

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

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION**

REQUESTING DEVELOPER DESIGNATION

JUNE 10, 2014

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: Kennedy Jordan Manor

Applicant Name: KJ Manor Limited Partnership

Project Address: 11819 S. Green

Ward and Alderman: 34th, Austin

Community Area: West Pullman

Redevelopment Project Area: 119th and Halsted

Requested Action: TIF Developer Designation

Proposed Project: The project includes the new construction of a 70 unit affordable rental senior building. The project will provide 70 housing units of which 65 units or 93% will be affordable for households earning no more than 60% percent of the area median income, and approximately 30 parking spaces.

Goal of Project: To provide safe, decent, affordable rental housing for low income seniors.

TIF Assistance: \$1.5M

II. PROPERTY DESCRIPTION

Address: 11819 S. Green

Location: 118th and Green Street

Tax Parcel Numbers: 25-20-422-017 thru 024; and 030-034

Land Area: The subject site is vacant land that totals approximately 80,111 SF.

Current Use: The subject site consists of 14 irregularly shaped adjacent parcels, that all are level and at grade with the surrounding streets and is currently fenced.

Current Zoning: The development parcels are currently zoned RM-6, which is appropriate

for the proposed development.

Environmental Condition:

The City required the applicant to obtain a Phase I environmental report which was submitted to DFFM (2FM). A Phase I report has since been completed and is currently under review by 2FM. The land is developer owned and the City makes no warranties or representations as to its environmental condition, and it will be the responsibility of the applicant to complete any remediation that may be required by the City or the Illinois EPA. The redevelopment agreement with the selected respondent will include release and indemnification language protecting the City from liability.

Inventory Profile:

The land is developer owned.

III. BACKGROUND

Kennedy Jordan Manor is a new construction senior development containing 70 studio, and one bedroom units, built on developer owned land located in the 34th Ward's West Pullman community area, and within the boundaries of the 119th and Halsted Tax Increment Financing (TIF) district.

Source Works Development is partnering with Kennedy Jordan Manor, Inc., the 501c3 arm of the Sheldon Heights Church of Christ, to develop this affordable senior housing project near the church. Kennedy Jordan Manor is modeled after Wheeler House and Hancock House; both City of Chicago funded projects. This project is a single mid-rise building that will serve as a 365-day park-like environment that lets maximizes light into the building. The concept provides an affordable housing product that uniquely meets the needs of a senior audience. The ground floor contains an atrium that is designed as an all-weather gathering place and all the centers of activity – fitness center, community room, office – are located at this level.

Source Works Development has experience developing, constructing and managing senior housing projects throughout Chicago. This project brings together several years of experience and expertise which will be instrumental in the successful completion of the development and ongoing management of the property.

Building amenities include a community room for special gatherings and/or meetings, a community kitchen, fitness room with exercise machines, a computer work station to help encourage the seniors' use of technology, laundry facilities on each floor and outdoor open space area.

Services will be provided on-site either directly or through a third party provider: health and wellness for seniors, financial literacy/credit counseling/budgeting education, computer classes targeted to seniors and assistance accessing benefits and/or entitlements.

The proposed development site is located between Halsted and Green Streets, on the south side of 118th Street, is 13.5 miles south of downtown Chicago, and 7.5 miles west of Lake Michigan. The surrounding area is an older but fully developed urban neighborhood. The site is highly visible from Halsted and 119th Streets, two major thoroughfares with CTA bus routes. Major retailers are located just 1.2 miles west of the site. In addition, other amenities, including a pharmacy, bank, walking path, park and public library, can be found within a half-mile of the site. Overall, the development's location is appropriate for senior housing and very marketable.

The neighborhood surrounding the subject site is primarily a mix of residential, light industrial and commercial land uses. Residences in the neighborhood are typically small, brick or frame detached homes. Two-flats are also common, but

larger apartment buildings are rare. West Pullman's older commercial strips along Halsted and 119th Streets have a high proportion of vacant lots and shuttered businesses. Newer strip malls and store-fronts, however, typically have strong occupancy and contain national chain stores and restaurants. Additionally, the subject property is conveniently located with respect to grocery and other basic shopping. Just over one mile west is Marshfield Plaza, a 32-acre shopping center with a Jewel/Osco, Target, Marshalls, Burlington Coat Factory, Petco, Staples, Chili's, LA Fitness, and a variety of other smaller retailers. There is also an Aldi store only 0.5 mile north, at 821 W. 115th Street. The nearest medical facility is Roseland Community Hospital, located 1.3 miles northeast of the site, at 45 W. 111th Street.

West Pullman also has several large vacant and neglected industrial sites, however, it should be noted that there has been substantial redevelopment efforts in recent years. In 2010, the country's largest urban solar power station opened in West Pullman, along the south side of 120th Street, between Loomis and Sangamon Streets. In addition, the recently opened Salvation Army Ray and Joan Kroc Corps Community Center was built at a 33-acre former industrial site at 1250 W. 119th Street. The 220,000-square foot facility is the largest social service, recreation and ministry center in the city. The center serves residents of all ages and offers a range of athletic and social programs.

Additional nearby services include the City of Chicago's Abbott Park Satellite Senior Center, which is roughly 3.2 miles north of the site, at 49 E. 95th Street. The center provides a large multipurpose room, a computer room and a library. Seniors can participate in fitness programs, computer classes, service/benefit coordination, health screenings and a daily hot lunch.

The Primary Market Area (PMA) for the proposed development, as defined by the market study produced by American Marketing Study, Inc (AMS), includes the area bounded by I-57 on the west and northwest, the Little Calumet River on the south, and I-94 (Bishop Ford Expressway) on the east and northeast. The PMA encompasses the community areas of West Pullman and Riverdale, as well as portions of Roseland, Pullman, Morgan Park and Washington Heights. The PMA has a higher proportion of both children and seniors than Chicago. In 2013, resident age 25 and under comprised 37.2% of the PMA population, compared to 33.2% of the Chicago population. The age 25 to 54 groups accounted for 35.9% of the PMA population, compared to 45.6% in the city. With regard to seniors, 26.9% of PMA residents were 55 years or older, compared to 21.2% of Chicago residents. Those ages 65 or older comprised 15.3% of the PMA population in 2013, and 10.9% of the city. AMS expects that approximately 75% of prospective renters will come from the PMA, with the remainder coming from Chicago's south side or the near south suburbs.

The PMA is primarily African American, with this group accounting for 94.1% of the population in 2013. Latinos and Whites made up 3.4% and 1.2% of the population, respectively, with the remaining 1.3% consisting of other races. Population by race is not expected to change significantly over the next five years. By 2018, the proportion of African Americans is projected to decline slightly to 93.7%, while the Latino proportion rises to 3.7% and the White proportion is unchanged.

In 2000, the average household size was 3.23 persons in the PMA, significantly higher than the citywide average of 2.67 persons. The average PMA household has decreased 10.2%, to 2.90 persons in 2013, while the city average has fallen 6.4% to 2.50 persons. Over the next five years, household size is projected to decline only slightly. In 2018, the average household is expected to consist of 2.87 persons in the PMA and 2.47 persons in Chicago.

According to the most current Market Study, though the population in the Primary Market Area, PMA, has fallen in recent years, residents are aging and incomes are lower than in the city of Chicago as a whole. The median age in the PMA has increased from 32.1 years in 2000 to 36.4 years in 2013, and over the next five years the median age is expected to rise to 36.9 years. In 2013 there were a total of 10,176 householders age 65+ in the PMA. Householders in the PMA tend to be older than those in Chicago as a whole. With regard to income, 41.1% of senior households earned less than \$25,000 in 2013.

The median household income of the PMA is lower than that of Chicago, and income growth has lagged the city over the

past thirteen years. The 2013 median of \$37,029 in the PMA is 17.2% lower than the city median of \$44,725. Income growth since 2000 was only 1.1% in the PMA, compared to a full 14.1% citywide. Median household income is expected to change very little in both areas over the next five years.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity:

Developer & Co-Owner: Source Works Development

Brigite Grossman, the sole member of Source Works Development (SWD), the developer and property manager, has been involved in the development, construction and operation of facilities serving the senior population for twenty years. Ms. Grossman has extensive experience in the field and is part of the management team overseeing eleven nursing homes in Illinois and Missouri, as well as two Supportive Living Facilities. Ms. Grossman was also the developer and is the co-owner for Wheeler House and Hancock House, both senior LIHTC projects located in Chicago. Wheeler House is located at 1450 West 69th Street in the West Englewood neighborhood of Chicago. Wheeler House was developed on-time and on-budget and has been operating successfully since its opening in January 2003. This development won third place in the Property and Asset Management category in MetLife Foundation's 2008 Awards for Excellence in Affordable Housing. Hancock House is located at 12045 S. Emerald. The building was completed in 2011 and is fully occupied with a waiting list.

Non-Profit Sponsor: Kennedy Jordan Manor, Inc. (501c3 arm of Sheldon Heights Church of Christ)

Development of affordable senior housing has long been a priority for the Church. Kennedy Jordan Manor Inc. was established in 2002 for the sole purpose of the development of affordable housing. Their development efforts since 2002 include assembling the site and completing remediation. In this partnership with Source Works Development, Kennedy Jordan Manor, Inc. will materially participate in the project throughout its development and ownership period. One of Kennedy Jordan Manor Inc.'s board members, Rev. Payton is a key mentor to the group based on his experience with overseeing the non-profit's role in Wheeler House, Source Works Development first development in Englewood.

Consultants:

Architect: Cox Limited

Cox Limited is a Chicago-based Architecture, Planning, Interior Design, and Consulting Firm established in 1972 to provide special in-depth services to Housing and Senior Services. In combination with their architecture, their area of expertise include Facility Master Planning, Programming, Physical Plant Assessment, Project Budgeting/Scheduling, Computer Assisted Design/Graphics (CADD), Value Engineering/Life Cycle Costing, Equipment Planning and Procurement assistance, Space Planning, Interior Design and Furnishings/Fixtures coordination. Recent projects include Wheeler House Independent Senior Living building in Chicago, Assisted Living Facility in Morton Grove, Glenview Terrace Nursing and Rehabilitation Center in Glenview, and Northern Illinois Medical Center in McHenry. Cox is also the architect for Hancock House.

Property Manager: Source Works Management

Brigite Grossman has been involved in the development, construction, and operation of facilities serving the elderly for 20 years. Source Works Development has extensive background in the field and currently operates a nursing facility in Woodlawn. SWM is the property manager on both Wheeler House and Hancock House.

General Contractor: Ujamaa Construction Inc.

As a seasoned Construction Manager and General Contracting firm, Ujamaa provides all of the necessary staff and support services for day-to-day project activities, as well as overall program coordination with the Owner, Architect, Engineer and subcontractors. Scope of services includes pre-construction, design/build and design/assist services,

construction management and general construction. In addition to the healthcare, educational and retail markets, Ujamaa has also successfully completed work in the religious, multi-family housing, commercial and industrial arenas. They are currently in construction on at least two LIHTC projects in the Chicago area.

V. PROPOSED PROJECT

Project Overview: Kennedy Jordan Manor is a new construction senior development containing 70 studio, and one bedroom units, built on developer owned land, and will be located in the 34th Ward's West Pullman community area.

Source Works Development is partnering with Kennedy Jordan Manor, Inc., the 501c3 arm of the Sheldon Heights Church of Christ, to develop this affordable senior housing project near the church. Kennedy Jordan Manor is modeled after Wheeler House and Hancock House; both City of Chicago funded projects. This project is a single mid-rise building that will serve as a 365-day park-like environment that lets maximizes light into the building. The concept provides an affordable housing product that uniquely meets the needs of a senior audience. The ground floor contains an atrium that is designed as an all-weather gathering place and all the centers of activity – fitness center, community room, office – are located at this level.

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 70 rental units of which 65 units or 93 percent will be affordable for households earning no more than 60 percent of the area median income. These units 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

Unit Type	# of Units*	AMI %	Size-sf	Monthly Rent Received by landlord	Total Monthly Rents	FMR for Area
Studio	5	30%	470	\$ 345	\$ 1,725	\$727
Studio	3	50%	470	\$ 500	\$ 1,500	\$727
One BR	36	50%	550	\$675	\$ 22,860	\$826
One BR	21	60%	550	\$725	\$ 14,175	\$826
One BR	5	Unrestricted			\$ 3,622	\$826
Total	70 Units	30% MR	33,760 sf		\$43,885	

Tenants pay electricity and cooking gas.

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.

When developers determine the rent to charge for a project that is using HUD program subsidies through one of the City of Chicago's Multifamily Financing programs, the developer is required to establish market-area rents by commissioning a market study of the targeted market area. The developer is allowed to charge the lesser of HUD-estimated Fair Market

Rent or the rent cap by income group (i.e., the 60% rent), but must also take into consideration the localized rent for the development's targeted market area, which is often much lower than the HUD FMR, and may be the same as, or even lower than, the "affordable" rent levels.

Environmental Features: Features include a partial green roof 13% (2,150 sf), energy star roof membrane 87% (14,270sf), lighting and appliances, low VOC paints, and partial permeable paving at parking lot lighting. The open space includes native prairie plantings with a walking trail. Residents will be provided with a .35 acre landscaped walking trail featuring native prairie plantings. Prairie plants will be drought tolerant, low maintenance, encourage diversified wildlife and reduce storm water runoff. The project will provide an extensive use of daylighting in common areas, - including entrance lounge, elevator lobbies, and corridors. Features will incorporate natural daylighting strategies providing energy savings, and increased resident comfort and connection to the outdoors. Perforated metal sun screens and high performance glazing will be provided to minimize solar heat gain.

VI. FINANCIAL STRUCTURE

The project is a new construction senior housing development, built on developer owned land, and will be located in the 34th Ward's West Pullman community area. The new construction includes 70 studio and one bedroom units. Of these units 65 will be affordable for tenants with incomes at or below 60% of AMI. In addition to the \$1.5M in TIF, which represents 8.5% of the total project cost, the City will include a Multifamily Loan amount of approximately \$4.5M, and up to \$1.17M in 9% Low Income Housing Tax Credits (LIHTC). Other project financing will include \$200,000 in DCEO funds and \$420,000 in funding from Federal Home Loan Bank (FHLB). The 9% LIHTC's will generate over \$11M in Tax Credit Equity for the benefit of the project.

The TIF will be provided from area-wide increment, and based on availability, and will be paid out partially during construction, and partially after construction completion. The total TIF payment of \$1.5M is estimated to be paid in two payments, \$750,000 at 50% completion and \$750,000 at certificate of completion. The units are required to maintain the affordable rents and occupancy restrictions for a minimum of 30 years as a condition of the financing. The total project cost is \$17,713,045.

The following table identifies the sources and uses of funds.

Sources and Uses of Funds

<u>Sources</u>	<u>Amount</u>	<u>% of total TPC</u>
*LIHTC Equity	\$11,093,045	62.6%
HOME(City)	\$ 4,500,000	25.4%
**TIF(City)	\$ 1,500,000	8.5%
FHLB	\$ 420,000	2.4 %
DCEO Grant	\$ 200,000	1.1%
Total Sources	\$17,713,045	100%

*Project will have a construction loan of approximately \$7.3M which will be paid off by equity and TIF.

**\$750,000 in the TIF funds will be provided during construction at 50% completion and remainder at Certificate of Completion, and the developer will provide a bridge loan to cover the remaining TIF amount through construction completion.

<u>Uses</u>	<u>Amount</u>	<u>\$/sf of Building*</u>
Land Acquisition	\$ 831,665	\$ 14.75 psf
Hard Construction Costs (62.6% of TPC)	\$13,525,500	\$ 188.97 psf
Soft Costs		
Architect's Fee (4.28% of hard costs)	\$ 578,890	\$10.27 psf

Loan Origination Fee (1% of loan)	\$ 73,150	\$ 1.30 psf
Legal Fees (1.42% of total costs)	\$ 252,000	\$ 4.47 psf
Marketing (0.62% of total costs)	\$ 110,000	\$ 1.95 psf
Loan Interest (2.51% of total costs)	\$ 445,467	\$ 7.90 psf
Environmental (7.24% of total costs)	\$ 55,000	\$ 0.98 psf
Reserves (5.24% of total costs)	\$ 358,489	\$ 6.36 psf
Developer Fee (5.65% of total costs)	\$ 1,000,000	\$17.74 psf
Other Soft Costs (4.04% of total costs)	\$ 482,884	\$ 8.57 psf
Total Soft Costs (31.8% of total costs)	\$ 3,355,880	\$59.54 psf
Total Uses	\$17,713,045	\$314.23 psf

*Gross building area is 56,370 square feet

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits:

Affordable Housing: The project will provide 65 new affordable housing 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.

Environmental Features: Features include a partial green roof 13% (2,150 sf), energy star roof membrane 87% (14,270s.f.), lighting and appliances, low VOC paints, and partial permeable paving at parking lot lighting. The open space includes native prairie plantings with a walking trail. Residents will be provided with a .35 acre landscaped walking trail featuring native prairie plantings. Prairie plants will be drought tolerant, low maintenance, encourage diversified wildlife and reduce storm water runoff. The project will provide an extensive use of daylighting in common areas, - including entrance lounge, elevator lobbies, and corridors. Features will incorporate natural daylighting strategies providing energy savings, and increased resident comfort and connection to the outdoors. Perforated metal sun screens and high performance glazing will be provided to minimize solar heat gain.

Permanent Jobs: The project is estimated to generate 2 permanent.

Construction Jobs: The project will produce approximately 75 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 Austin endorses the project and has provided a letter of support (see exhibits for copy).

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the 119th and Halsted Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area's redevelopment plan:

- Increase affordable housing (for-sale and rental), including market rate set aside (twenty percent (20%). The implementation strategy for achieving the plan's goals envisions the need to provide TIF financial assistance for the development of affordable senior housing.
- The proposed project also conforms to the plans land use map, which calls for mixed use 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 KJ Manor Limited Partnership, or a related entity, as Developer, for the development of 70 studio and one bedroom units, of which 65 units will be affordable to seniors at 60% and below of AMI, at 11819 S. Green.

EXHIBITS

TIF Project Assessment Form
Redevelopment Area Map
Neighborhood Map or Aerial
Survey or Plat
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
Alderman's Letter of Support

TIF PROJECT SCORECARD

Kennedy Jordan Manor

11819-11849 South Green

The project is a 70 unit rental senior building to be located at 118th and Green, in the 34th Ward's West Pullman Community area. The development will include the new construction of a senior building consisting of studio and one-bedroom units. The building will target seniors whose incomes are at or below 60% of AMI. The first floor of the building will include residential units, office, and community programming space, and residential floors will include typical studio and one bedroom units.

Type of Project: Affordable Housing

Developer: Source Works Development

Total Project Cost: \$17,713,045

Timeline for Completion: August, 2015

TIF Funding Request: \$1,500,000

Project Status: June 10, 2014 CDC

TIF District: 119th and Halsted

RETURN ON INVESTMENT BENCHMARKS

Advances Goal of Economic Development Plan YES or NO

Jobs Created/Retained

Permanent Jobs: 2

Construction Jobs: 75

Develop and deploy neighborhood assets to align with regional econ growth

Advances Goal of TIF District YES or NO

Affordable Housing Units Created/Preserved

70 units created

Increase affordable housing

Addresses Community Need YES or NO

Return on Investment to City

NA

Lack of affordable housing

FINANCIAL BENCHMARKS

Other Funds Leveraged by \$1 of TIF
\$11.81

Financing Structure The City will provide up to \$1.17M in LIHTC, a multifamily loan of up to \$4.5M, and TIF funds of \$1.5M (from 119th and Halsted TIF District)

Types of Other Funding Leveraged YES or NO

HOME Chicago DPD, FHLB AHP, DCEO

RDA TERMS

Payment Schedule:
\$750,000 at 50% completion and \$750,000 at COC

Monitoring Term of Agreement:
30 year affordable period

Taxpayer Protection Provisions YES or NO

OTHER CONSIDERATIONS



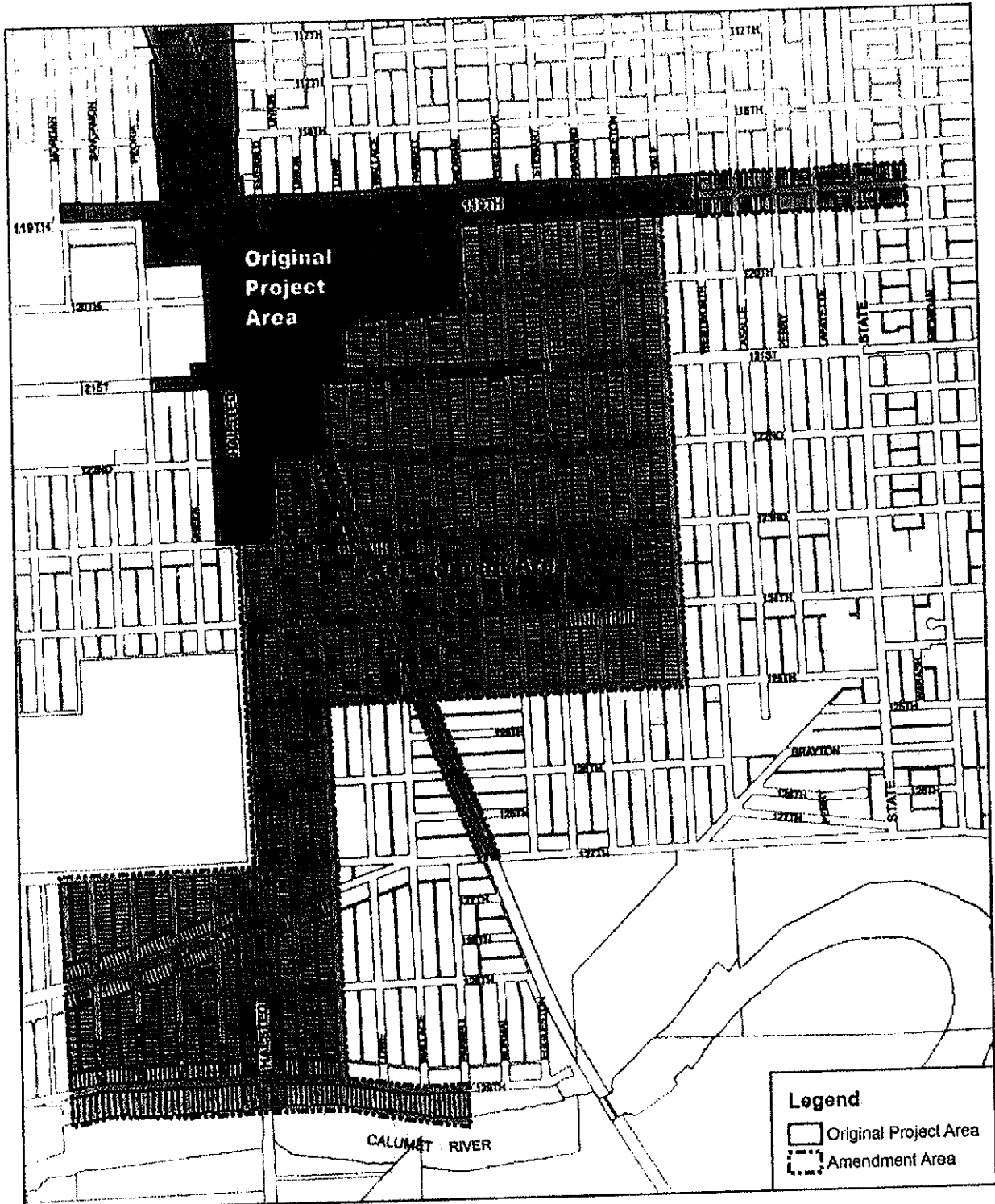
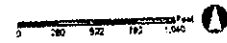
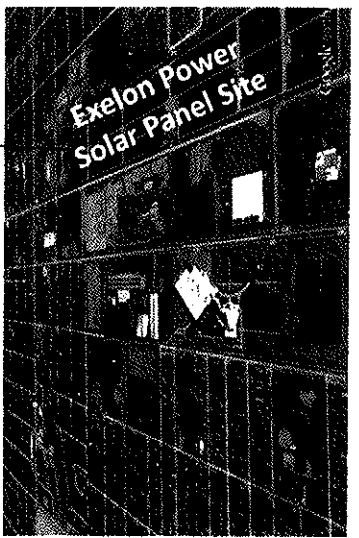
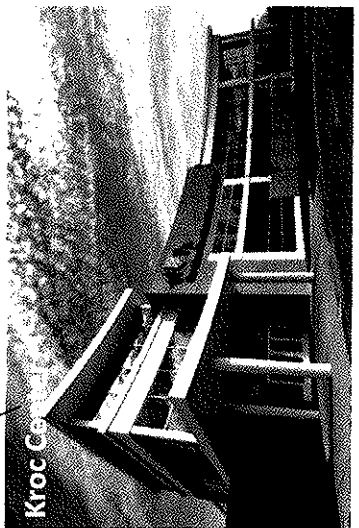
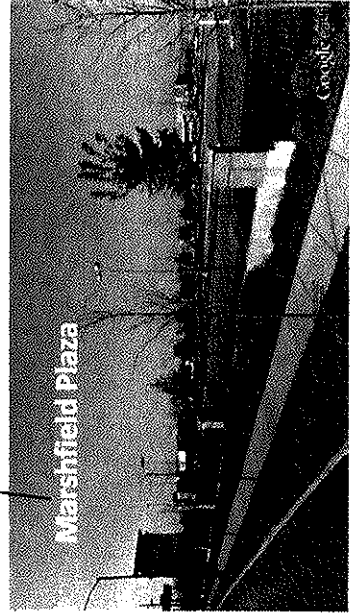
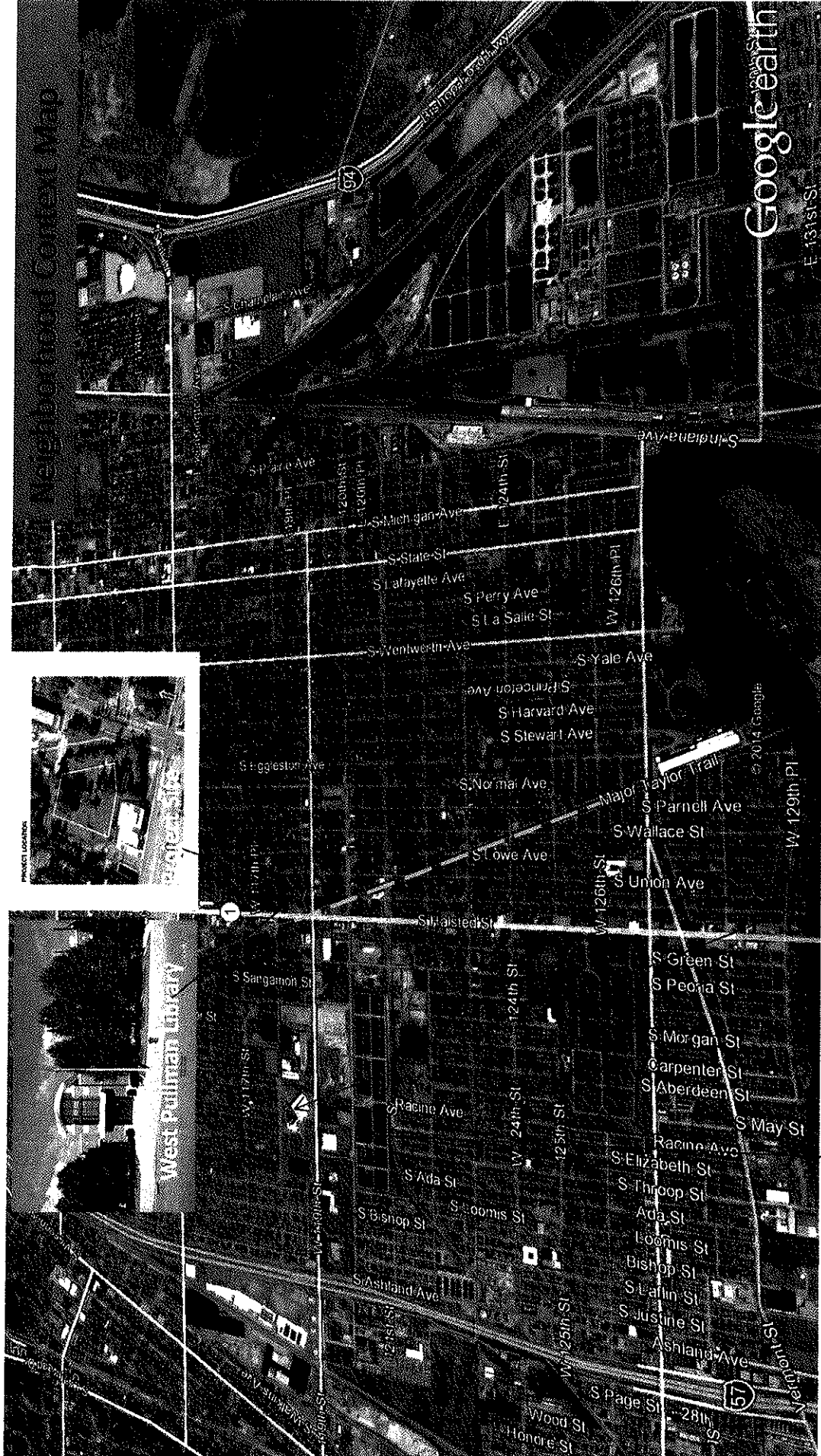


FIGURE 1
Redevelopment Project Area Boundary Map

City of Chicago
 119th & Halsted TIF Amendment No. 2



camiros



West Pulman Library

H. DONALDSON ASSOCIATES, INC.

PROFESSIONAL LAND SURVEYORS
603 S. Howard St., Gray, IN 46603; Tel. (219) 588-2599; Fax (219) 834-0261
E-mail: hdonaldson@hda.com

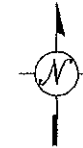
PLAT OF DEDICATION OF

THE SOUTH 18 FEET OF LOT 14 IN BLOCK 12, IN PLACESALE A SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 20, TOWNSHIP 21 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, RECORDED JANUARY 26, 1988, AS DOCUMENT 18410 UNDER THE PARTIALLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 14; THENCE NORTH 00 DEGREES 18 MINUTES 18 SECONDS WEST ALONG THE WEST LINE OF SAID LOT 14 A DISTANCE OF 114.00 FEET TO A POINT; THENCE NORTH 88 DEGREES 28 MINUTES 18 SECONDS EAST A DISTANCE OF 32.50 FEET TO A POINT ON THE EAST LINE OF SAID LOT 14; THENCE SOUTH 18 DEGREES 18 MINUTES 18 SECONDS EAST ALONG SAID EAST LINE, BEING ALSO THE WEST LINE OF A 18 FT. PUBLIC ALLEY, A DISTANCE OF 14.18 FEET TO THE SOUTHWEST CORNER OF SAID LOT 14; THENCE SOUTH 88 DEGREES 28 MINUTES 18 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 14 A DISTANCE OF 114.18 FEET TO THE POINT OF BEGINNING, IN SHELTON HEIGHTS CHURCH, ILLINOIS.

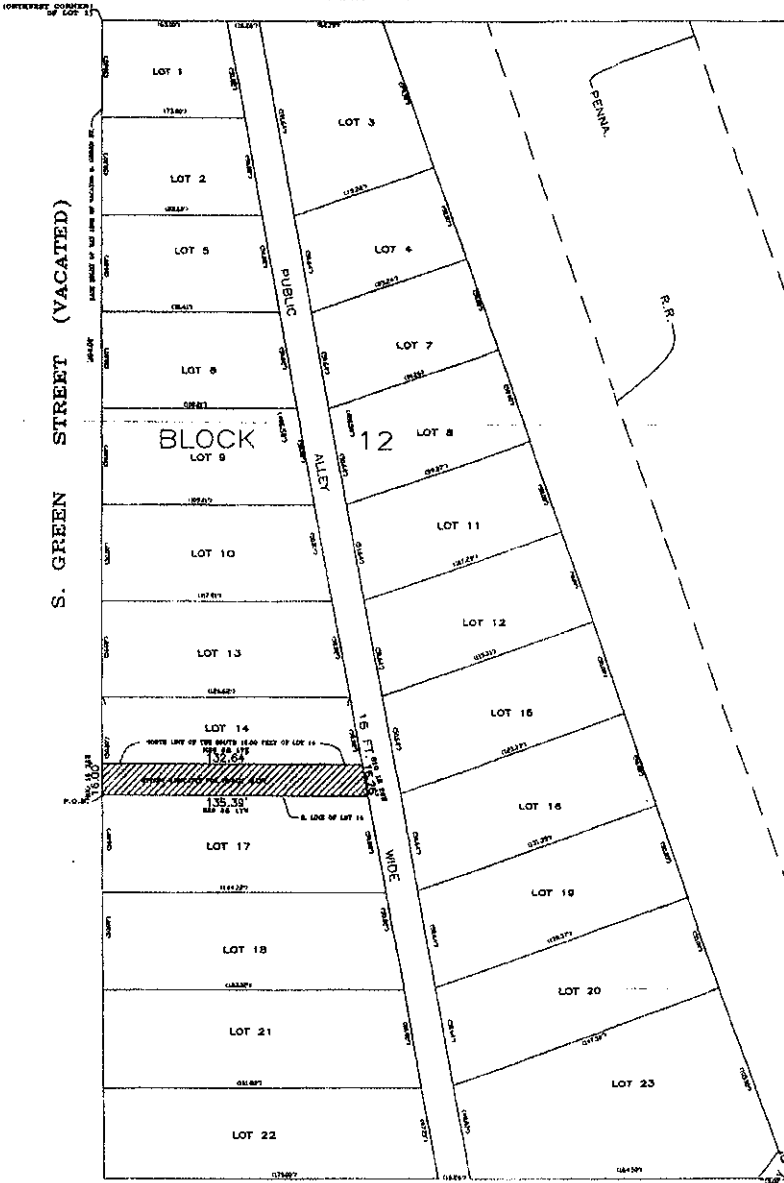
P. L. N. 23-85-182-024-0000

RECORDING FEE \$ 118
DATE 07-05-09 09:03 AM '09
OK C.P.

0900545175
4 PLAT



W. 118TH STREET



Mail to:
Joseph P. Gattuso
SHIBESKY & FROELICH LTD.
111 B. Wacker Dr., Suite 2800
Chicago, IL 60601



Doc#: 0900545175 Fee: \$118.00
Esquire "Gene" Moore
Cook County Recorder of Deeds
Date: 01/05/2009 02:25 PM pg. 1 of 0

I FIND NO REPORTED UNPAID TAXES OR UNPAID CURRENT GENERAL TAXES DELINQUENT SPECIAL ASSESSMENTS OR UNPAID CURRENT SPECIAL ASSESSMENTS AGAINST THE ABOVE PLAT.
DERY OF REVENUE, CHICAGO
BY: [Signature]

I DO NOT FIND ANY UNPAID GENERAL TAXES AND/OR CURRENT GENERAL TAXES DELINQUENT SPECIAL ASSESSMENTS OR UNPAID CURRENT SPECIAL ASSESSMENTS AGAINST THE ABOVE PLAT.
D. O.
COUNTY CLERK
DATE 12-11-2008

HEREBY DEDICATED FOR PUBLIC ALLEY
OWNER: SHELTON HEIGHTS CHURCH OF CHRIST
BY: [Signature]
LEONARDO OLIVARI, PRESIDENT
BY: [Signature]
WILLIE CARTER, DIRECTOR

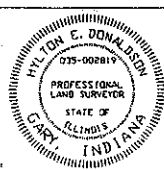
STATE OF ILLINOIS ss:
I, SHARON L. UNDERWOOD, Notary Public, in and for said County and State, PERSONALLY APPEARED LEONARDO OLIVARI AND WILLIE CARTER, BOTH OF WHOM I BELIEVE TO BE FREEDOM AND SHELTON HEIGHTS CHURCH OF CHRIST, MEMBERS OF THE REAL ESTATE MARKET DESCRIBED AND DESCRIBED THE LOCATION OF THE FOREGOING SUBDIVISION AS THEY WOULD APPEAR AND DEED, FOR THE PURPOSES THEREIN DESCRIBED.
WITNESS MY HAND AND OFFICIAL SEAL, THIS 29th DAY OF SEPTEMBER, 2008.
[Signature]
NOTARY PUBLIC
MY COMMISSION EXPIRES: 4-14-2012

OFFICIAL SEAL
SHARON L. UNDERWOOD
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES 4-14-2012

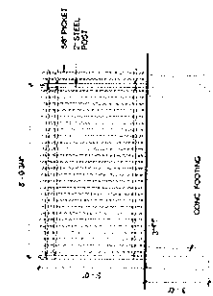
W. 119TH STREET

SCALE: 1 INCH = 40 FEET
DATE: October 22, 2007
PREPARED FOR:
Shelton Heights Church of Christ
11325-55 S. Halsted Street

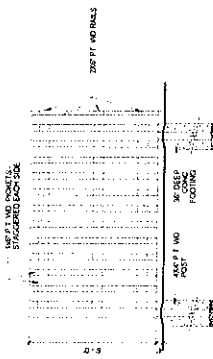
Approved by the City Council July 9, 2008
CITY OF CHICAGO
APPROVED:
[Signature]
Superintendent of Maps
January 5, 2009
CITY CLERK
OF
CITY SUBDIVISIONS
ILLINOIS



[Signature]
Hilton E. Donaldson, Professional Land Surveyor No. 075-002819, State of Illinois



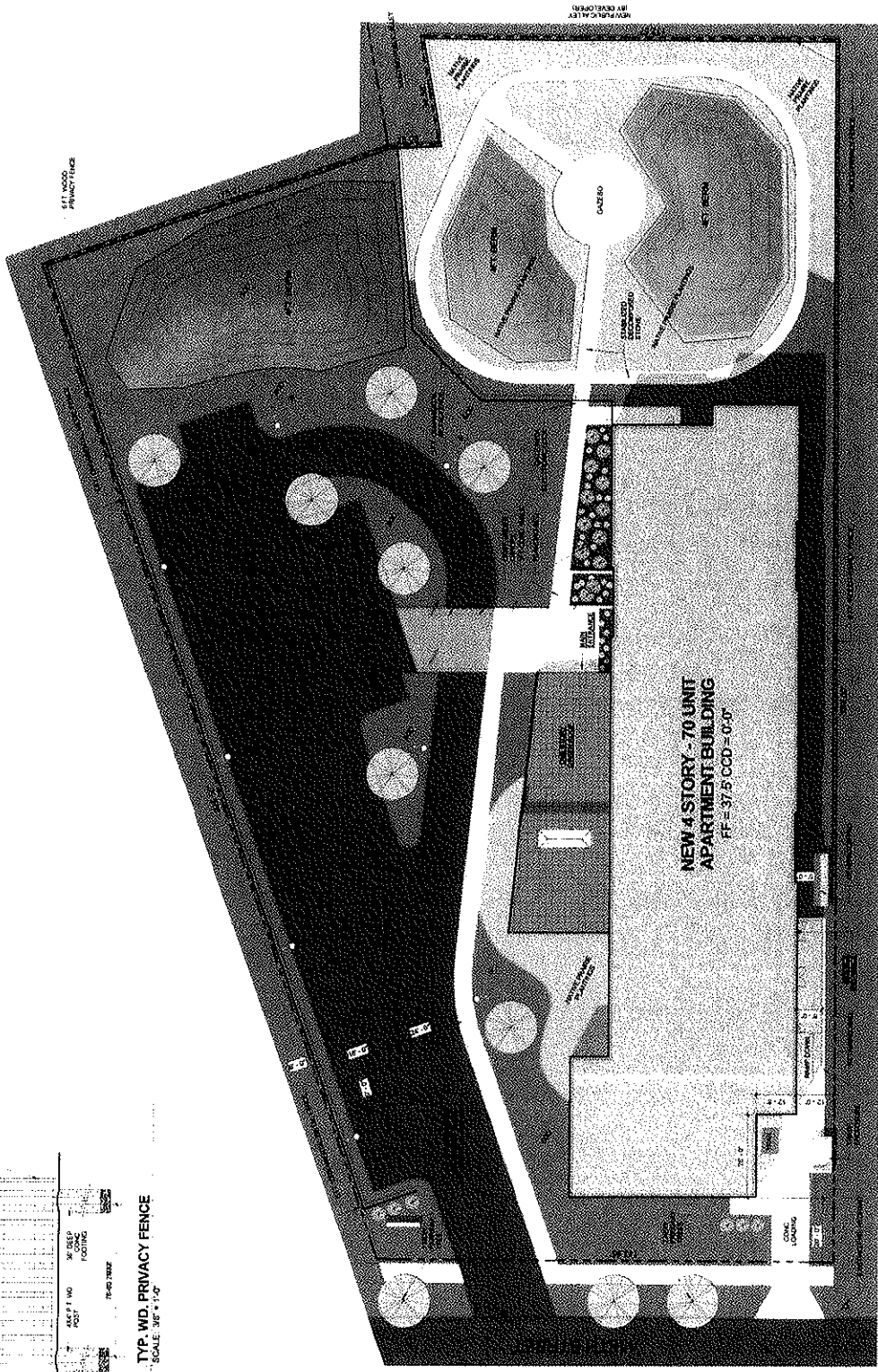
2. TYP. ORNAMENTAL FENCE
L1 SCALE: 3/8" = 1'-0"



3. TYP. WD. PRIVACY FENCE
L1 SCALE: 3/8" = 1'-0"

L1 Plant List

NO.	PLANT	QUANTITY	REMARKS
1	PLANT	1	PLANT
2	PLANT	1	PLANT
3	PLANT	1	PLANT
4	PLANT	1	PLANT
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48	PLANT	1	PLANT
49	PLANT	1	PLANT
50	PLANT	1	PLANT



1. LANDSCAPE PLAN
L1 SCALE: 1/16" = 1'-0"

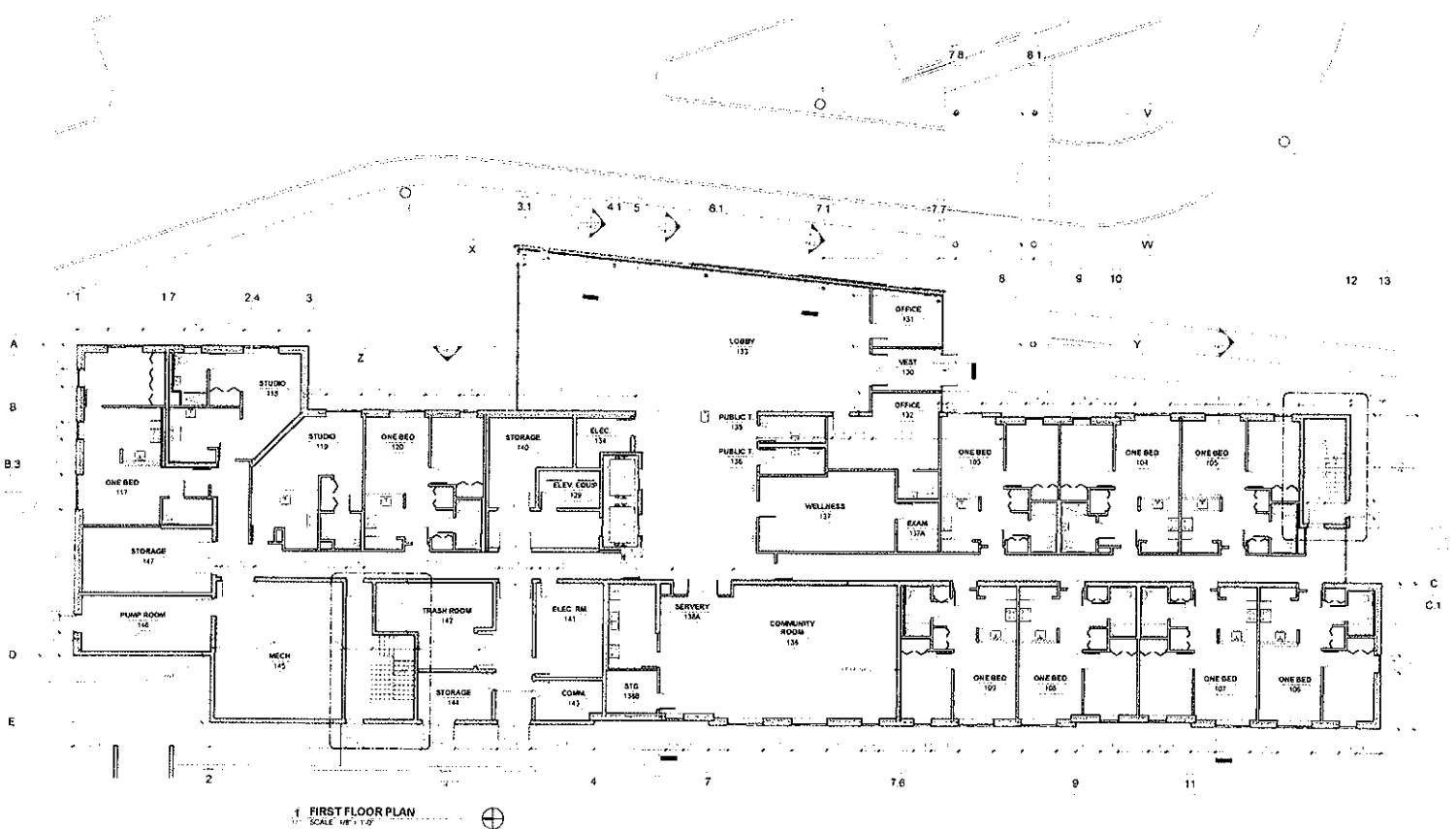
KENNEDY JORDAN MANOR - SENIOR APARTMENTS
825 W. 118TH STREET CHICAGO, ILLINOIS

PAUL I. JENSEN, ARCHITECT
306 N. STATE ST. #2505 CHICAGO, IL 60654
P. 312.371.4174

DATE: 02/16/14
REVIEW:

LANDSCAPE

L1



1 FIRST FLOOR PLAN
SCALE 1/8" = 1'-0"

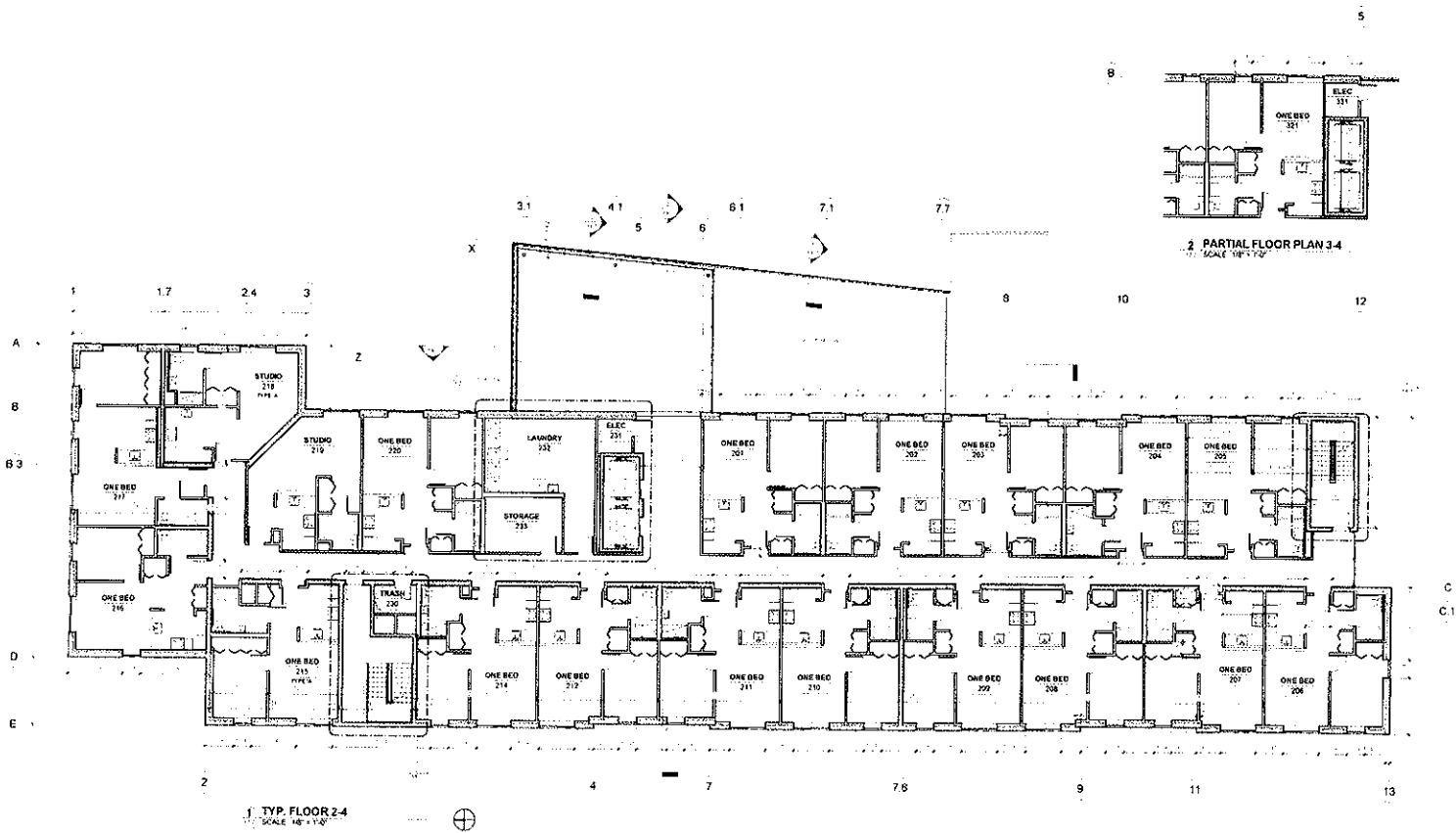
KENNEDY JORDAN MANOR - SENIOR APARTMENTS
825 W. 118TH STREET CHICAGO, ILLINOIS

PAUL I. JENSEN, ARCHITECT
309 N. STATE ST. #2805 CHICAGO, IL 60654
312.271.4174

DATE 05.29.14 FOR REVIEW

FIRST FLOOR PLAN

A2.1



KENNEDY JORDAN MANOR - SENIOR APARTMENTS
 825 W. 118TH STREET CHICAGO, ILLINOIS

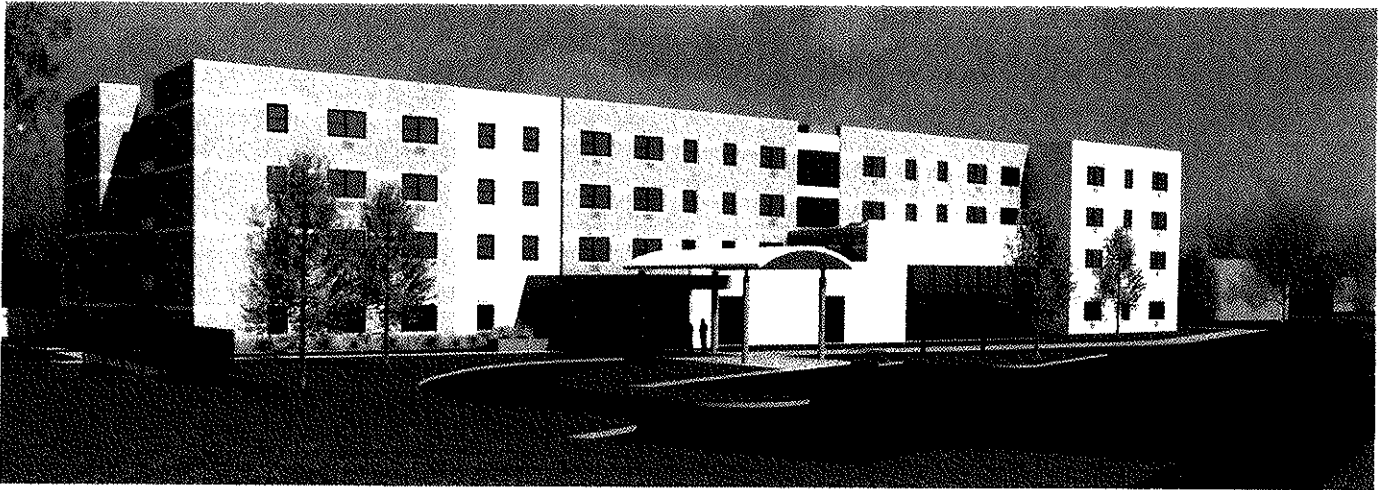
PAUL I. JENSEN ARCHITECT
 300 N. STATE ST. #2600 CHICAGO IL 60654
 • 312.371.4774

DATE
 05.29.14 FOR REVIEW

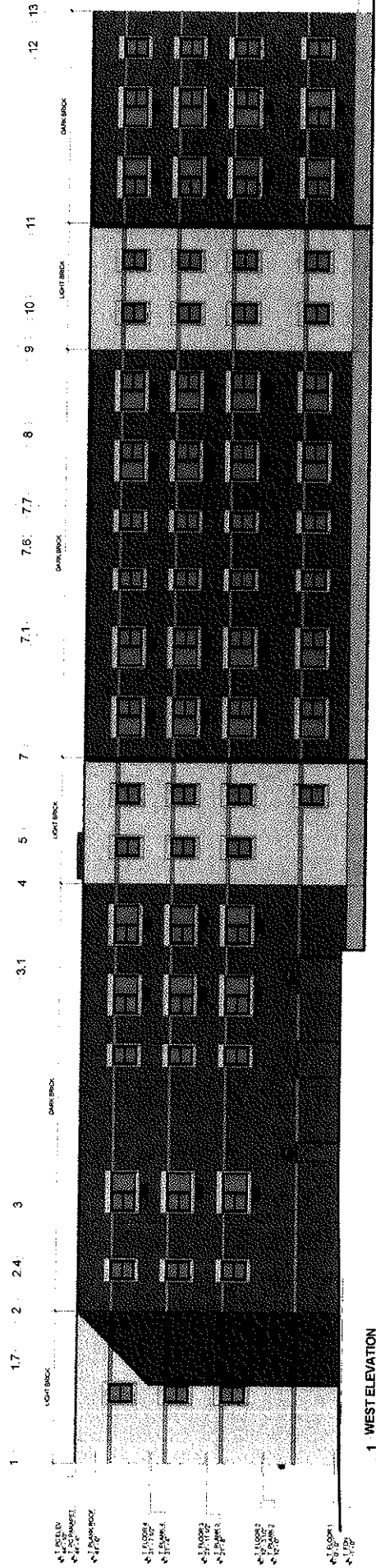
FLOOR PLANS 2-4

A2.2

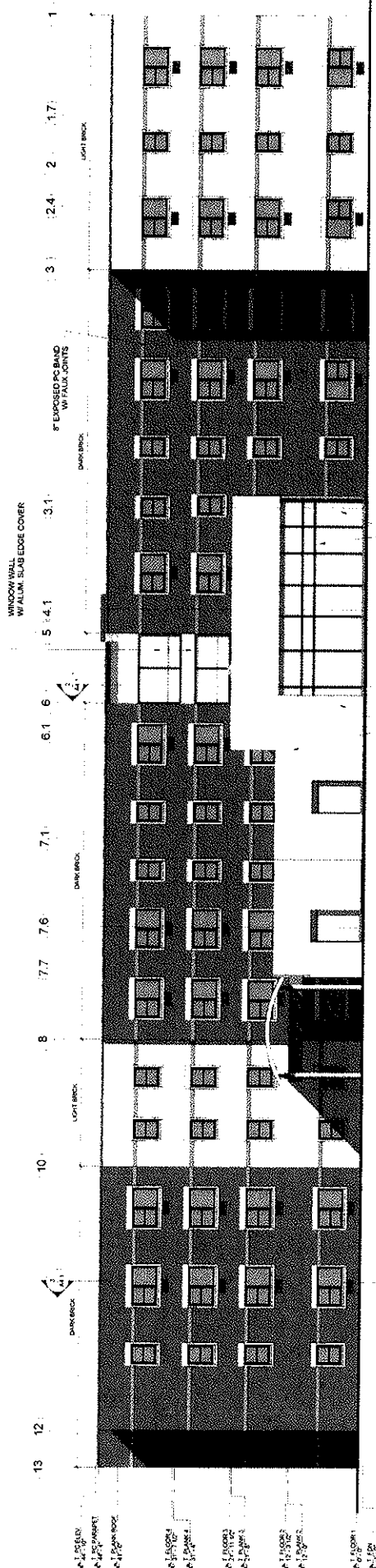
PAUL I. JENSEN - ARCHITECT



KENNEDY JORDAN MANOR - SENIOR APARTMENTS
825 W. 118TH STREET CHICAGO, ILLINOIS



1 WEST ELEVATION
AT SCALE 1/8" = 1'-0"



2 EAST ELEVATION
AT SCALE 1/8" = 1'-0"

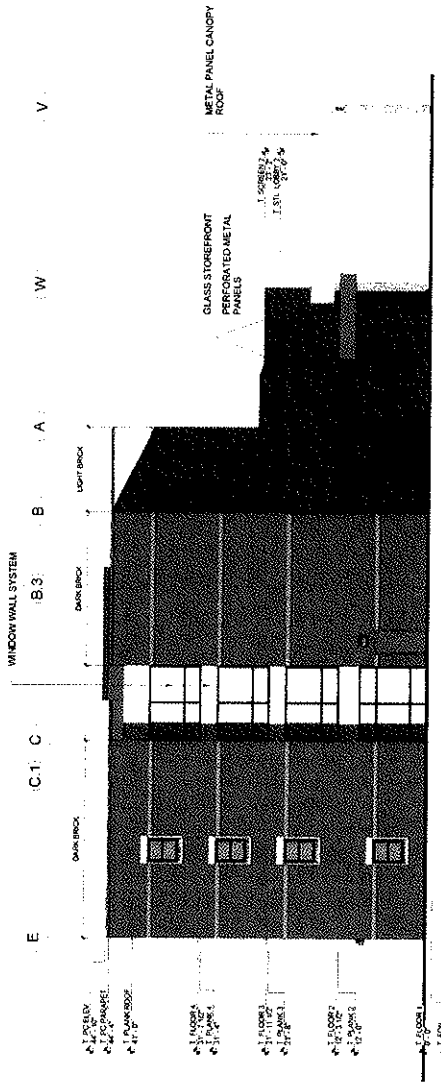
PAUL I. JENSEN, ARCHITECT
300 N. STATE ST. #2505 CHICAGO, IL 60654
312.371.4174

KENNEDY JORDAN MANOR - SENIOR APARTMENTS
825 W 118TH STREET CHICAGO, ILLINOIS

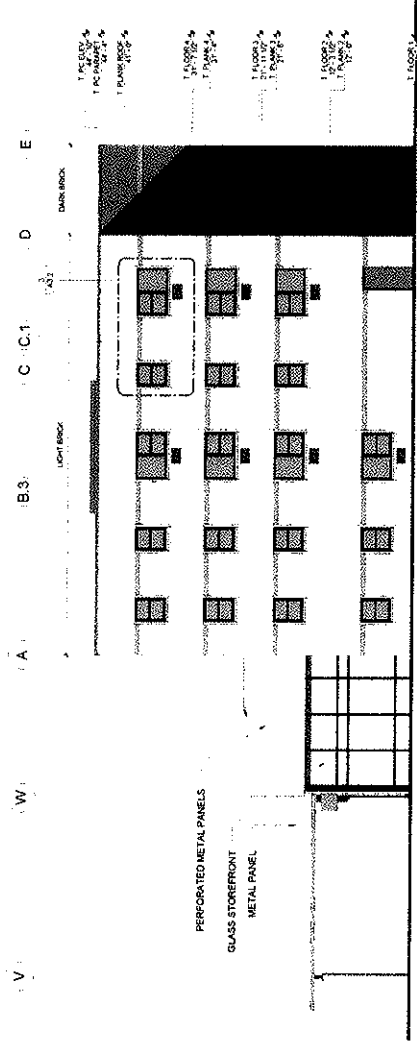
ELEVATIONS

A3.1

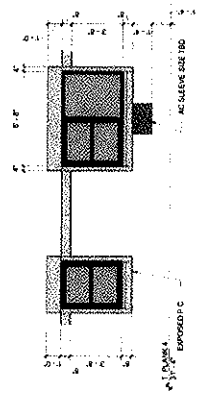
DATE: 05.16.14
REVIEW



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



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

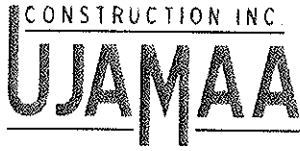


3 TYP. WINDOW ELEVATIONS
 1/8" = 1'-0"

DATE: 05.15.14
 REVIEW

PAUL I. JENSEN, ARCHITECT
 300 N STATE ST #2805 CHICAGO, IL 60654
 P 312.371.4174

KENNEDY JORDAN MANOR - SENIOR APARTMENTS
 825 W. 118TH STREET CHICAGO, ILLINOIS



7744 S. Stony Island Avenue
Chicago, Illinois 60649

Office: (773) 374-1300
www.ujamaaconstruction.com

May 14, 2014

VIA CERTIFIED MAIL

Carole Williams
Black Contractors United
400 West 76th Street
Chicago, IL 60620-1640
Phone: 773.483.4000
Email: bcunewera@att.net

Re: 118th & Halsted

Dear Ms. Williams,

Kennedy Jordan Manor Limited Partnership is pleased to announce the development of the property located at 118th & Halsted, Chicago, Illinois. The property consists of vacant land that will be developed into a 70-unit senior housing development of approximately 60,800 sf.

KJ Manor Limited Partnership has chosen UJAMAA Construction Inc. to be the general contractor for the project. The project will require participation of trades such as carpentry, electrical, mechanical, plumbing, paving, roofing, and others. The project will have minority business enterprise (MBE) participation requirements of 24 percent and women business enterprise (WBE) participation requirements of 4 percent. The construction project is expected to commence on Oct. 1, 2014 and be completed in 14 months.

UJAMAA Construction Inc. will notify you, your subcontractors and suppliers when plans are available.

KJ Manor Limited Partnership is requesting that you make your member companies aware of this exciting project so that they may submit bids for appropriate subcontracting opportunities.

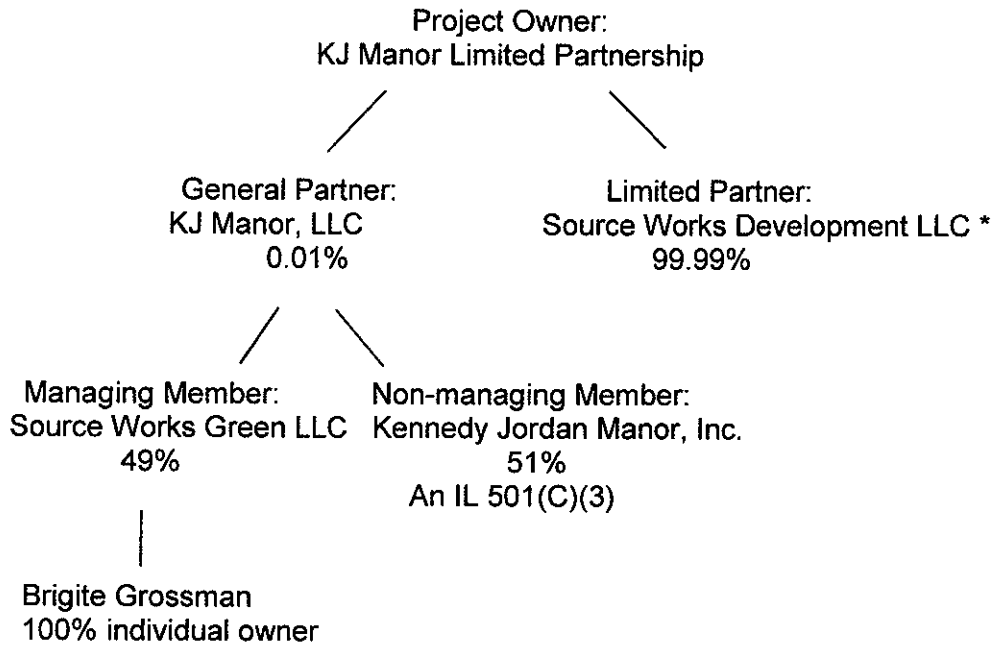
Should you have any questions, please do not hesitate to call. I can be reached directly at (773) 374-1300.

Respectfully,
Ujamaa Construction, Inc.

A handwritten signature in black ink, appearing to read "Todd O. Pressley", is written over the typed name and title. The signature is fluid and cursive, with a long, sweeping line extending from the end of the name.

Todd O. Pressley
Vice President

KENNEDY JORDAN MANOR
Ownership Structure Flow Chart



*Source Works Development LLC is the initial limited partner and will be replaced by the investor at financing closing.

SUMMARY OF TERMS AND CONDITIONS

This Term Sheet is intended as an outline only and does not purport to summarize all the conditions, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the financing contemplated hereby. The commitment of BMO Harris Bank N.A. ("BMO" or "Bank"), if and when issued, will be subject to negotiation and execution of definitive Loan Documents in form and substance satisfactory to the Bank, the Borrower, and their respective counsels.

- Borrower:** Kennedy Jordan Manor, LP or a partnership to be named
- Type:** Secured credit facility (the "Loan" or the "Facility") to be used for the acquisition and construction of 65 independent living rental units targeted to low, moderate income, and market rate elderly, located at 11819-11849 S. Green Street, Chicago, IL 60643; and to bridge limited partner equity.
- Amount:** Bridge financing of \$7,315,000 not to exceed 85% of LIHTC equity.
- Repayment:** Interest only due monthly during construction and lease up. The bridge loan will be reduced upon receipt of LP contributions and satisfaction of construction and lease up requirements per the partnership agreement.
- Equity:** Tax Credit equity of approximately \$11,093,045.
- Other Sources:** City of Chicago HOME funds of \$4,500,000 and Federal Home Loan Bank of Chicago AHP Grant of \$420,000; DCEO grant of \$200,000; and TIF Direct Grant of \$1,500,000.
- Maturity:** Construction loan of up to 30 months.
- Interest Rate:** The Loan shall bear interest at One month Libor plus 290 bp. As of today, that rate would be 3.06%.
- Loan Fee:** .75% of the loan amount, payable at closing.
- Interest Reserve:** An amount to be determined will be set aside from the facility to pay interest during construction (amount subject to adjustment based upon final budget).
- Prepayment:** Borrower may prepay any portion of the construction loan without penalty if loan is priced at a floating rate, within the one month Libor maturity constraints.
- Collateral:** As collateral security for repayment of the Facility, Borrower shall execute and deliver, or cause to be executed and delivered to BMO, the following documents (some of which shall be filed and recorded to establish valid first liens in favor of BMO). All security documents shall be satisfactory to BMO in its sole discretion:
1. A mortgage creating a valid first mortgage lien on the to be constructed building located at 11819-11849 S. Green Street, Chicago, IL 60643;
 2. A Chattel Mortgage on all furniture, fixtures, equipment, etc.;
 3. An Assignment of Leases and Rents for all leases entered into or to be entered into by the Borrower covering all or any part of the Improvements, and all of the rents, issues, and profits thereof;
 4. An environmental indemnity agreement signed by the Borrower, which shall be

KENNEDY JORDAN MANOR

satisfactory to Harris at its sole discretion;

5. Issuance of payment and performance bond by an acceptable surety company or a letter of credit from an acceptable financial institution naming BMO as an obligee.
6. Subordination of Deferred Developer Fee, if any, if loans default.
7. A priority collateral assignment of the equity fund's pledged LP interest in the project partnership.
8. A priority collateral assignment of the GP interest in the project partnership.
9. A collateral assignment of the LP Capital Contributions, as reflected in the final partnership agreement.
10. Such other collateral as may be required by the Bank.

Guarantor: Tbd

Guarantees: *Completion:* The Borrower and Guarantors shall warrant the lien-free and timely completion of the Improvements and all site work associated with the Improvements pursuant to the approved plans and specifications, the terms and conditions of any Lease(s), and the final approved construction budget so long as BMO continues to fund the balance of the Loan in accordance with the Loan Documents.

Loan Balance: The facility will be required to be in balance at all times.

Appraisal: BMO shall have received an appraisal from an appraiser, engaged by BMO, with reliance rights given to other funders as appropriate. Loan to value must not exceed 85%, including the value of the real estate and the tax credits.

Environmental / Engineering: Environmental reports and structural engineering reports satisfactory to BMO, in form and from firms acceptable to BMO will be required at the Bank's sole discretion.

Disbursements: Disbursements will be made in accordance with the final approved project cost budget. Disbursement of proceeds for the Improvements shall be based on work completed, subject to a 5% holdback until approval of the completed project. Disbursement shall be made through a title company acceptable to Lender. BMO shall require satisfactory Sworn Owner's and Contractor's Statements, copies of all subcontracts and appropriate lien waivers, as well as an Inspecting Architect report (expense to be borne by the project) certifying the work for which payment is requested.

Covenants: Borrower and/or Guarantor covenant to BMO that they will not permit a violation of the following covenants at any time:

1. DSC of 1.15x and occupancy of 90% to attain stabilization and the final capital contribution and retirement of bank debt. Debt service payments are based upon the annual debt service requirements of the subordinate debt.
2. Borrower will establish and maintain all operating and reserve accounts for this property with BMO in interest bearing accounts reflecting the highest internal rates offered for accounts of this size.
3. The Borrower and Guarantor shall guarantee satisfactory lien-free completion of the Project within thirty (30) months and shall keep the budget in balance at all times.

Conditions Precedent: Borrower shall fulfill the following conditions to the Bank's satisfaction. Such conditions include, without limitation, the following:

KENNEDY JORDAN MANOR

1. Satisfactory review and approval by BMO and BMO' Inspecting Architect, of the Improvement's final plans and specifications which shall be approved and signed off by the proper governmental agency. The construction schedule and construction budget shall also be reviewed and approved by BMO.
2. Borrower to obtain from all governmental agencies having jurisdiction over the site in an ordinary course of time all authorizations, ordinances, licenses, approvals, consents and permissions (including, without limitation, zoning ordinances which permit the intended use without requiring a variance), as may be required in order to permit construction of the Project in accordance with the final approved budget.
3. Satisfactory review and approval of general contractor financials, major subcontractors, the construction schedule and the guaranteed maximum price contract between the Borrower and the general contractor.
4. Satisfactory review and approval of the BMO title insurance policy, survey, and builder's risk insurance for the approved improvements.
5. Satisfactory issuance of proceeds from all sources in amounts acceptable to the Bank.
6. Borrower will agree to include and/or acknowledge the Bank and include its corporate logo in all redevelopment site signage identifying financing participants.
7. Final approval from the Bank's credit committee.

Reporting:

Borrower shall provide the following to BMO:

1. For all construction draws, an owner's sworn statement, a contractor's sworn statement, waivers of lien, copies of invoices and canceled checks for all reimbursable soft costs and date down endorsements from a title company acceptable to BMO.
2. During lease up, monthly certified rent rolls.
3. After stabilization, annually and quarterly certified rent rolls and income & expense statements.
4. Annual certification by the Sponsors/Guarantors showing covenant compliance.
5. Annual financial statements for the Borrower and Guarantor tbd.

Other Documents:

BMO shall receive such other documents, in form and substance satisfactory to BMO and its counsel as may reasonably request.

Expenses:

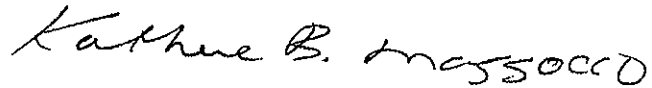
Whether or not the Facility is closed, Borrower will promptly pay or reimburse BMO for all reasonable legal, appraisal, environmental, title insurance, recording, and other closing costs, which have actually been incurred. BMO will periodically update Borrower on its expense status and inform Borrower if estimates of the same will be exceeded.

This Summary of Preliminary Term and Conditions is intended as an outline only and does not purport to summarize all the conditions, covenants, representations, warranties and other provisions which would be contained in definitive legal documentation for the financing contemplated hereby. Any commitment of BMO is subject to final Bank approval, and negotiation and execution of definitive loan documents in form and substance satisfactory to the Bank, the Borrower, and their respective counsels.

KENNEDY JORDAN MANOR

BMO Harris Bank looks forward to the possibility of working with Source Works and Sheldon Heights Church of Christ to provide 65 rental units of senior independent living housing in the West Pullman neighborhood of Chicago, Illinois. Please let us know if the terms and conditions of this letter properly address the needs of the project at this time. We will move towards credit approval once we know that these conditions are acceptable to you.

Sincerely,

A handwritten signature in cursive script that reads "Katherine B. Mazzocco".

Katherine B. Mazzocco
Senior Vice President
Community Development
BMO Harris Bank
312 461 2797
katherine.mazzocco@harrisbank.com

COUNCIL CHAMBER

CITY HALL - ROOM 209
121 NORTH LA SALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE: (312) 744-3166
(312) 744-6820
FAX: (312) 744-9009

RECEIVED

FEB 21 2014

REPLY:

PUBLIC SERVICE OFFICE
34TH WARD CENTER

BY: _____

507 WEST 111TH STREET
CHICAGO, ILLINOIS 60628
TELEPHONE: (773) 928-6961
FAX: (773) 928-8562

**CITY COUNCIL
CITY OF CHICAGO**



CARRIE M. AUSTIN

ALDERMAN, 34TH WARD
CHAIRMAN
COMMITTEE ON THE BUDGET AND
GOVERNMENT OPERATION
February 18, 2014

COMMITTEE MEMBERSHIPS

- COMMITTEES, RULES AND ETHICS
(VICE CHAIRMAN)

- HEALTH & ENVIRONMENTAL PROTECTION

- FINANCE

- HOUSING AND REAL ESTATE

- PUBLIC SAFETY

- WORKFORCE DEVELOPMENT & AUDIT

- ZONING, LANDMARKS
& BUILDING STANDARDS

VIA EMAIL

Andrew Mooney
Commissioner
Housing & Economic Development
121 North LaSalle, 10th Floor
Chicago, Illinois 60602

RE: Kennedy Jordan Manor, Affordable Senior Housing @ 119th & Halsted

Dear Commissioner Mooney,

Please acknowledge my full support for new construction of Kennedy Jordan Manor, a 70-unit affordable elderly development to be located at 119th & Halsted. As 34th Ward Alderman, I recognize this project as key to revitalizing 119th Street by availing much needed senior housing, as well as promoting additional development opportunities.

Further, I value the partnership formed between Kennedy Jordan Manor, Inc. ("KJMI")-- a 501c3 dedicated to providing affordable housing within urban communities, and Source Works Development ("SWD")--an experienced developer of affordable housing, for purposes of this project. Through the team's combined development, construction, and management experience, KJMI will achieve much needed senior housing for our community's elderly population, as well as beautify a currently blighted, underutilized site. Therefore, I support the allocation of Low Income Housing Tax Credits from the City of Chicago, a HOME loan in an amount to be determined based on project need, and funding from the 119th & Halsted Redevelopment Project Area, also in an amount determined based on need.

Lastly, I strongly advocate for the undertaking of this project and support the work being done by the development team herein described. Please feel free to contact me or my Chief-of-Staff Chester Wilson, Jr. if further assistance is warranted. Thank you for your kind, prompt consideration.

Sincerely,

Alderman Carrie M. Austin
Chairman

trm

**COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO**

RESOLUTION NO. __ - CDC -

**AUTHORIZATION TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH KJ Manor Limited Partnership**

**AND
RECOMMENDATION TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF KJ Manor Limited Partnership
AS DEVELOPER**

WHEREAS, the Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council (the City Council referred to herein collectively with the Mayor as the "Corporate Authorities") as codified in Section 2-124 of the City's Municipal Code; and

WHEREAS, the Commission is empowered by the Corporate Authorities to exercise certain powers enumerated in Section 5/11-74.4-4(k) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.), (as amended from time to time, the "Act"); and

WHEREAS, the City Council, upon the Commission's recommendation pursuant to Resolution 14-CDC-09 and pursuant to the Act, enacted three ordinances on April 30, 2014, pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the 119th and Halsted Redevelopment Project Area (the "Area"), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area. The street boundaries of the Area are described on Exhibit A hereto; and

WHEREAS, KJ Manor Limited Partnership (the "Developer"), has presented to the City's Department of Planning and Development (the "Department") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the construction of an affordable 70 unit senior housing development (the "Project"); and

WHEREAS, the Department requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that the Department be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project; now, therefore,

BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

- Section 1. The above recitals are incorporated herein and made a part hereof.
- Section 2. The Commission hereby recommends to City Council that the Developer be designated as the developer for the Project and that the Department be authorized to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Developer for the Project.
- Section 3. If any provision of this resolution 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 resolution.
- Section 4. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.
- Section 5. This resolution shall be effective as of the date of its adoption.
- Section 6. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: June ____, 2014

Attachment: Exhibit A, Street Boundary Description

EXHIBIT A

Street Boundary Description of the
119th and Halsted Tax Increment Financing
Redevelopment Project Area

The irregularly shaped Area is generally bounded by 113th Street on the north, Wentworth, Wabash and Union Avenues on the east, 125th Street, 130th Street, and the Calumet River on the south, and Morgan, Green and Peoria Streets on the west.

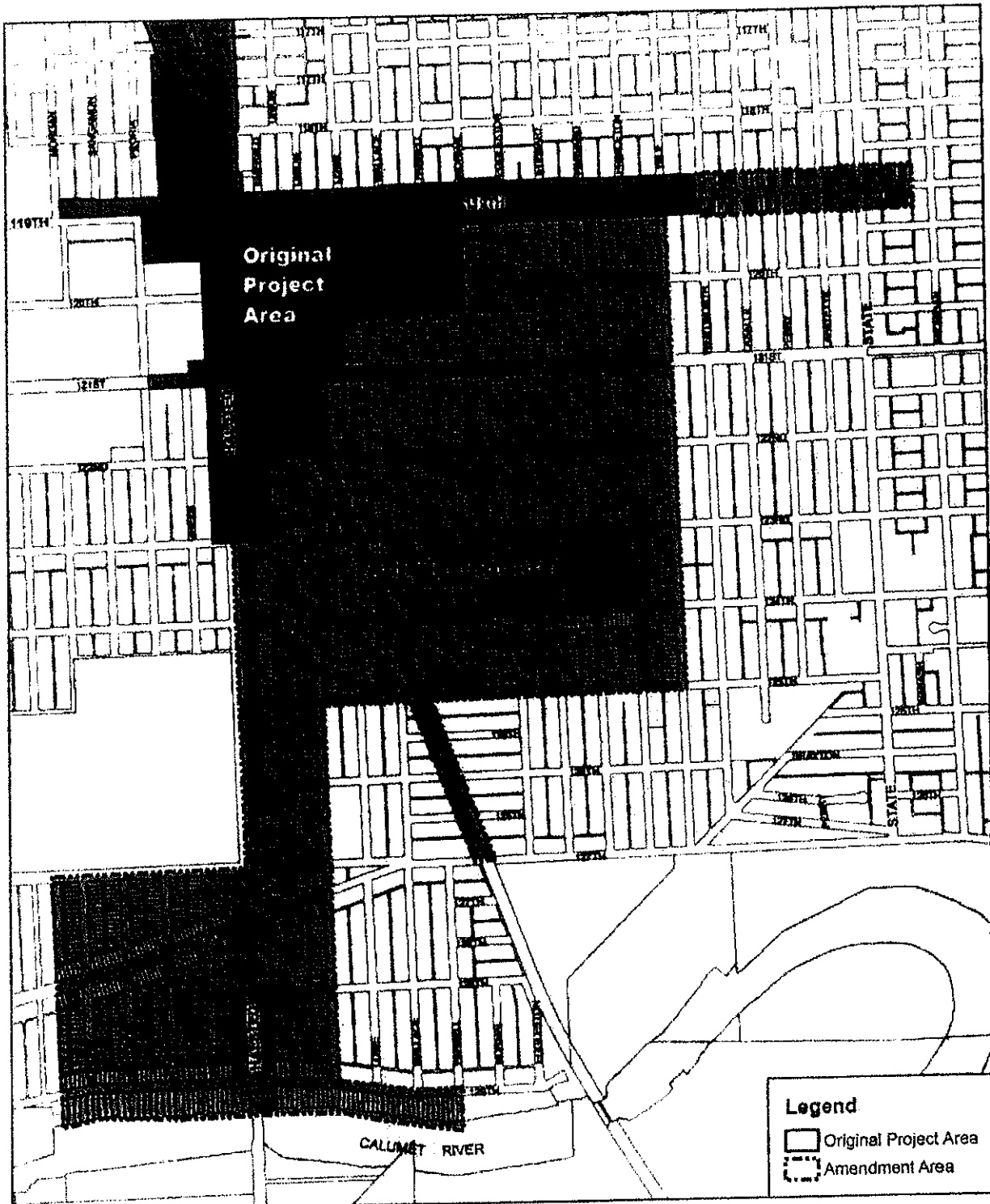
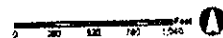


FIGURE 1

Redevelopment Project Area Boundary Map

City of Chicago
119th & Halsted TIF Amendment No. 2



camiros