

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

CERTIFICATE

I, Jennifer Rampke, the duly authorized, qualified and Executive Secretary of the **Community Development Commission of the City of Chicago**, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a Resolution adopted by the **Community Development Commission of the City of Chicago** at a Regular Meeting held on the 8th Day of July 2008 with the original resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said Resolution.

Dated this 8th Day of July 2008



**EXECUTIVE SECRETARY
Jennifer Rampke**

08-CDC-50

8800938

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

RESOLUTION NO. 08-CDC-50

**AUTHORIZATION TO NEGOTIATE A REDEVELOPMENT
AGREEMENT WITH HOLLYWOOD HOUSE LIMITED PARTNERSHIP
AND
RECOMMENDATION TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF HOLLYWOOD HOUSE 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 -CDC- and pursuant to the Act, enacted three ordinances on August 16, 2007 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Hollywood Sheridan 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, the Developer has presented to the City's Department of Planning and Development ("DPD") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the purchase and rehabilitation of an existing twelve and partial thirteen story 197-unit mixed-use elevator senior building (the 'Project'); and

WHEREAS, DPD requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that DPD 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 DPD 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: July 8th, 2008

Attachment: Exhibit A, Street Boundary Description

EXHIBIT A

Street Boundary Description of the
Hollywood Sheridan Tax Increment Financing
Redevelopment Project Area

The Area is generally bounded by Rosemont Avenue on the north, Sheridan Road on the east, Ainslie Street on the south, and Broadway on the west.

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

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING DEVELOPER DESIGNATION
July 8, 2008**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	Hollywood House Apartments
Applicant Name:	Hollywood House Limited Partnership
Project Address:	5700 North Sheridan Road
Ward and Alderman:	48 th Ward/Mary Ann Smith
Community Area:	Edgewater
Redevelopment Project Area:	Hollywood Sheridan TIF District
Requested Action:	TIF Developer Designation
Proposed Project:	Acquisition and rehabilitation of one mixed-use building consisting of 197 studio and one-bedroom units for seniors. 177, or 90%, of the units will be offered to tenants with incomes at or below 60% of area median income.
TIF Assistance:	\$9,900,000

II. PROPERTY DESCRIPTION

Address:	5700 North Sheridan Road
Location:	The site is located on the north-west corner of Sheridan Road and Hollywood Avenue. Lake Shore Drive is to the east, Kenmore is to the west, Hollywood Avenue is to the south and Ardmore is to the north.
Tax Parcel Numbers:	14-05-406-021-0000
Land Area:	145,083 square feet

Current Use:

Hollywood House is an existing 12 and partial 13-story 197-unit mixed-use elevator senior building that was constructed in 1963 in the Edgewater neighborhood of Chicago. The building is currently occupied.

Current Zoning:

RM-6; Residential Multi-unit building.

Environmental Condition:

The developer has included a \$79,000 line item in the development budget for environmental remediation. A Phase-1 report was done in April, 2007 by Gabriel Environmental Services and indicated the need to remove an underground storage tank (UST) and replace the gypsum board/drywall that contains asbestos fibers.

III. BACKGROUND

On February 2, 2007, the developer applied to the Department of Housing (DOH) for loan funds to rehabilitate Hollywood House which consists of 197 rental units for independent seniors. Market rate condominium developers had approached the Hellenic Foundation to purchase the building and convert the units to condominiums. Many of the residents have lived in the Edgewater community most of their lives, are on fixed incomes and would not be able to afford to purchase a condominium. Not enough public loan funds were available to complete the rehabilitation of Hollywood House and as a result, this project became the impetus for the creation of the Hollywood/Sheridan Tax Increment Financing (TIF) district. The rehabilitation and preservation of this building will upgrade all 197 units, retain 177 at 60% or less of area median income, (AMI) and maintain the building as a rental. This preservation is also a key component of the Mayor's five year affordable housing plan.

Hollywood House is located in the Edgewater Community. The area, which is conveniently located near public transportation and Lake Shore Drive to the east, is dominated by mid to high-rise apartment and condominium buildings. The supply of retail in the market ranges from traditional storefront/mixed use space to more modern retail centers along Sheridan Road. Three blocks west of the site is Broadway Street which has a broad mix of small independent food and general merchandise stores, chain stores (Dominicks), restaurants and clothing and home good stores.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity: Hollywood House Limited Partnership is an Illinois limited partnership (the "Borrower")

Hollywood Sheridan Neighborhood Development Corporation, a not-for-profit wholly owned subsidiary of Heartland Housing, Inc. (the "Developer"), will be the general partner of the Owner (Hollywood House Limited Partnership). At the time of closing on the construction financing, up to 99.99% of the Owner's investor member interest will be sold to an entity purchasing the Low Income Housing Tax Credits.

Heartland Housing, Inc. was founded in 1888 as Travelers Aid. With over a century of experience as a non-profit in Illinois, Heartland Housing, Inc. provides direct services to vulnerable populations, creates affordable and supportive housing and strives to improve the quality of life for those displaced by poverty and homelessness by affording access to social and resident services.

Consultants: Heartland Housing, Inc. has assembled the following team to plan and carry out the proposed development:

- Holabird & Root Architects which was founded in 1880, has extensive experience in design of new as well as rehabilitated facilities. In 1910, Holabird designed the new Chicago City Hall and in 1919 designed Grant Park Stadium which later became Soldier Field Stadium. Its designs today range from college science buildings to libraries to office and residential buildings. Holabird & Root won the AIA firm of the year award in 2000 and again in 2004.
- Madison Construction Company which was created in 2002, has a diverse client base of profit and not-for-profit projects that include public and private sector jobs. In addition to being contracted for Hollywood House, they are currently working on two medical sites (Provena Fox Knoll and Provena McAuley Manor), in the western suburb of Aurora.
- National Equity Fund (NEF) which since 1987 has invested \$6.4B of equity to build or rehabilitate 94,000 units in 1,600 projects nationwide. NEF has partnered with several developers that are currently doing or have recently completed affordable housing projects in Chicago.

V. PROPOSED PROJECT

Project Overview: Hollywood House will be the acquisition and rehabilitation of one mixed-use building consisting of 197 studio and one-bedroom units for independent seniors. The residential units are housed on floors two through twelve with each floor having nine studio apartments and nine one-bedroom apartments. Unit sizes range from 403 s.f. to 501 s.f. for studios and 562 s.f. to 588 s.f. for one bedrooms. The first floor consists of retail, a management office, library and former restaurant space which has been converted into a large community room for the residents. A mailroom and security desk are also housed on the first floor. There is a below ground parking garage that accommodates 41 cars and a surface parking lot that accommodates 8 cars.

The building, was built in 1963, is constructed of face brick on all elevations. The roof, which is flat, was resealed in 2003 and the vinyl thermopane windows were replaced in 1998. The partial thirteenth floor consists of a laundry room, another community room, unisex bathroom and a maintenance office. There is also an outside roof deck which was replaced in 2004.

Rehabilitation will include replacing the original mechanical systems, installing life safety systems, upgrading elevators, replacing the original kitchen and bathroom cabinets, bathroom fixtures and plumbing.

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 197 rental units of which 177 units or 90 percent will be affordable for households earning no more than 60 percent of the area median income. The developer is required to comply with the affordability standards for 30 years. These units will satisfy the Chicago affordable requirements ordinance, which requires 10 percent of the total units to be affordable in projects developed on land sold by the City or 20 percent of the units in projects receiving TIF assistance. The Department of Housing has reviewed and approved the affordable unit rents.

Unit Profile

Unit Type	Number	Market/ Affordable	Size-sf	Monthly Rent/sf*	Monthly Rent*
Studio w/bath	25	Affordable at 50% AMI	452	\$1.17	\$337
Studio w/bath	64	Affordable at 60% AMI	452	\$1.22	\$504
Studio w/bath	10	Market Rate	452	\$1.24	\$581
1 bed/1 bath	25	Affordable at 50% AMI	570	\$1.22	\$509
1 bed/1 bath	63	Affordable at 60% AMI	570	\$1.26	\$690
1 bed/1 bath	10	Market Rate	570	\$1.40	\$834

*Tenants will pay cooking (electric) and other electric.

Environmental Features: The developer will include the following green and energy efficient features:

- Energy star appliances and “green” carpets.
- Mechanical systems upgraded to higher efficiency.
- Fluorescent lighting in common areas.
- Low VOC paints.
- Solar water heating system with solar panels on the roof.
- High efficiency boilers.

VI. FINANCIAL STRUCTURE

This development will be funded with various sources of public financing. \$15,165,441, or 46%, of the funds will come from tax exempt bonds issued by the City of Chicago. The series “A” bonds will have a principal amount of \$12,091,485, which will be supported by Net Operating Income (NOI) and Tax Increment Financing (TIF). The series “B” bond will have a principal

amount of \$3,073,956 and be used as bridge financing during construction. It will be supported with a line of credit which will be repaid with Limited Partner equity pay-ins. The bonds will be secured by an FHA insured mortgage through Developer's Mortgage Corporation and further collateralized by GNMAS. Due to the use of tax exempt bonds, the project will automatically generate low-income housing tax credits at the 4% level. The use of these 4% credits will generate another \$4,069,230 (of which \$3,073,956 will be used to repay the "B" bonds), of equity which will be used for the project. Additionally, the Department of Housing has preliminarily set aside \$4,000,000 in loan funds and the developer has also applied to the Illinois Housing Development Authority (IHDA) for \$2,000,000 in State trust fund money. Seller financing of \$2,500,799, which is the difference between the appraised amount and the selling price, will be loaned to the project and will have a balloon payment due in forty (40) years. The developer will defer a portion of developer fee up to \$284,459. The developer will have a ten year period in which to collect the fee provided the building is performing in the black.

TIF funds will represent 31% of the financing and will be used to pay or reimburse the developer for TIF eligible project costs. It is expected that \$4,000,000 in initial payments will be made to Heartland Housing, Inc. In addition, a TIF note in the amount of \$5,900,000 will be issued at closing with no interest accruing until the issuance of a Certificate of Completion. The first note payment will be made March 1st in the year after the issuance of a Certificate of Completion. Available increment will be defined as that from Project PINs as well as area-wide increment from the Hollywood/Sheridan TIF district beginning with the first collection after the closing of the RDA.

The following table identifies the sources and uses of funds.

Sources and Uses of Funds

Sources	Amount	% of total
Equity	\$4,069,230	13%
Developer's Mortgage Corporation:		
Series 'A' Bonds	\$12,091,485	37%
Series 'B' Bonds	\$3,073,956	9%
TIF	\$4,000,000	12%
DOH	\$4,000,000	12%
IHDA	\$2,000,000	6%
Seller Financing	\$2,500,799	8%
Income from Tenant Rents*	\$484,286	1%
Deferred Developer Fee	\$284,459	1%
Total Sources	\$32,504,215	100%

*147 units are currently occupied.

Uses	Amount\$/sf of Building*	
HARD COSTS:		
Building/Land Acquisition	\$13,000,000	\$89.60 psf
Holding Costs	\$136,500	\$.94 psf
Hard Costs	\$10,327,408	\$71.18 psf
Total Hard Costs:	\$23,463,908	\$161.72 psf

SOFT COSTS:

Architect's Fee (0.02% of hard costs)	\$554,989	\$3.83 psf
Loan Origination Fee (1% of loan)	\$112,426	\$.77 psf
Legal Fees (0.02% of total costs)	\$585,764	\$4.04 psf
Environmental Remediation	\$79,166	\$.55 psf
TIF Consultant	\$225,000	\$1.55 psf
Tenant Relocation (1% of total costs)	\$322,000	\$2.22 psf
Loan Interest (0.02% of total costs)	\$730,553	\$5.04 psf
Bond Costs*	\$1,337,331	\$9.22 psf
Reserves*	\$3,367,113	\$23.21 psf
Real Estate Taxes	\$210,000	\$1.45 psf
Hazard Insurance	\$81,650	\$.56 psf
Liability Insurance	\$81,650	\$.56 psf
Developer Fee	\$1,000,000	\$6.89 psf
Deferred Developer Fee	\$284,459	\$1.96 psf
Other soft costs (0.005% of total costs)	\$68,206	\$.47 psf
Total Soft Costs (18.2% of total costs)	\$9,040,307	\$62.31 psf
Total Uses	\$32,504,215	\$224.03 psf**

*Please see attached sheet for the breakdown of these costs.

**Combined gross building area is 145,083 square feet.

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits:

Affordable Housing: The project will preserve 197 units of senior housing of which 177 will be affordable to households earning 60% or less of the area median income for a minimum of 30 years.

Permanent Jobs: The project is estimated to generate 7 permanent jobs as follows: Site Manager 100%; Maintenance 100%; Environmental Cleaning Technician 100%; 4 Front Desk Receptionists' 50% of the time. The Mayor's Office for Workforce Development (MOWD) has been informed of the project and will work with the developer on job training and placement.

Construction Jobs: The project will produce seventy-five 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 eight 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.

***BREAKDOWN OF BOND COSTS AND RESERVES:**

BOND COSTS:

HUD Mortgage Insurance Premium (MIP):	\$ 108,823
Rating Agency:	18,000
Trustee:	9,000
Underwriter:	151,654
Underwriter's Counsel:	65,000
Bond Counsel:	90,000
Fees related to the Issuance:	894,854
TOTAL:	\$1,337,331

RESERVES:

Lease-up Reserve:	\$ 124,038
Insurance Reserve:	66,700
Property Tax Reserve:	300,000
Operating Reserve:	485,014
Replacement Reserve:	49,500
TIF Reserve:	1,952,655
Initial Operating Deficit (IOD):	103,495
Working Capital:	285,711
TOTAL:	\$3,367,113

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 Mary Ann Smith endorses the project and has provided a letter of support (see exhibits for copy). The project was presented to the community at meetings held on May 24th and June 27, 2007. A motion was carried forward to approve the Hollywood Sheridan TIF and the Hollywood House rehabilitation. The following community organizations have endorsed the project: The Hellenic Foundation.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the Hollywood/Sheridan Tax Increment Financing Redevelopment Project Area, established pursuant to ordinances approved by the City Council on August 16, 2007.

The proposed project conforms to the Redevelopment Goals and Objectives of the Plan to reduce or eliminate the conditions that qualify the Hollywood/Sheridan Redevelopment Project Area (RPA), as a conservation area, and to provide the mechanisms necessary to support public and private development and improvements in the RPA. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate private investment in order to strengthen the area as a cohesive and vibrant mixed-use neighborhood. Redevelopment of the RPA is anticipated to improve retail, commercial and housing conditions as well as improve the relationship between the area's land uses; and attract private development and redevelopment.

X. CONDITIONS OF ASSISTANCE

If the proposed resolution is approved by the CDC, DOH and 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 City policy that no business will be conducted with a development entity whose 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. Before today's action is presented to the city council for approval, the department will conduct a thorough background check of all principals having an ownership interest of 7.5 percent or greater, and of the boards of directors and trustees of non-profit organizations. Similar background checks will be conducted on the development entity itself.

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

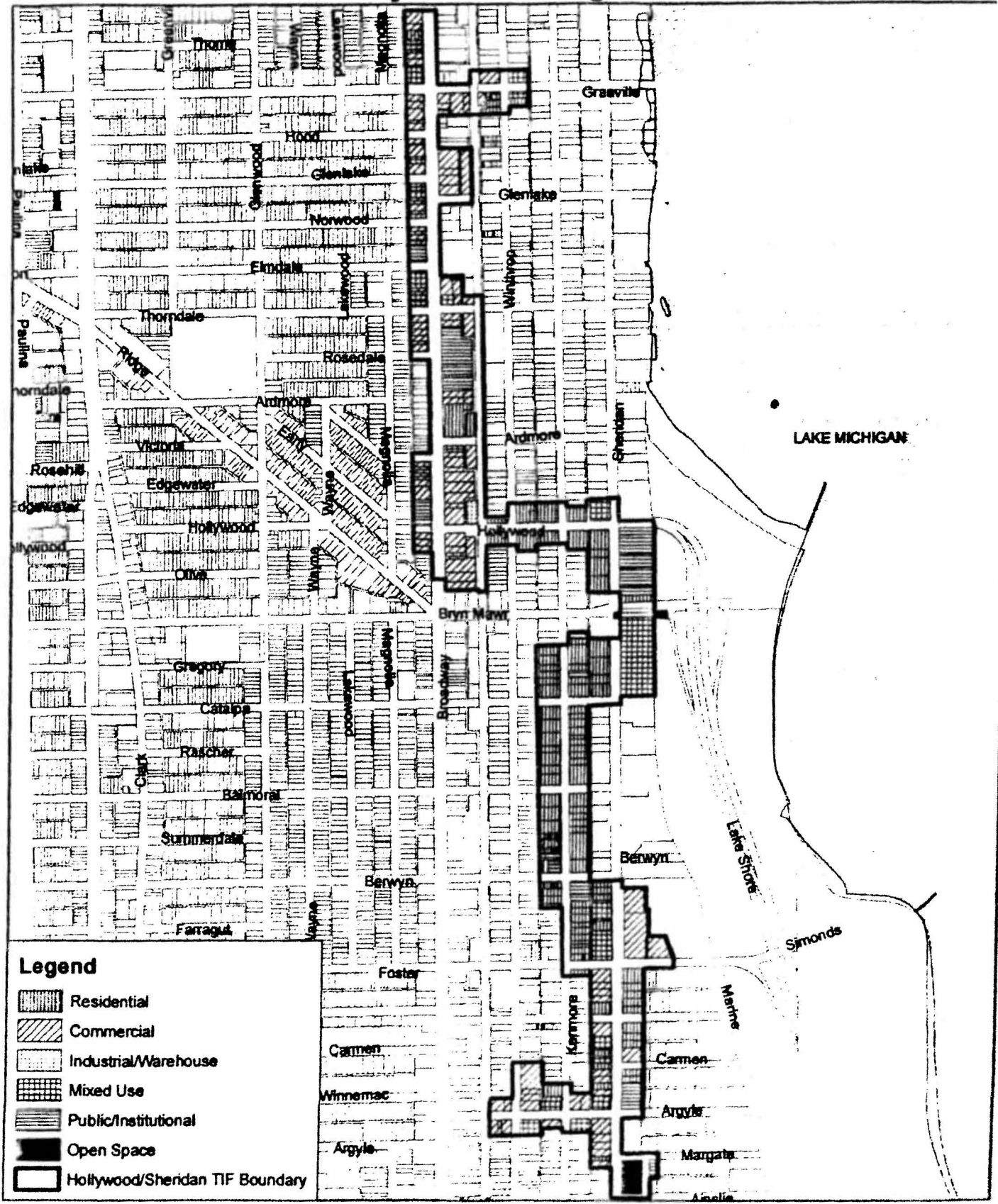
XI. RECOMMENDATION

The Department of Housing (DOH) and the Department of Planning and Development (DPD) have 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 Hollywood House Limited Partnership as developer for the development of Hollywood House at 5700 North Sheridan Road.

EXHIBITS

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
Community Letters of Support
Alderman's Letter of Support

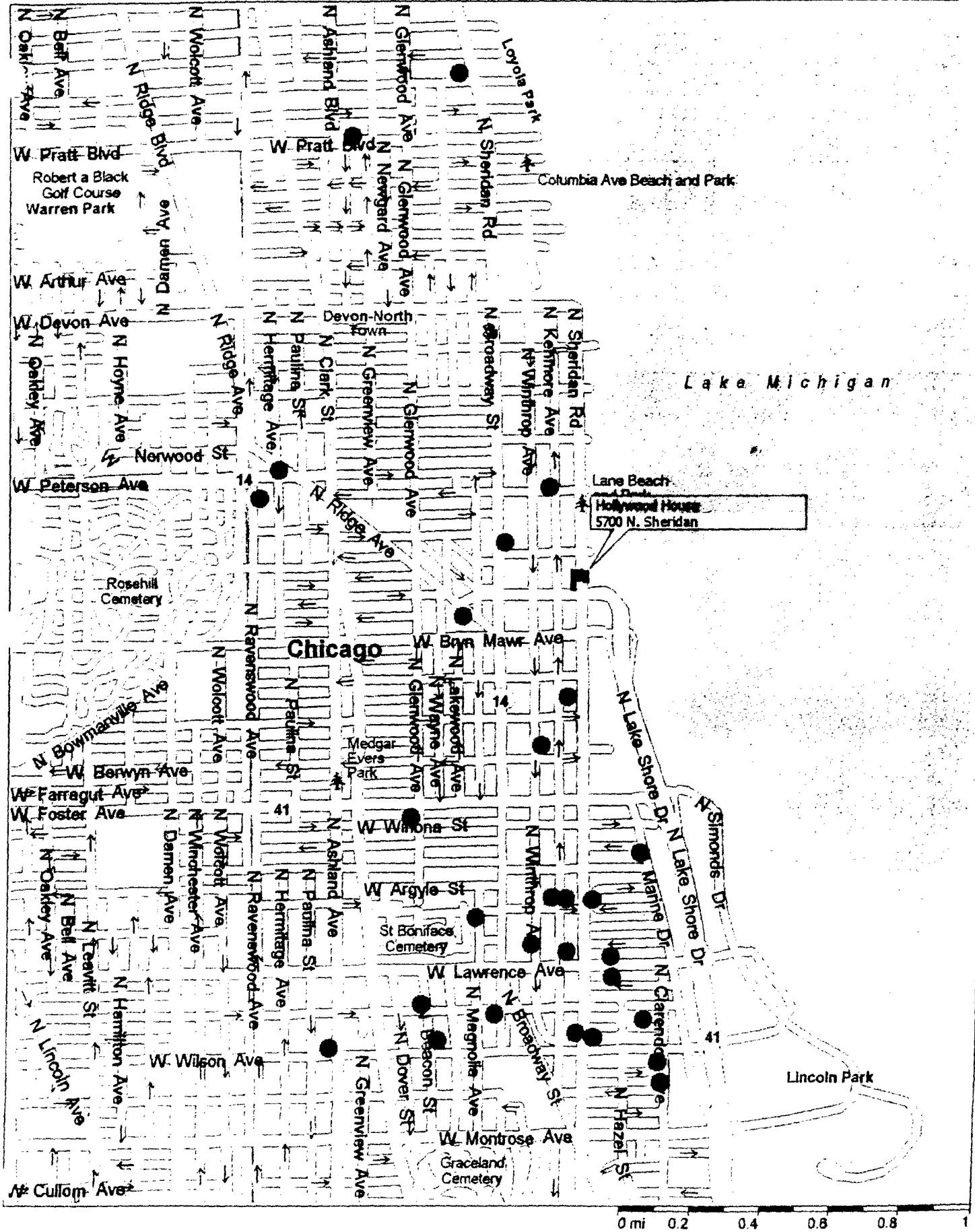
Map 1: Hollywood/Sheridan TIF Boundary and Existing Land Use



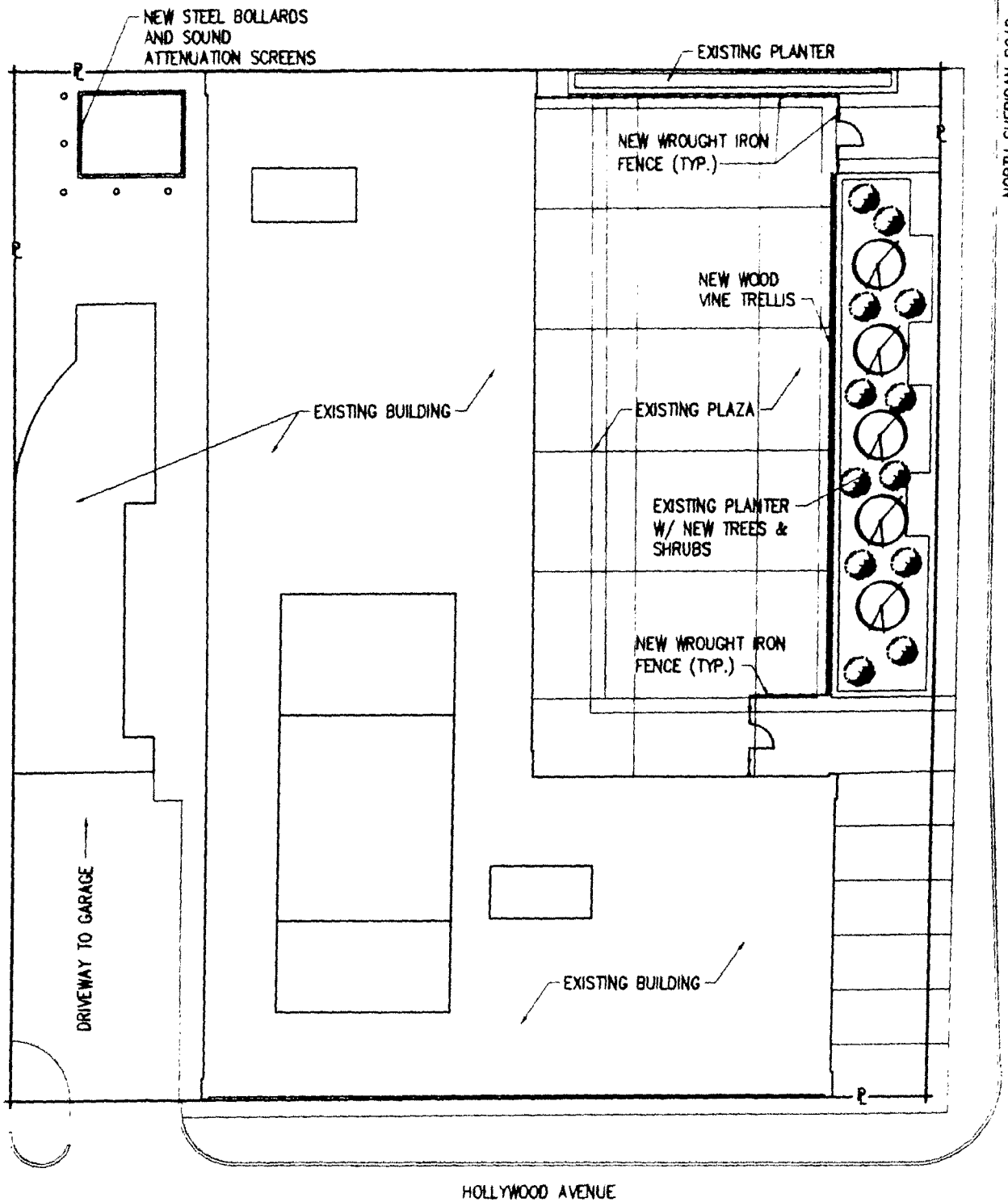
0 625 1,250 2,500 Feet

Attachment I

Hollywood House Other Affordable



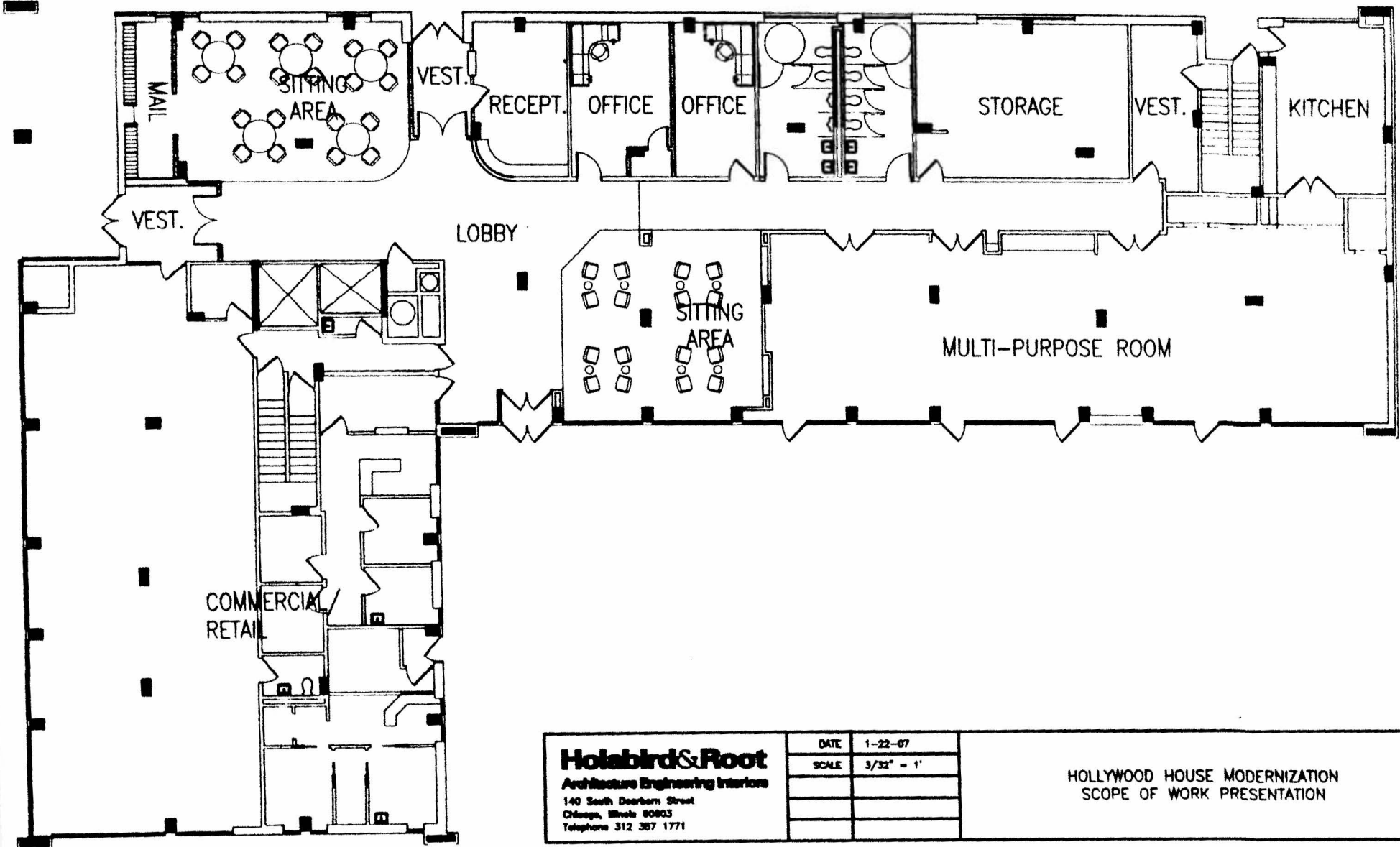
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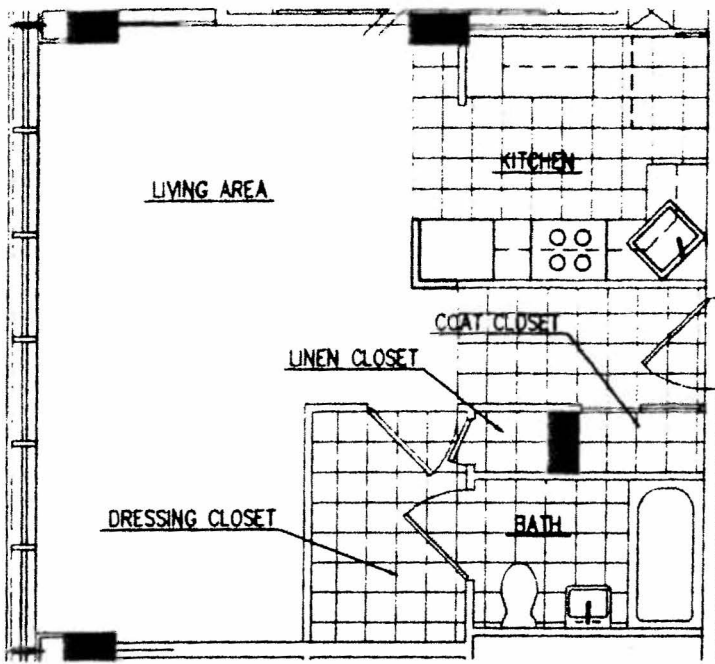
SITE PLAN



Holabird & Root Architecture Engineering Interiors 140 South Dearborn Street Chicago, Illinois 60603 Telephone 312 367 1771	DATE	1-22-07	HOLLYWOOD HOUSE MODERNIZATION SCOPE OF WORK PRESENTATION
	SCALE	1/16" = 1'	



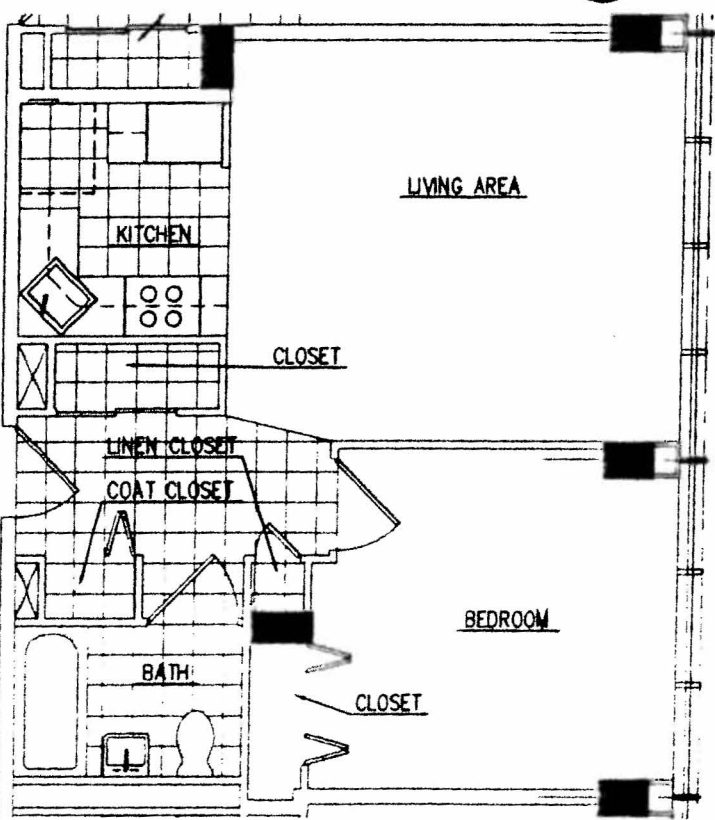
Holabird & Root Architecture Engineering Interiors 140 South Dearborn Street Chicago, Illinois 60603 Telephone 312 367 1771	DATE	1-22-07	HOLLYWOOD HOUSE MODERNIZATION SCOPE OF WORK PRESENTATION
	SCALE	3/32" = 1'	



TYPE A

APARTMENTS:
 002
 003 MIRRORED
 004
 005 MIRRORED
 006
 007 MIRRORED

CARPET AREA: 228 SQ. FT.
 VINYL TILE AREA: 155 SQ. FT.

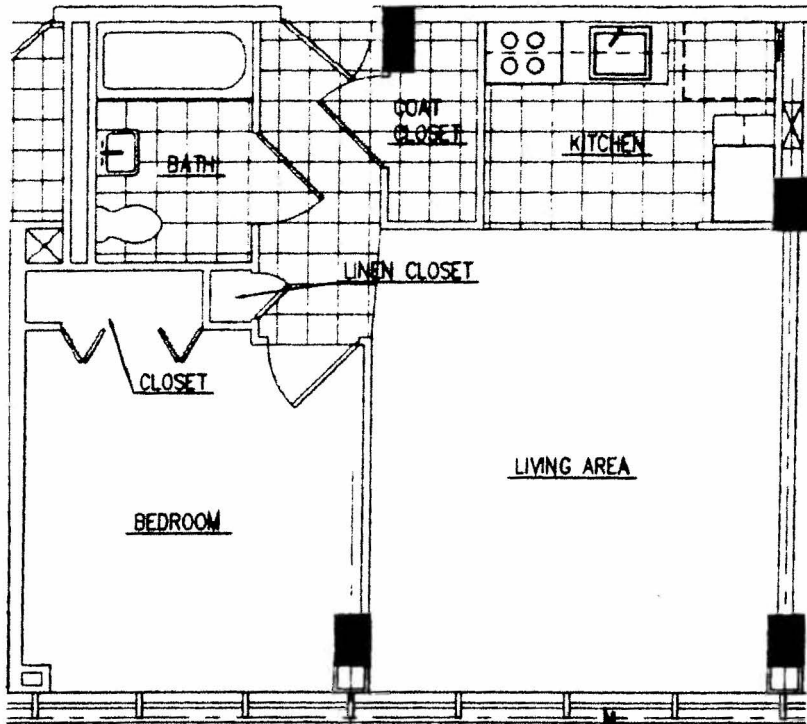


TYPE B

APARTMENTS:
 015 MIRRORED
 016
 017 MIRRORED
 018

CARPET AREA: 343 SQ. FT.
 VINYL TILE AREA: 131 SQ. FT.

Holabird & Root Architecture Engineering Interiors 140 South Dearborn Street Chicago, Illinois 60603 Telephone 312 357 1771	DATE	1-22-07	HOLLYWOOD HOUSE MODERNIZATION SCOPE OF WORK PRESENTATION
	SCALE	1/4" = 1'	

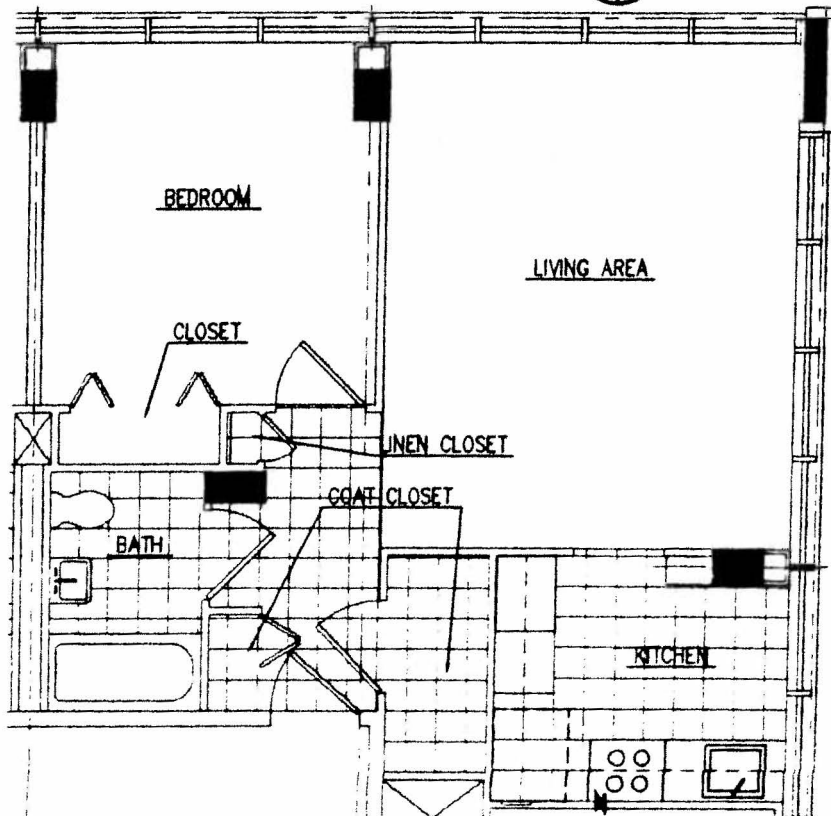


APARTMENTS:
009
010 MIRRORED

CARPET AREA:
348 SQ. FT.

VINYL TILE AREA:
136 SQ. FT.

TYPE C



APARTMENTS:
012
011 MIRRORED

CARPET AREA:
371 SQ. FT.

VINYL TILE AREA:
159 SQ. FT.

TYPE D

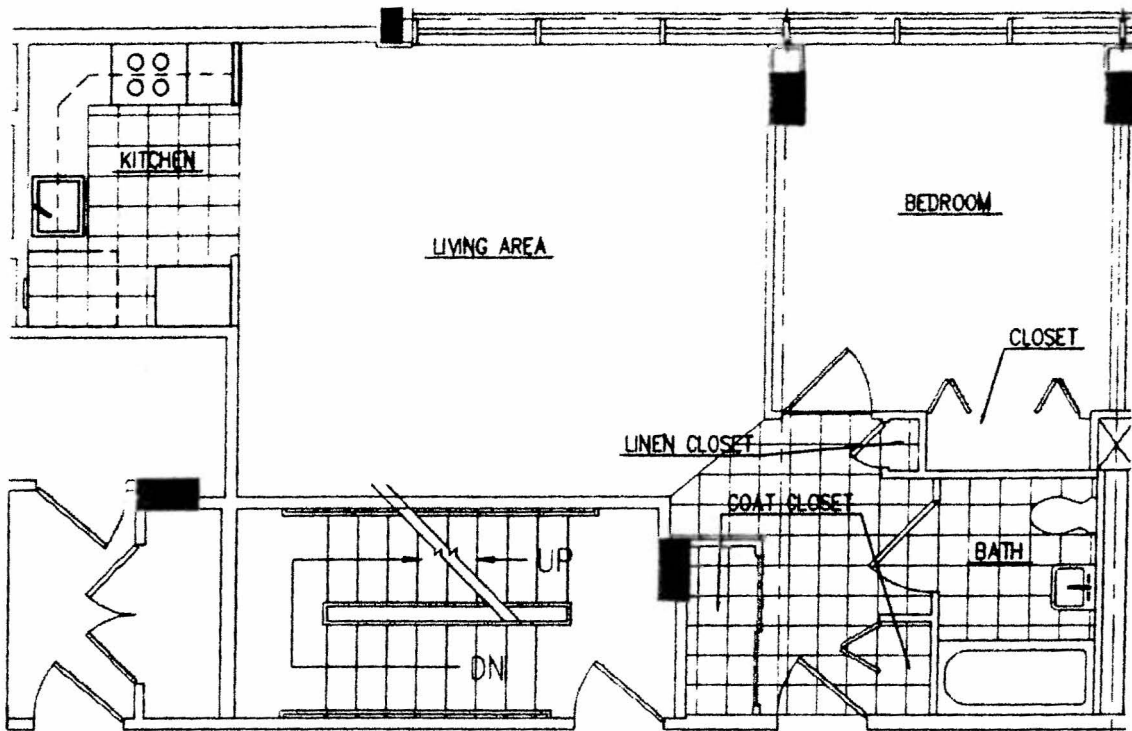


Holabird & Root
Architecture Engineering Interiors
140 South Dearborn Street
Chicago, Illinois 60603
Telephone 312 357 1771

DATE 1-22-07

SCALE 1/4" = 1'

HOLLYWOOD HOUSE MODERNIZATION
SCOPE OF WORK PRESENTATION



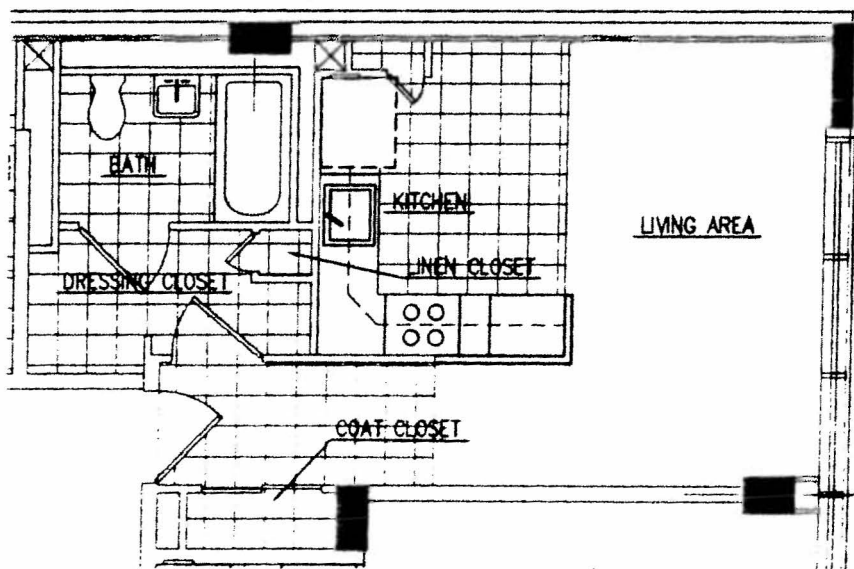
TYPE E



APARTMENT 014

CARPET AREA:
399 SQ. FT.

VINYL TILE AREA:
146 SQ. FT.



TYPE F



APARTMENT 019

CARPET AREA:
143 SQ. FT.

VINYL TILE AREA:
176 SQ. FT.

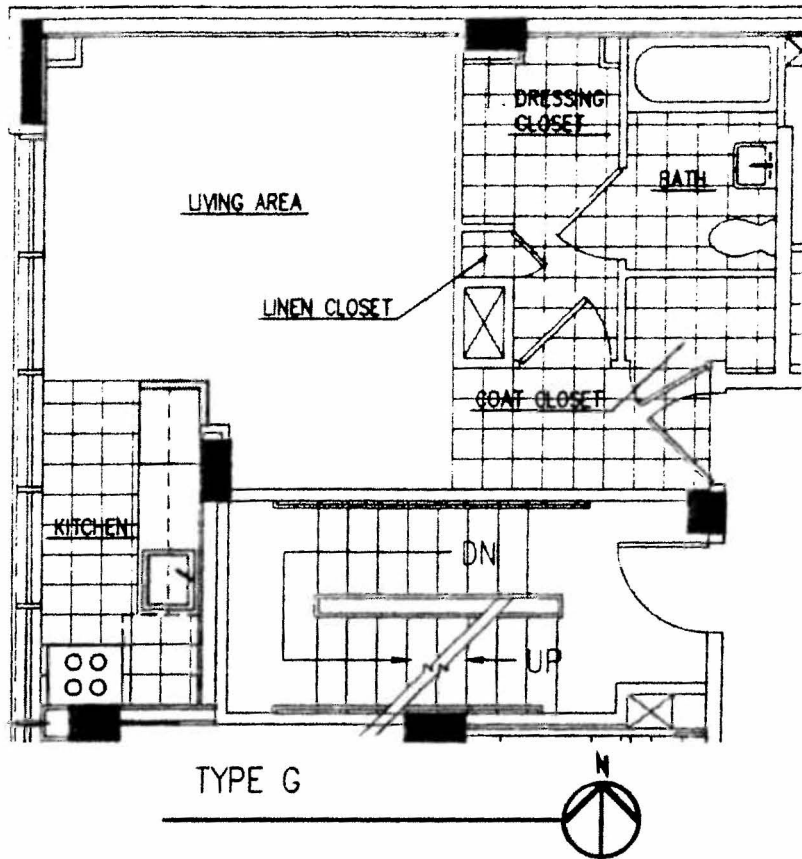
Holabird & Root
Architecture Engineering Interiors

140 South Dearborn Street
Chicago, Illinois 60603
Telephone 312 367 1771

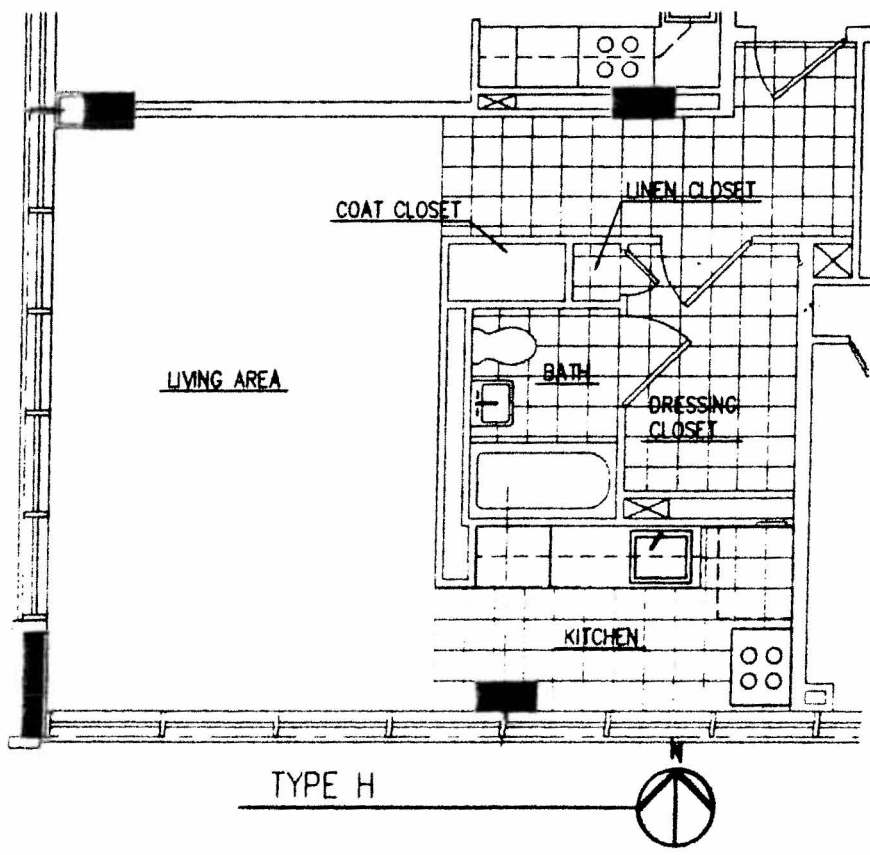
DATE 1-22-07

SCALE 1/4" = 1'

HOLLYWOOD HOUSE MODERNIZATION
SCOPE OF WORK PRESENTATION



APARTMENT 001
 CARPET AREA:
 182 SQ. FT.
 VINYL TILE AREA:
 170 SQ. FT.



APARTMENT 008
 255 SQ. FT.
 VINYL TILE AREA:
 196 SQ. FT.

Holabird & Root Architecture Engineering Interiors 140 South Dearborn Street Chicago, Illinois 60603 Telephone 312 367 1771	DATE	1-22-07	HOLLYWOOD HOUSE MODERNIZATION SCOPE OF WORK PRESENTATION
	SCALE	1/4" = 1'	

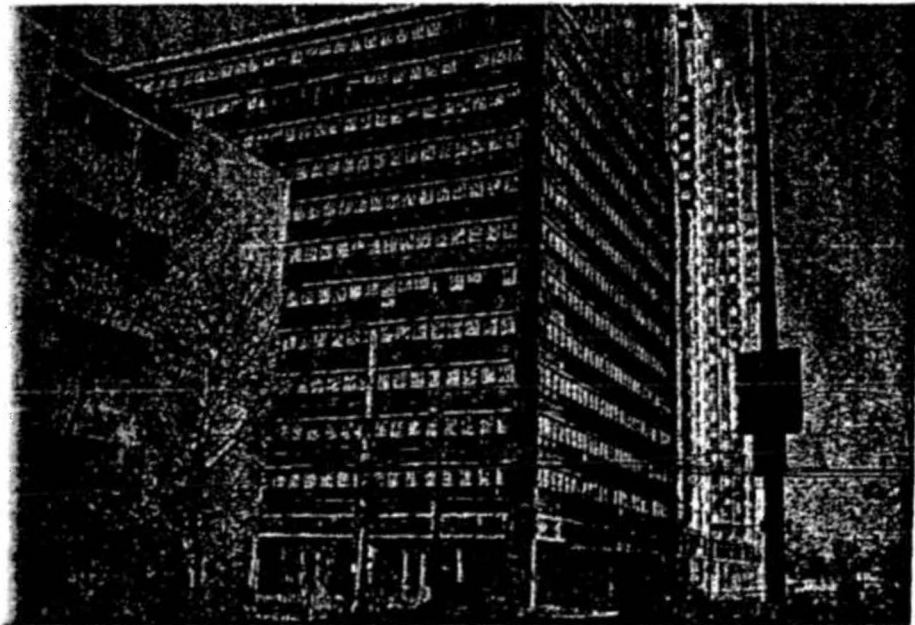
Attachment A

Development Site

**Hollywood House
(View from southeast)**



**Hollywood House
(View from southwest)**



June 11, 2008

«AddressBlock»

BY CERTIFIED MAIL

Re: 5700 N. Sheridan Avenue (Hollywood House)
Chicago, IL 60660

«GreetingLine»

Heartland Housing, Inc. (HHI) is pleased to announce the rehabilitation of a 198-unit independent senior building located at 5700 N. Sheridan Avenue, Chicago, Illinois. The scope of work includes replacing original mechanical systems, installing life/safety systems, upgrading elevator controls, and modernizing residential units. After rehab is completed, all of the 197 units will be in service.

HHI has not yet chosen a general contractor for the project. The project will require participation of trades such as carpentry, electrical, mechanical, plumbing, paving, roofing, and others. Attached to this letter is the project budget, which identifies the items subject to minority business enterprise (MBE) participation of 24 percent and women business enterprise (WBE) participation of 4 percent. The attachment also includes the estimated project schedule and contact information for the general contractor.

At your request, the general contractor will meet with a representative of your organization to present the project budget and schedule. At your request, the general contractor will also provide your organization with one copy of the project bid documents (including plans and specifications).

Heartland Housing, Inc. 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.

Sincerely,
Heartland Housing, Inc.

Michael Goldberg, Director of Real Estate Development

cc: Ms. Dinah Wayne
Dept. of Planning and Development, City of Chicago

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Certified Fee	\$ 2.70
Return Receipt Fee (Endorsement Required)	\$ 2.20
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 45.32



PS Form 3800, June 2002 See Reverse for Instructions

SENT TO: *Mr Cesar Sotelo / Hip Bone Last Mals Assoc*
 Street, Apt No: *401 W Jackson Suite 205*
 or PO Box No:
 City, State, ZIP+4: *Chicago, IL 60607*

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Postage	\$ 40.42
Certified Fee	\$ 2.70
Return Receipt Fee (Endorsement Required)	\$ 0.00
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 43.12



PS Form 3800, June 2002 See Reverse for Instructions

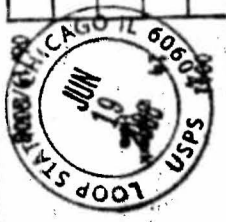
SENT TO: *Hedy Kretzer / Emma Bonolis Day Center*
 Street, Apt No: *85 Michigan Ave, Suite 400*
 or PO Box No:
 City, State, ZIP+4: *Chicago, IL 60603*

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Postage	\$ 40.76
Certified Fee	\$ 2.70
Return Receipt Fee (Endorsement Required)	\$ 0.00
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 43.46



PS Form 3800, June 2002 See Reverse for Instructions

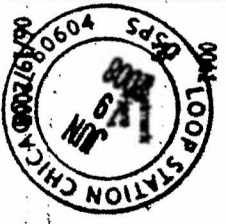
SENT TO: *Elynd N. Kimb & Mark Cabot dmd*
 Street, Apt No: *400 W. 76th Street*
 or PO Box No:
 City, State, ZIP+4: *Chicago, IL 60620*

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Postage	\$ 40.59
Certified Fee	\$ 2.70
Return Receipt Fee (Endorsement Required)	\$ 2.20
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 45.49



PS Form 3800, June 2002 See Reverse for Instructions

SENT TO: *Ms. Bette Payton / Assoc of Min*
 Street, Apt No: *1643 E. 71st St.*
 or PO Box No:
 City, State, ZIP+4: *Chicago, IL 60649*

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Certified Fee	\$ 2.70
Return Receipt Fee (Endorsement Required)	\$ 2.20
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 45.49



PS Form 3800, June 2002 See Reverse for Instructions

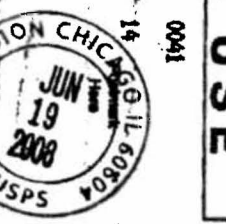
SENT TO: *Dmar Shouaf / Marian Inter Cabinet Assoc*
 Street, Apt No: *3706 S. Indian Ave, 1st Fl*
 or PO Box No:
 City, State, ZIP+4: *Chicago, IL 60653*

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Postage	\$ 40.42
Certified Fee	\$ 2.70
Return Receipt Fee (Endorsement Required)	\$ 0.00
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 43.12



PS Form 3800, June 2002 See Reverse for Instructions

SENT TO: *Juan Ortega / Mex. Intl. Art Center*
 Street, Apt No: *33N LaSalle St Suite 1720*
 or PO Box No:
 City, State, ZIP+4: *Chicago, IL 60602*

7004 2510 0001 9463 6420

7004 2510 0001 9463 6451

7004 2510 0001 9463 6505

7004 2510 0001 9463 6413

7004 2510 0001 9463 6406

7004 2510 0001 9463 6499

7004 2510 0001 9463 6444

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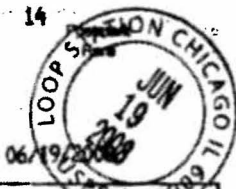
OFFICIAL USE

CHICAGO IL 60608

Postage	\$ 0.76
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 3.46

0041

14



Sent To: Beth Davis / Fed of Women Entrep.
 Street, Apt. No. or PO Box No.: 5650 S. Archer
 City, State, ZIP+4: Chicago, IL 60637

PS Form 3800, June 2002 See Reverse for Instructions

2499 3946 1000 0152 4007

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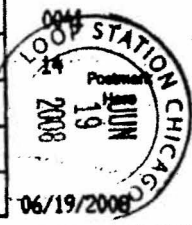
OFFICIAL USE

CHICAGO IL 60607

Postage	\$ 0.76
Certified Fee	\$2.70
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 3.46

0041

14



Sent To: Perry Nakachi / Assoc Of Amer Lat Entrep
 Street, Apt. No. or PO Box No.: 333 N. Oakton Avenue
 City, State, ZIP+4: Chicago, IL 60607

PS Form 3800, June 2002 See Reverse for Instructions



U.S. Department of Housing and Urban Development
 Chicago Regional Office, Region V
 Office of Multifamily Housing
 77 West Jackson Boulevard
 Chicago, Illinois 60604-3507

APR 04 2008

Alan Cravitz
 Developers Mortgage Corporation
 221 North LaSalle Street, Suite 3010
 Chicago, Illinois 60601

Dear Mr. Cravitz:

SUBJECT: Invitation to Firm Commitment
 Hollywood House Apartments
 Project No. 071-35795
 Chicago, Illinois

This is to inform you that our staff has reviewed the pre-application materials for the subject proposal and finds it to be worthy of further consideration should you decide to submit an application for Firm Commitment for mortgage insurance. There is a market for the proposal based upon our review of the appraisal and market study. The site appears acceptable based on our inspection and the information provided.

In the event that you desire to continue with this project and submit an application for Firm Commitment, it is understood that the project will have the following characteristics:

Unit Type	Number of Units	Unit Rent	Monthly Rent
Small Efficiency 60%	20	\$500	\$10,000
Efficiency 60%	69	\$530	\$36,570
Efficiency Market	10	\$560	\$5,600
Small One-bedroom 60%	30	\$677	\$20,310
One-bedroom 60%	58	\$701	\$40,658
One-bedroom Market	10	\$800	\$8,000

Equipment and Services included in the rent are:

Estimated Monthly Parking Rental \$3,420
Laundry Income \$ 1205
Commercial Income \$ -0-
Other Income \$4,583

The annual operating expenses will be processed at \$1,073,672, or \$5,423 per unit per annum. The total for all improvements appears to be within a reasonable range. Please contact Lorraine Cooper of the Labor Relations Department at (312) 353-6236, extension 2661, for the most current Davis Bacon Wage Decisions while preparing your Firm Commitment application.

Land value/as-is value will be determined at the Firm Commitment stage. Excess costs resulting from any unusual site conditions identified in the construction cost estimate at the Firm Commitment stage will be deducted from the land value fully improved (with off-site improvements installed). The HUD environmental assessment and HUD previous participation (Form HUD-2530) will not be completed until the Firm Commitment package is submitted to HUD.

It is important to understand that this letter is not to be construed as a commitment on the part of FHA to insure a mortgage for your proposal. It is intended only to establish general agreement on the basic concept, market, rents and expenses for your proposal. If the Firm Commitment application submitted is consistent with the pre-application submission, does not trigger the thresholds for a more extensive review and no problems arise because of environmental or previous participation issues, HUD should be able to complete its review within the scheduled time. If there are significant changes from the concept agreed to at the pre-application submission, HUD will need more time to complete an extensive review, will not be bound by the scheduled review time and could result in rejection of the Firm Commitment application. Significant changes would include changes in:

- a. Location,
- b. Building type,
- c. Market to be served,
- d. Rents, unit number, unit mix or gross project area great enough to affect market potential (i.e., 5 percent) and/or require a new market study and HUD review.

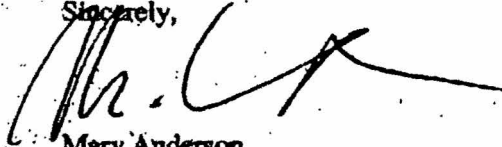
Therefore, you are invited to submit a Firm Commitment application for mortgage insurance, along with a fee of \$3 per thousand of mortgage amount fee with required MAP Lender deliverables, by August 04, 2008. The term of this invitation letter may be extended for two 30-day periods if more time is required and good cause can be demonstrated.

The Final Commitment Application must include/address the following:

1. The HUD 92013 form includes the item "TIF Reserve" on Line 44 of Section G. This item is not part of the replacement cost and does not belong on this form. Mortgage credit will pick it up as part of the settlement costs.
2. The HUD 4128 is subject to IHPA clearance. The underwriting cites a need for the waiver of abandonment UST.
3. Section J, Line 13 of the 2013 includes \$3,368,998. An explanation of this item is needed.
4. Please provide more information on Seller Financing and Deferred Fees. Seller Financing is mentioned in the Bargain Sale Purchase Agreement, but a dollar amount is not disclosed, nor is it clear what fees are being deferred.
5. It appears that the seller retains an interest in the property; please clarify how this will affect the purchase price.
6. Please be aware that our legal counsel will have to review the "Bargain Sale Purchase Agreement". This document contains many unusual terms and conditions that may or may not be problematic to HUD. For example, it includes a donation to be made by the seller, and contains a provision for the seller to retain three rent free market rate units in the building.
7. The pre-application indicates that forty to fifty units will be vacated for the renovation. A relocation plan is needed.
8. The financing for this project comes from many different sources. Fully fifty-nine percent of the loan debt service is to be funded by a TIF income stream for an estimated 22 years and 4 months. While this percentage of TIF income is unusually high, our HUB director, Edward Hinsberger, has accepted your justification for this source mix.
9. The legal fees appear to be excessive; please reduce or justify.
10. Please provide documentation regarding the IAHTC.
11. Please provide more detailed documentation on the Sources of Fees.

Thank you for your interest and participation in HUD programs. Please direct any questions you may have regarding this correspondence to Marlese Adams, Project Manager, at 312-353-6950, Ext. 2199.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Anderson', written over a horizontal line.

Mary Anderson
Director of Operations
Chicago Multifamily Hub



Mary Ann Smith
Alderman, 48th Ward

Council Chamber
Third Floor, City Hall
Room 300
(312) 744-6860
Fax (312) 744-0804

5533 N. Broadway
Chicago, IL 60640
(773) 784-5277
Fax (773) 784-5033

www.masmith48.org

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Consumer Protection

Traffic Control
and Safety

Commissioner

Northeastern Illinois
Planning Commission

Chicago Planning
Commission

June 17, 2008

Commissioner Sahli, DOH
33 N. LaSalle Street, Suite 1100
Chicago, IL 60602
ATTN: Anna Booth

RE: Hollywood House

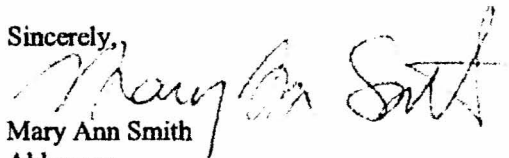
Dear Commissioner Sahli:

I am writing this letter in support of granting tax increment financing (TIF) funds to allow Heartland Housing, Inc. to purchase and rehabilitate the 198-unit Hollywood House Apartments (5700 North Sheridan). The building represents an important and much needed source of affordable senior rental housing in Chicago's 48th Ward.

I have worked closely with HHI on this project to establish the Hollywood/Sheridan TIF District, which will provide additional revenue sources to ensure these units are preserved for seniors.

I fully support the efforts of Heartland Housing Inc. and would appreciate any assistance you could provide in their efforts to develop and preserve affordable housing.

Sincerely,


Mary Ann Smith
Alderman



HELEN SHILLER

ALDERMAN, 46TH WARD
4544 NORTH BROADWAY
CHICAGO, ILLINOIS 60640
TELEPHONE 773-878-4646
FAX 773-878-4920
E-Mail: ward46@cityofchicago.org

**CITY COUNCIL
CITY OF CHICAGO
COUNCIL CHAMBER**

CITY HALL - ROOM 300
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602

COMMITTEE MEMBERSHIPS

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CHAIRPERSON,
SUB-COMMITTEE ON DOMESTIC VIOLENCE
LICENSE AND
CONSUMER PROTECTION

June 26, 2008

Arnold L. Randall
Commissioner
Department of Planning and Development
121 North LaSalle Street
Chicago, IL 60602

Dear Commissioner Randall,

I would like to take this opportunity to express my support for porting of \$2.5 million from the Lawrence/Broadway Tax Increment Financing (TIF) project area for the support of Hollywood House project located in the Hollywood/Sheridan TIF Area. It is my understanding that when and if the Hollywood/Sheridan TIF district's increment exceeds current expectations, that the \$2.5 million will be ported back into the Broadway/Lawrence TIF.

It is my further understanding that after Hollywood House, the next priority for the Hollywood/Sheridan TIF is the rehab of the Harold Washington Apartments, owned and operated by Mercy Lakefront.

Thank you for your cooperation in this matter.

Sincerely,

Helen Shiller
Alderman, 46th Ward

cc. Christopher Jang/DPD

