF \$ 2,500,000;
NSP 2 Loan (TCB) \$ 1,200,000;
CDBG Loan \$ 1,254,887; Donation Tax Credits
\$957,000; City of Chgo Multifamily Loan \$300,000

Types of Other Funding Leveraged YES or NO
 YES NO
Low-Income Housing Tax Credits, Donation Tax Credits, Neighborhood
Stabilization Program

RDA TERMS

Payment Schedule:
\$1M in 2014, \$1M in 2015; 500,000 in 2016

Monitoring Term of Agreement:
Until TIF Expiration 12/31/2020

Taxpayer Protection Provisions YES or NO
 YES NO

OTHER CONSIDERATIONS

Affordable Housing / Special Merit Consideration



TIF District Description

49th/St Lawrence

The 49th/St. Lawrence TIF district encompasses seven residential blocks around Willard Elementary School in the Grand Boulevard community. At 17 acres, the district includes many vacant and city-owned properties that new increment from the TIF is intended to help redevelop. Its main objective is to foster an improved and affordable residential environment through site assembly assistance for new development projects and the elimination of blight and other impediments to private investment. The TIF was also created to insure that new housing developments are appropriate for area income levels and reflective of existing architectural styles.

Total Redevelopment Project Investments: \$11,388,438

Council-Approved TIF Investment: \$3,457,564

Projects:

- Willard Square

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

If NO projects were undertaken by the Municipality Within the Redevelopment Project Area, indicate so in the space provided:
If Projects WERE undertaken by the Municipality Within the Redevelopment Project Area enter the TOTAL number of projects and list them in detail below. 1

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 **MUST BE INCLUDED** WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED **IF PROJECTS ARE LISTED ON THESE PAGES**

See "General Notes" Below.

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken	\$ -	\$ -	\$ 7,930,874
Public Investment Undertaken	\$ 1,292,060	\$ 73,948	\$ 3,457,564
Ratio of Private/Public Investment	0		2 5/17

Project 1: Willard Square Ltd.	Project is Ongoing ***		
Private Investment Undertaken			\$ 7,930,874
Public Investment Undertaken	\$ 1,292,060	\$ 73,948	\$ 3,457,564
Ratio of Private/Public Investment	0		2 5/17

Project 2:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

*** As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

General Notes

(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

(d) Intergovernmental agreements, if any, are reported on Attachment M hereto.

THE COMMUNITY BUILDERS, INC.
Development Experience in Illinois and Northwest Indiana (as of 2/25/2014)

Name of Project Owned	City and State	Number of Units	Date of Ownership (mm/dd/yy)		Date Last Placed in Service (mm/dd/yy)	Type of Financing
			Begin	End		
Shops and Lofts at 47	Chicago, IL	96	2/15/2013	Present	TBD	LIHTC; NSP; Illinois DCEO, NMTC; Illinois AHTC
Merrill Court Apartments	Chicago, IL	40	12/17/2012	Present	12/15/2011	Illinois AHTC
Oakwood Shores 2D	Chicago, IL	66	10/25/2012	Present	5/15/2013	LIHTC; Illinois AHTC
St. Stephens Apartments	Chicago, IL	247	9/28/2012	Present	9/30/2012	LIHTC; HOME/NSP
The Residences at Oakwood Shores	Chicago, IL	48	3/7/2012	Present	6/13/2013	LIHTC; NSP; Illinois DCEO; Illinois AHTC, HOPE VI, FHLB, HOME
Northtown Village Townhomes Senior	East Chicago, IN	56	02/23/2012	Present	12/28/2012	LIHTC; Private Debt; Sponsor Loan
Thornwood Apartments	University Park, IL	183	11/15/2010	Present	11/30/2011	Illinois AHTC; Private Debt
3750 at Oakwood Shores	Chicago, IL	75	09/29/2010	Present	09/15/2011	HUD; FHLB AHP; Illinois AHTC; CHA; Illinois DCEO
Northtown Village Townhomes II	East Chicago, IN	50	06/30/2010	Present	04/18/2011	LIHTC; HOME; Private Debt; Sponsor Loan
Oakwood Shores Phase 2B(One)	Chicago, IL	75	07/16/2009	Present	01/11/2010	LIHTC; FHLB AHP; HOPE VI and Other Public Housing Capital; Private Debt
Northtown Village Townhomes	East Chicago, IN	75	09/30/2008	Present	09/18/2009	LIHTC; Indiana Development Fund; Tax Exempt Bonds
Oakwood Shores Phase 2A	Chicago, IL	199	12/21/2007	Present	11/28/2008	LIHTC; FHLB AHP; HOME; Private Debt;
Lorington Apartments Preservation	Chicago, IL	54	05/23/2007	Present	03/26/2008	CDBG; LIHTC; Chicago Trust Fund; Tax Exempt Bonds
New Parkwoods II-B	Indianapolis, IN	64	03/01/2006	Present	11/21/2006	LIHTC; HOME; HOPE VI and Other Public Housing Capital; Private Debt
New Parkwoods III	Indianapolis, IN	76	12/15/2005	Present	06/27/2006	LIHTC; HOME; HUD/Federal Funding; Private Debt



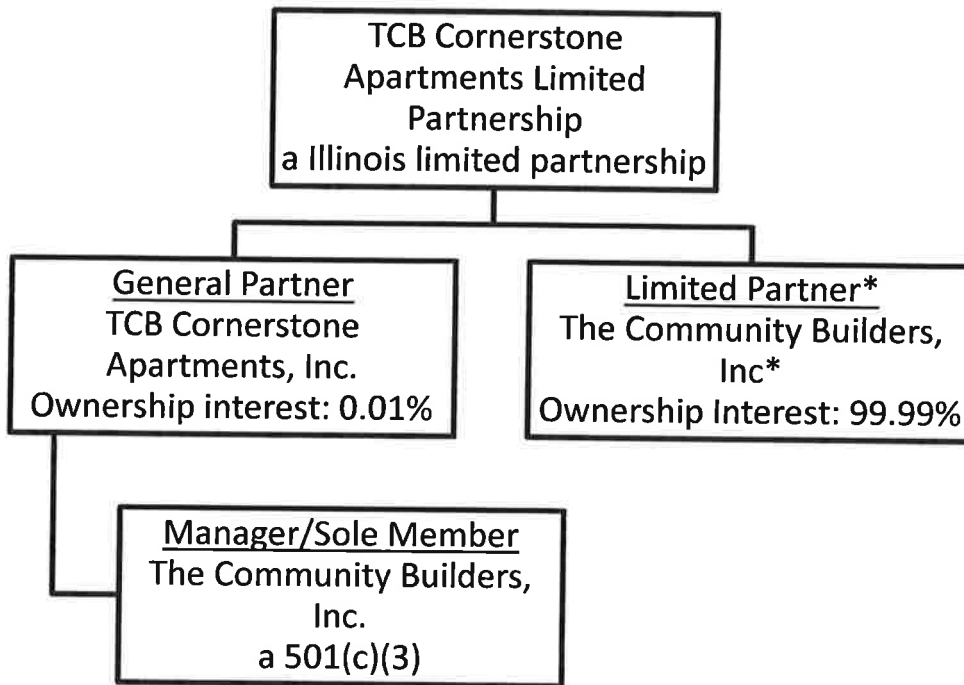
THE COMMUNITY BUILDERS, INC.
 95 Berkeley Street
 Boston MA 02116

Board of Directors (as of 2/14/14)

Board Member & Tenure	Place of Business
Phillip Leroy Clay, <i>Chairman</i> Appointed: 1982 Expiration: 2/15/2016	Massachusetts Institute of Technology 77 Massachusetts Ave., Room 9-515 Cambridge, MA 02139
Jonathan Marshall Keyes, <i>Clerk</i> Appointed: 1975 Expiration: 2/15/2016	The Community Builders, Inc. 95 Berkeley St., Suite 500 Boston, MA 02116-6240
Brian L.P. Fallon Appointed: 2006 Expiration: 1/27/2017	O'Conner Capital Partners 535 Madison Avenue New York, NY 10022
Hipolito Paul Roldan Appointed: 2006 Expiration: 1/27/2017	Hispanic Housing Development Corp. 325 North Wells, 8 th Floor Chicago, IL 60654
Edward Henry Marchant Appointed: 2010 Expiration: 1/27/2017	9 Rawson Road Brookline, MA 02445
Mary Jo Bane Appointed: 2011 Expiration: 1/27/2015	Harvard Kennedy School of Government 79 JFK St. Cambridge, MA 02138
Sara Lindholm Appointed: 2013 Expiration: 11/08/2016	5745 S. Blackstone Ave. Chicago, IL 60637

Cornerstone

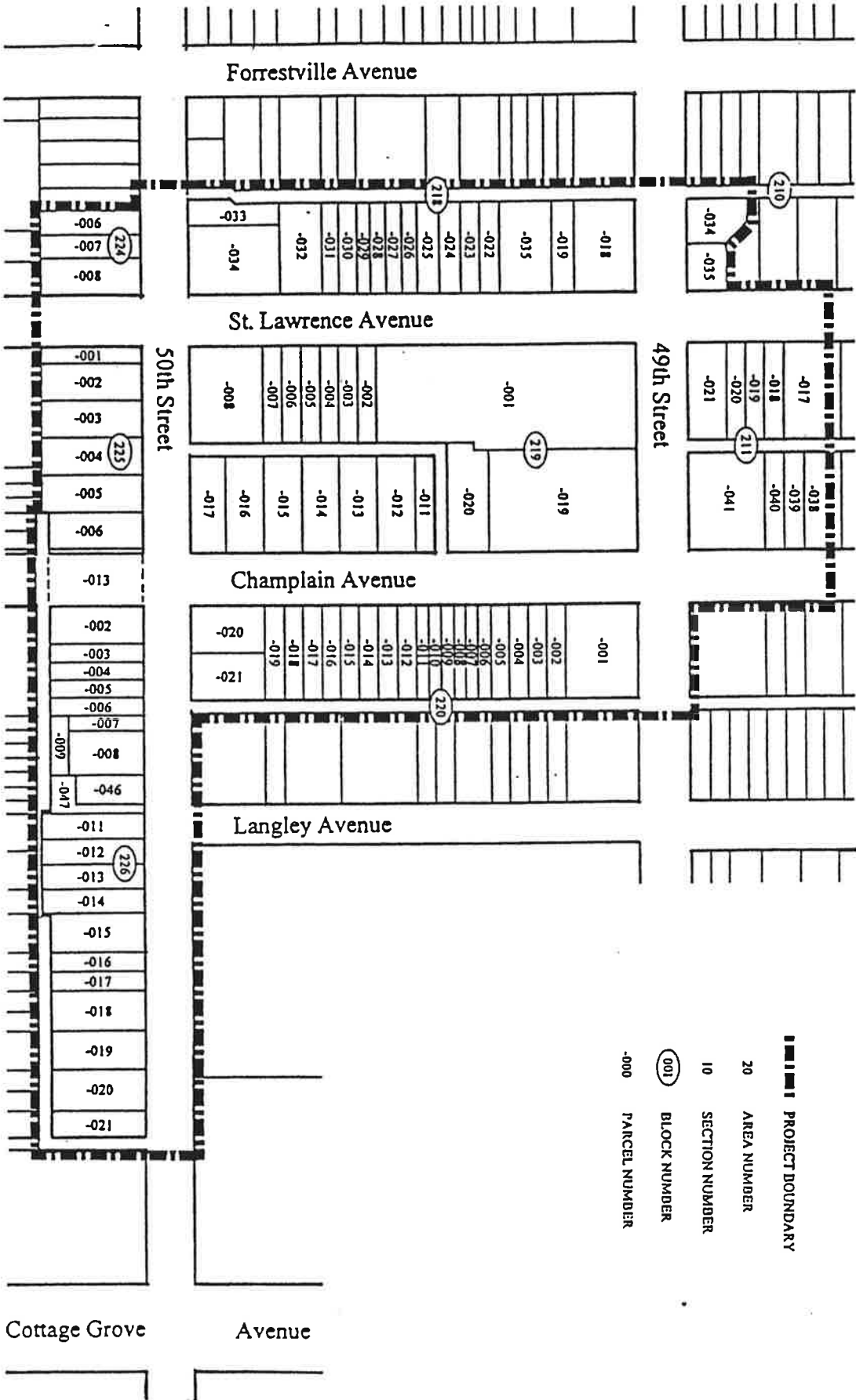
Current Ownership Structure (2/25/2014)



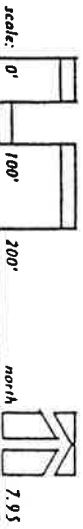
The Community Builders, Inc. will be the interim Limited Partner until the LIHTC investor's entity enters and become the limited partner at closing in late summer 2014. The LIHTC investor is NHT Equity, LLC.

Figure 1
PROJECT BOUNDARY MAP
49TH STREET/ ST. LAWRENCE AVENUE REDEVELOPMENT PROJECT

City of Chicago, Illinois



PROJECT BOUNDARY
 20 AREA NUMBER
 10 SECTION NUMBER
 001 BLOCK NUMBER
 000 PARCEL NUMBER



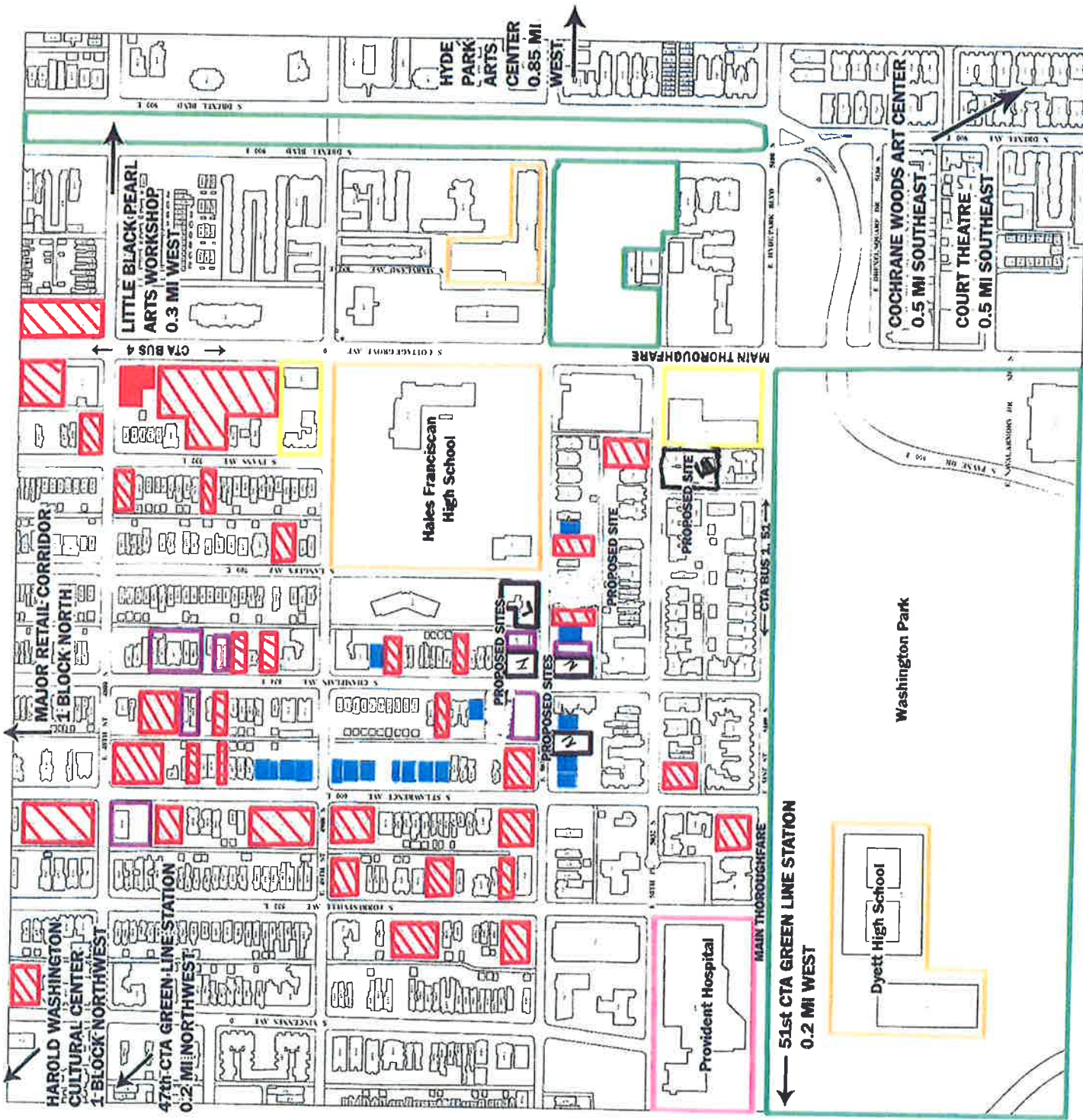
Prepared by: Trkla, Pettigrew, Allen & Payne, Inc.

II. LEGAL DESCRIPTION

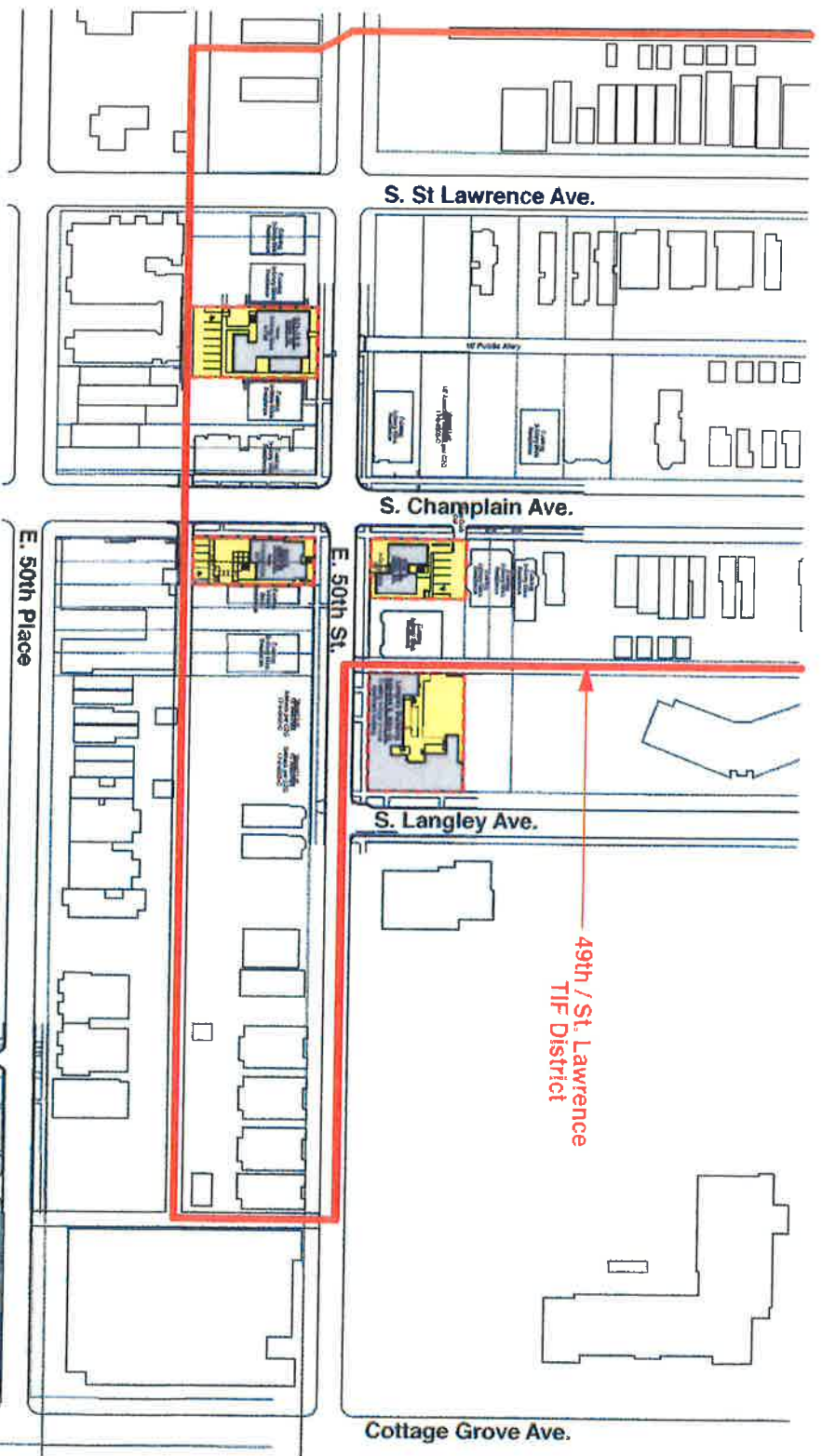
The boundaries of the Project Area have been carefully drawn to include only those contiguous parcels of real property and improvements substantially benefited by the proposed Redevelopment Program to be undertaken as part of this Redevelopment Plan. The boundaries are shown in Figure 1, *Boundary Map*, and legally described as follows:

THAT PART OF THE NORTHEAST 1/4 OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SOUTH CHAMPLAIN AVENUE AND EAST 49TH STREET, BEING ALSO THE SOUTHWEST CORNER OF LOT 12 IN BLOCK 2 IN THE SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 10, AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 27, 1887 AS DOCUMENT NO. 887762; THENCE EASTERLY ALONG THE NORTH LINE OF SAID EAST 49TH STREET TO AN INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EAST LINE OF THE NORTH-SOUTH PUBLIC ALLEY IN BLOCK 2 IN WASHINGTON PARK SUBDIVISION OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 10, AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 18, 1888 AS DOCUMENT NO. 1041472; THENCE SOUTHERLY ALONG THE EAST LINE OF THE PUBLIC ALLEY IN BLOCK 2 IN SAID WASHINGTON PARK SUBDIVISION AND ALONG SAID EAST LINE EXTENDED TO THE NORTH LINE OF EAST 50TH STREET, SAID LAST DESCRIBED POINT BEING ALSO THE SOUTHWEST CORNER OF LOT 13 IN BLOCK 2 IN SAID WASHINGTON PARK SUBDIVISION; THENCE EASTERLY ALONG SAID NORTH LINE OF EAST 50TH STREET AND SAID NORTH LINE EXTENDED TO AN INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EAST LINE OF THE PUBLIC ALLEY LYING WEST OF AND ADJOINING THE WEST LINE OF LOTS 1 TO 6 IN MATTHEW LAFLIN'S SUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 7, 1889 AS DOCUMENT NO. 1181714 AND CORRECTION THERETO RECORDED MARCH 11, 1890 AS DOCUMENT NO. 1232696; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID LAST DESCRIBED PUBLIC ALLEY AND ALONG SAID EAST LINE EXTENDED TO AN INTERSECTION WITH THE EASTERLY EXTENSION OF THE SOUTH LINE OF THE EAST-WEST PUBLIC ALLEY LYING BETWEEN EAST 50TH STREET AND EAST 50TH PLACE; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LAST DESCRIBED ALLEY AND ALONG SAID SOUTH LINE EXTENDED TO THE EAST LINE OF LOT 5 IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 22, 1853 AS DOCUMENT NO. 45505; THENCE NORTHERLY ALONG SAID LAST DESCRIBED LINE TO THE SOUTH LINE OF THE NORTH 1/2 OF SAID LOT 5; THENCE WESTERLY ALONG THE SOUTH LINE OF THE NORTH 1/2 OF LOTS 5 AND 6 IN SAID LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS TO THE SOUTHWEST CORNER OF LOT 4 IN E. B. WOOLF & COMPANY'S SUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED APRIL 25, 1908 AS DOCUMENT NO. 4193271; THENCE NORTHERLY ALONG THE WEST LINE OF SAID LOT 4 TO THE NORTHWEST CORNER THEREOF, BEING A POINT ON THE SOUTH LINE OF EAST 50TH STREET; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID EAST 50TH STREET TO AN INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE NORTH-SOUTH PUBLIC ALLEY LYING BETWEEN SOUTH ST. LAWRENCE AVENUE AND SOUTH FORRESTVILLE AVENUE IN THE BLOCK LYING NORTH OF EAST 50TH STREET; THENCE NORTHERLY ALONG THE WEST LINE AND SAID WEST LINE EXTENDED OF SAID LAST DESCRIBED PUBLIC ALLEY TO AN INTERSECTION WITH THE WESTERLY EXTENSION OF THE NORTH LINE OF LOT 3 IN MURRAY WOLBACH'S SUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED MAY 6, 1910 AS DOCUMENT NO. 4556303; THENCE EASTERLY ALONG THE NORTH LINE OF LOTS 2 AND 3 IN SAID MURRAY WOLBACH'S SUBDIVISION TO THE NORTHEAST CORNER OF SAID LOT 2, BEING A POINT ON THE WEST LINE OF SOUTH ST. LAWRENCE AVENUE; THENCE NORTHERLY ALONG THE WEST LINE OF SAID SOUTH ST. LAWRENCE AVENUE TO AN INTERSECTION WITH THE WESTERLY EXTENSION OF THE NORTH LINE OF LOT 6 IN BLOCK 1 IN THE SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 10, AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 27, 1887 AS DOCUMENT NO. 887762; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 6 AND ALONG SAID NORTH LINE EXTENDED TO AN INTERSECTION WITH THE EAST LINE OF SOUTH CHAMPLAIN AVENUE; THENCE SOUTHERLY ALONG SAID EAST LINE OF SOUTH CHAMPLAIN AVENUE TO THE POINT OF BEGINNING, IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

Neighborhood Map



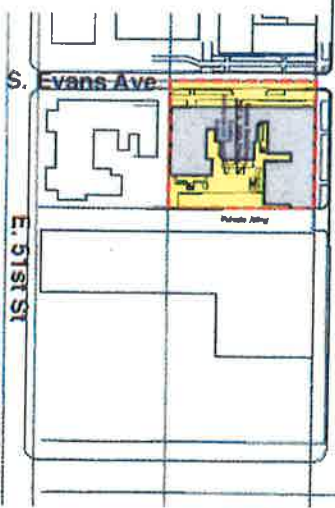
N = New Construction
 L = Langley
 F = Filling



1 Master Site Plan

New Construction				
611 50th Street	3	4	1	8
633 50th Street	3	2	1	6
636 50th Street	6			6
Total Units	12	6	2	20

Renovation				
Langley- 648-54 E. 50th St.	2	17	2	21
Evans- 727-37 E. 50th St.	2	10	14	24
Total Units	2	27	16	45



The Community Builders, Inc.
 The Community Builders, Inc.

BRICK ARCHITECTURE, INC.



page 2 of 2

Cornerstone Apartments

636 E 50th Street
Chicago, IL 60615

SCHEMATIC FLOOR PLANS
1/8" = 1'-0"



Plans



The Community Builders, Inc.
developed



BROOK ARCHITECTURE INC.
www.brookarchitecture.com



pappageorgehaymes partners
www.pappageorgehaymes.com

1/25/2014
BA-P-1316



Data Summary

Gross Footprint per Floor:	2,108 SF
Gross Building Area:	6,324 SF
1 Bedroom (3):	846 SF
1 Bedroom (3):	812 SF
Total Unit Area:	4,974 SF



2 2nd & 3rd Floor
1/8" = 1'-0"

1 1st Floor
1/8" = 1'-0"

611-615 E. 50th Street

**Comerstone
Apartments**

611-615 East 50th Street
Chicago, IL 60615

SCHEMATIC FLOOR PLANS
10' - 1/4"



ELEVATION



The Community Builders, Inc.
COMMUNITY DEVELOPMENT



BROOK ARCHITECTURE, INC.
ARCHITECTS



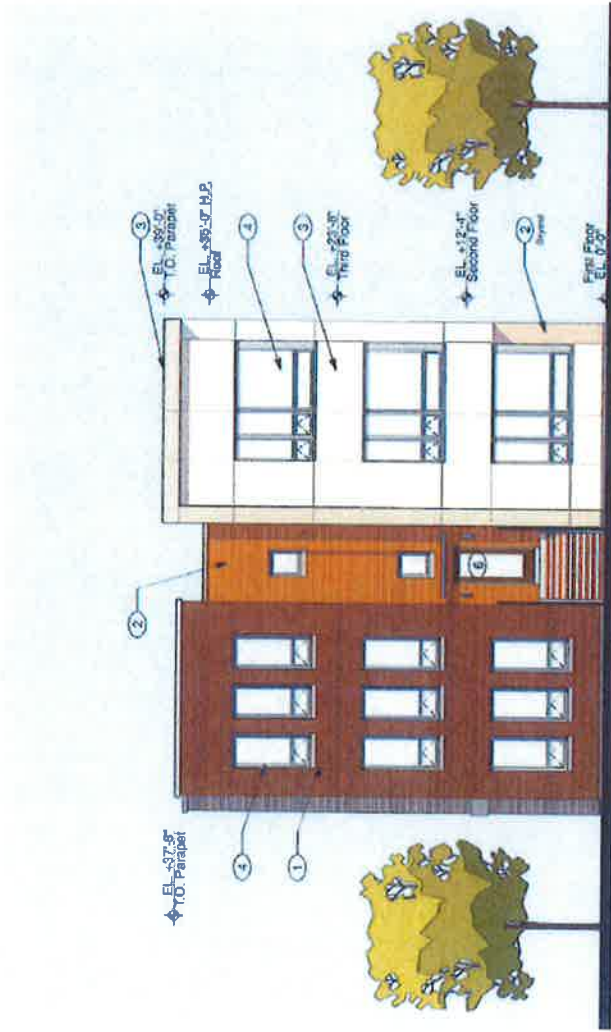
PAPPAGEORGE HAYMES
ARCHITECTS

NORTH ELEVATION
1/8" = 1'-0"

633 E. 50th Street

**Comerstone
Apartments**
50th & Chestnut Ave.
Chicago, IL

633 E. 50th St. Schematic
Front Elevation
Scale: 1/8" = 1'-0"



Schematic Front Elevation

SCALE: 1/8" = 1'-0"



MANUFACTURERS:

- 1 Face Brick Veneer
- 2 Warm Glazed Face Brick Veneer
- 3 Prefinished Sheet Metal Panel System
- 4 Aluminum Windows
- 5 Stone Trimband
- 6 Painted Steel Door w/ Glass Panel
- 7 Painted Steel Door w/ Transom



The Community Builders, Inc.

The Community Builders, Inc.
Chicago, IL



BROOK ARCHITECTURE INC.

Chicago, IL



www.rafaelsinteriors.com

PH: 312.228.1234

636 E. 50th Street

Comerstone Apartments

636 E 50th Street
Chicago, IL 60615
SCHEMATIC FLOOR PLANS
10-11



① SOUTH ELEVATION
1/8" = 1'-0"

ELEVATION



Community Builders, Inc.
www.communitybuilders.com



BROOK ARCHITECTURE INC.
www.brookarchitecture.com



Pappageorge Haymes
www.pappageorgehaymes.com

DATE: 10-11
BY: JSH
HW: PSH

**Cornerstone Apartments
5033-39 S Evans & 4950-58 S. Langley**



20102320100000 12/24/2007



20102200330000 12/24/2007

March 13, 2014

Mr. Perry Nackachi
Association of Asian Construction Enterprises
333 N. Ogden Avenue
Chicago, Illinois, 60607

BY CERTIFIED MAIL

Re: Cornerstone Apartments

Dear Mr. Nackachi:

The Community Builders is pleased to announce Cornerstone Apartments, a 65 unit mixed-income project located in the North Washington Park area. With a total gross area of 78,900 square feet, the project consists of the renovation of 45 affordable units in two 3-story walk-up buildings and the new construction of 18 units across three 3-story walk-up buildings.

We plan to break ground in Fall 2014. We expect construction to last approximately 14 months.

The Community Builders has not yet chosen the general contractor for the project. The project will require participation of trades such as carpentry, electrical, mechanical, plumbing, paving, roofing, and others. This construction project will be subject to minority business enterprise (MBE) participation of 24 percent and women business enterprise (WBE) participation of 4 percent.

The Construction Manager will be working with a consultant on MBE/WBE/Section 3 participation. That consultant will be providing further information to your organization on employment opportunities for Cornerstone Apartments. We also plan to invite potential subcontractors to an informational meeting this April with the specific purpose of increase MBE/WBE/Section 3 participation. You will receive further information on this meeting in the next couple weeks.

Please be on the lookout for further information on employment opportunities regarding the development of Cornerstone Apartments.

Sincerely,

Will Woodley, Project Manager
The Community Builders

cc: Dinah Wayne, DPD

7004 1160 0005 4204 6446

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

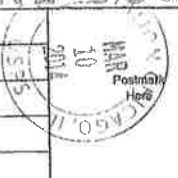


Sent To: *Both Wario FWC*
Street, Apt. No. or PO Box No.: *5650 S. Archer*
City, State, ZIP+4: *Chicago 60638*

7010 1870 0001 8955 9904

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To: *Perry Nockachi AACE*
Street, Apt. No. or PO Box No.: *233 N Ogden Ave*
City, State, ZIP+4: *Chicago 60607*

7010 0290 0001 9501 0584

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To: *Omar Shareef AACA*
Street, Apt. No. or PO Box No.: *7445 S Chicago*
City, State, ZIP+4: *Chicago 60619*

7010 0290 0001 9501 0591

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To: *Belinda Henderson BC4*
Street, Apt. No. or PO Box No.: *1200 Marshfield*
City, State, ZIP+4: *Calumet Park 60827*

7004 1160 0005 4204 6422

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

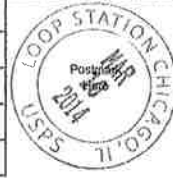


Sent To: *Hedy Palmer WBDC*
Street, Apt. No. or PO Box No.: *8 S. Michigan Ste 400*
City, State, ZIP+4: *Chicago 60603*

7010 0290 0001 9501 0607

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

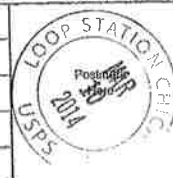


Sent To: *Ray Rivera HACIA*
Street, Apt. No. or PO Box No.: *901 W Jackson Ste 205*
City, State, ZIP+4: *Chicago 60607*

7010 0290 0001 9501 0614

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To: *Omar Blague All Day Cafe*
Street, Apt. No. or PO Box No.: *855 W Adams*
City, State, ZIP+4: *Chicago 60607*

NHT Equity, LLC

2245 North Bank Drive Columbus, OH 43220 (614) 451-9929 Fax (614) 451-3370

February 24, 2014

Mr. Doug Stockstad
Senior Finance Program Manager
The Community Builders, Inc.
95 Berkeley Street, Boston, MA 02116-6240

RE: Cornerstone Apartments

Dear Mr. Stockstad:

This letter expresses the commitment of NHT Equity, LLC and/or its affiliates ("Investor") to making an equity investment in a partnership for purposes of developing and owning the low-income housing project (the "Project") referenced above, located in Chicago, Illinois. The Project consists of the renovation and preservation of 24 existing affordable apartments at 731 E. 50th Pl. (the Evans Building), the renovation and preservation of 21 existing affordable apartments at 4950 S. Langley St. (the Langley Building) and the new construction of 20 mixed-income apartments on vacant lots within one block of the Langley Building. By providing this letter, NHT Equity, LLC confirms and acknowledges that it has reviewed the Project operating assumptions, projections and financial proforma. This letter is intended to describe the terms and conditions of the proposed for 9% Low Income Housing Tax Credit (LIHTC) equity investment. Please note that pricing will be re-evaluated if this Project does not close prior to September 2014, and our pricing will reflect our yield requirements at that point in time.

Based on the acquisition of 99.99% limited partnership interest and the amount of estimated Low Income Housing Tax Credits (Tax Credits) as set forth in Section A, the Investor proposes the following Capital Contribution amount and pricing:

\$9,261,574 or \$0.95 per Federal LIHTC dollar

- A. Capital Contribution. The Capital Contribution is based in part on an estimated annual Tax Credits of \$975,000 and will be adjusted in accordance with changes in the actual tax credits and tax losses delivered.

The Capital Contribution will be paid as follows:

- (1) \$1,852,334 to be paid upon admission of the Investor to the Property Partnership (the "Closing");
- (2) \$3,704,670 upon the latest to occur of (a) lien free completion of construction, and (b) February 1, 2016; and

- (3) \$3,704,670 upon the latest to occur of (a) achievement of Break Even and an average of 95% occupancy for the Property, (b) 100% qualification of Tax Credit units, (c) receipt of the IRS Forms 8609, (d) filing of the 2015 tax returns, and (e) July 2016.

B. Partnership Allocations. The form of the Property Partnership Agreement will be furnished by the Investor, subsequent to execution of this memorandum, and will include the following terms:

- (1) Allocation of Tax Credits, Losses and Profits. Tax Credits and operating profits and losses will generally be allocated 99.99% to Investor and 0.01% to the General Partner. Profits on a sale or refinancing of the Property will be allocated 99.99% to Investor and 0.01% to the General Partner.
- (2) Cash Flow Payments and Distributions. Operating cash flow (cash remaining after debt service payments on the first mortgage, reserve deposits, and all operating expenses are paid, including the investor services fee of \$10,000 increased 3.00% annually) will be paid 100% to any deferred developer fee and/or operating loans made to cover operating deficits. Once the deferred developer fee and operating loans are paid in full, then operating cash flow will be paid 100% to subordinate loans in equal amounts, until paid in full, and an amount agreed upon to the General Partner as a partnership management fee. Once the Subordinate loans are paid in full, the remaining portion of the operating cash flow will be distributed 99.99% to Investor and 0.01% to General Partner. Distribution of proceeds from a sale or refinancing will be distributed 99.99% to Investor and 0.01% to the General Partner.

C. Guaranties and Reserves.

- (1) Guaranties. The General Partner and/or entities with net worth satisfactory to the Investor (collectively the "Guarantors") will be required to execute and deliver certain guaranties associated with the construction, operations, and benefits delivery of the property. These guaranties include, but are not limited to, a Development Deficit Guaranty, an Operating Deficit Guaranty, Indemnifications arising from Partnership Agreement, and a LIHTC Recapture Guarantees. The Guarantors and the General Partner will also be obligated to make any cash contributions related to credit adjusters. Further transactional terms and conditions to be approved by the NHT Equity, LLC investment committee.
- (2) Reserves. The Property will be required to fund an Operating Reserve equal to at least 6 months operating expenses, reserve deposits, and required debt service (to be fixed upon closing). The Property will also be required to fund a Replacement Reserve annually in an amount of (i) \$400 per unit per year, increased by 3% annually. Upon due diligence review, additional reserves may be required by the Investor.

D. Closing.

- (1) Credit Allocation. Prior to the Closing, the General Partner will obtain an allocation of Tax Credits from the appropriate agency in the amount of \$975,000 per year, based on the assumptions that: (i) the Property will consist of [#] units and (ii) 100% of the prospective tenants will comply with the tests promulgated under Section 42(g) of the Internal Revenue Code (i.e. qualify for the Tax Credits).
- (2) Closing Date. Closing will occur on a date (the "Closing Date") agreed upon by both parties, anticipated to be in September 2014.
- (3) Conditions to Closing. Investor's obligations to enter into the Property Partnership Agreement and any other required transactional documents will be contingent upon (a) Investor's receipt and written approval of: (i) a satisfactory appraisal of the estimated value of the Property; (ii) a satisfactory market study of the area in which the Project is located; (iii) a satisfactory phase one environmental study prepared by a qualified environmental consulting firm; (iv) a completed certificate of the General Partner regarding the Tax Credits; and (v) other materials reasonably required by Investor as part of its customary financial and legal "due diligence" review; (b) the truth of all representations and warranties and the General Partner's performance of all covenants and satisfaction of all conditions set forth in this memorandum; (c) receipt of the credit allocation, and (d) approval from NHT Equity, LLC investment committee.

E. Right of First Refusal.

Sponsor/Guarantor, or another affiliated qualified non-profit entity, shall have the right of first refusal to purchase the property for a price equal to the tax liability attributable to the sale plus the assumption of any indebtedness secured by the property and subject to compliance with section 42(l) (7) of the IRC, at any time during the year following the end of the 15 year compliance period, and any outstanding credit deficiency owed to the Investor.

F. Conditions of Interest.

It is all parties' intent that NHT Equity, LLC will provide the investor equity for this project. If another equity opportunity is presented, NHT Equity, LLC will have an opportunity to provide an updated offer. This Letter of Interest will expire nine (9) months from date of issuance.

Please indicate your agreement and acceptance of the foregoing by signing a copy of this letter and returning it to the undersigned. We look forward to working with you on this transaction.

Sincerely,

NHT EQUITY, LLC

By: *Lori Little*
Lori Little
Vice President

Agreed and Accepted:

By: _____

Name: _____

Title: _____

Date: _____



Quad Communities Development Corporation

March 3, 2014

Mr. Andrew J. Mooney
Commissioner, Department of Planning and Development
City of Chicago
121 North LaSalle Street
10th Floor
Chicago, IL 60602

Board of Directors:

Chairman
Shirley Newsome

Vice-Chairman
Craig Jeffrey

Treasurer
Thurman Smith

Assistant Treasurer
Gavin Tun

Secretary
Joanna Trotter

Assistant Secretary
Maria Blair-Hollenkirk

Executive Director
Bemita Johnson-Gabriel

Members:

Fred Bonner
Belinda Burks-Starks
Susan Campbell
Kimberly du Buclet
Kenneth Grant
Rhonda McFarland
Courtney Pogue
Anthony Rogers
Mary Steward
Wendy Walker-Williams

Board Advisors:

Toni Preckwinkle
Ina Wilson
Sandra Young
Rebecca Holbrook

RE: QCDC Support for Cornerstone Apartments' use of 49th Street and St. Lawrence TIF

Dear Commissioner Mooney:

I am writing to express the support of Quad Communities Development Corporation (QCDC) for Cornerstone Apartments—the infill development of 20 new mixed-income apartments designed for working artists and the renovation and updating of 45 existing affordable apartments. The project requires the use of the 49th Street and St. Lawrence TIF, which QCDC supports as this TIF district was specifically created to advance this type of mixed-income reinvestment.

For over a decade, The Community Builders (TCB) has been a valuable partner in QCDC's mission to create a sustainable, healthy and mixed-income neighborhood in North Kenwood, Oakland, and portions of Douglas and Grand Boulevard. Cornerstone Apartments continues that partnership by helping to restart residential reinvestment in a neighborhood still struggling after the housing market collapse. Cornerstone's combination of new apartments to attract working artists and significantly renovated existing affordable apartments will improve the overall neighborhood marketability and enhance its housing stock.

In pursuing this project, TCB has shown a distinct appreciation of the role that arts and culture has served in fostering the trademark vibrancy of Bronzeville. The development of new units that attract working artists of a range of household sizes and incomes will help foster an even more diverse community and positively reinforce existing assets in the community.

I request that the Department of Planning and Development support Cornerstone Apartments and work with TCB to achieve a 2014 groundbreaking.

Sincerely,

Bemita Johnson-Gabriel
Executive Director, Quad Communities Development Corporation



WILLIAM D. BURNS

ALDERMAN, 4TH WARD
435 EAST 35TH STREET
CHICAGO, ILLINOIS 60616
TELEPHONE: 773-536-8103
FAX: 773-536-7296



CITY COUNCIL
CITY OF CHICAGO
COUNCIL CHAMBER

CITY HALL - ROOM 200
121 NORTH LA SALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE 312-744-2690

COMMITTEE MEMBERSHIPS

COMMITTEES, RULES AND ETHICS

FINANCE

HOUSING AND REAL ESTATE

PEDESTRIAN AND TRAFFIC SAFETY

TRANSPORTATION AND PUBLIC WAY

WORKFORCE DEVELOPMENT AND AUDIT

March 4, 2014

Mr. Andrew J. Mooney
Commissioner
Department of Planning and Development
121 North LaSalle Street, 10th Floor
Chicago, IL 60602

RE: Cornerstone Apartments

Dear Commissioner Mooney:

This letter reconfirms my support for Cornerstone Apartments, which represents the renovation of 45 affordable apartments and the infill development of 20 new mixed-income apartments on nearby vacant land. The infill apartments will particularly be designed and operated to support working artists who live or want to live in the community. Cornerstone has the potential to spur mixed-income community revitalization on its surrounding blocks. For these reasons, I also support the use of the 49th Street and St. Lawrence TIF, as well as City tax credits to help finance the development of Cornerstone.

For over fourteen years, The Community Builders, Inc has worked with the 4th Ward Alderman's office and neighborhood stakeholders and residents to plan and implement mixed-income and mixed-use neighborhood revitalization. With Cornerstone Apartments, I expect from TCB the same commitment to stakeholder engagement, community reinvestment and quality residential construction.

I strongly encourage the Department of Planning and Development to assist The Community Builders, Inc. with the development of Cornerstone Apartments. Thank you for giving your consideration to this request. Please contact me or in my absence my Chief of Staff, Charis Triplet at (773) 536-8103 should you have any questions or require additional information.

Sincerely,

William D. Burns
Alderman, 4th Ward