

**CITY OF CHICAGO
DEPARTMENT OF PLANNING AND DEVELOPMENT**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REGARDING
DESIGNATION OF DEVELOPER**

September 9, 2014

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: Homan Square Rentals Phase VI

Applicant/Borrower Name: Westside Village Phase VI Limited Partnership, a single purpose entity.

Developer/Project Sponsor: The Shaw Company

Project Address: 3601 W. Arthington St. 60624

Ward and Alderman: 24th Ward – Ald. Michael Chandler

Community Area: North Lawndale (# 29) and East Garfield Park (#27). The boundary line between the two community areas bisects the project site along Arthington St. and through Boler Park. Arthington St. dead ends into Boler Park.

Redevelopment Project Area: Homan-Arthington TIF

Requested Action: Designation of Developer

Proposed Project: Homan Square Rentals Phase VI will be a 52 unit new construction, multi-family rental project. It is the sixth and final phase of the overall Homan Square development.

Goal of Project: Build the final phase of the Westside Village affordable housing project on the campus of the former Sears Roebuck Headquarters.

TIF Assistance: \$4,530,382. The TIF assistance will come from area wide increment via a port from the Roosevelt-Homan TIF to the adjacent Homan-Arthington TIF.

II. PROPERTY DESCRIPTION

Address:	3601 W. Arthington
Location:	4 lots between Central Park Ave and Lawndale Ave with 2 lots facing Arthington and 2 lots facing Boler Park. Arthington dead ends into Boler Park.
Tax Parcel Numbers:	16-14-316-036; 16-14-316-037; 16-14-322-017; 16-14-322-018
Land Area:	Approximately 70,905 square feet
Current Use:	Vacant land
Current Zoning:	PD 535. The existing PD can accommodate Phase VI of Homan Square.
Environmental Condition:	The City required the applicant to obtain a Phase I Environmental Site Assessment (ESA) which has been submitted to DFFM (2FM) for review. The report dated July 28, 2014 did not reveal any Recognized Environmental Conditions (REC) or environmental issues in connection with the subject site. It recommended no further investigation. The land is developer owned and the City makes no warranties or representation 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

The Homan Square Phase VI project was approved for funding in the 2011 Application Round. The approved applications from the 2011 funding round have been approved over the last three years as funding sources are able to accommodate new deals. The Shaw Company (developer) was approved for 9% LIHTCs, a multi-family loan, and TIF assistance.

Homan Square was “born” in the early 1990’s when Edward Brennan, former CEO of Sears asked Charles Shaw to take a look at the former Sears headquarters site with an eye to redevelop it. The result has been a huge success. A community was created where none, existed previously. The five previous phases have a total of 358 units - 158 for sale units and 200 rental units. Additionally, a 70,000sf community center, elementary school, high school, YMCA, and a branch of the Lawndale Christian Health Center are all close neighbors to the Homan Square development – adjacent to or within walking distance.

The immediate neighborhood is a combination of single-family and multi-family residential, mostly new construction, and older walk-up buildings. Also, a nearby school, park, and community center, and commercial uses along Roosevelt Road. Anchored by Homan Square, the condition of the immediate neighborhood has remained stable.

The following table shows the development history of Homan Square.

	Year Developed	For Sale Units	For Rent Units	Affordable Rental units (AMI Targeting)	Market Rate Rental Units	Occupancy
Phase I	1994	24	50	50 (50% & 60% AMI)	0	100%
Phase II	1995	48	0	0	Not applicable	
Phase III	1996	86	0	0	Not applicable	
Phase IV	1998	0	108	108 (60% AMI)	0	100%
Phase V	2010	0	42	33 (30% & 60% AMI)	9	100%
Totals		158	200	191	9	

Approximately ½ of the units at Homan Square have Housing Choice Vouchers or subsidy from the Low Income Housing Trust Fund. The other half are able to pay the full 60% AMI LIHTC rents for 2 and 3 bedroom apartments.

All phases received assistance from the City of Chicago in the form of subordinate loans, low-income housing tax credits, and New Homes for Chicago subsidy.

The 52 units in Phase VI of Homan Square will be built in eight buildings; four 5-unit buildings and four 6-unit buildings. The unit mix will include 16 – 1BR units, 20 – 2BR 1½ BA units, and 16 – 3BR 2BA units. The 2BR and 3BR units will be 2-story townhouse style apartments; the 1BR units will be stacked flats. Twenty units will have a 1 car garage integrated into the building; the remaining units will have surface parking at the rear of the building. 25 units (48%) will be accessible or visitable.

Institutional and public services include the 70,000 sf Homan Square Community Center which houses a Chicago Park District swimming pool and gymnasium; a health center, neighborhood technology resource center, and a YMCA Child Care Center. An elementary school (K – 8) and the Powerhouse High School are recent additions to the immediate neighborhood. Four of the eight buildings in the subject project will face Boler Park. The other four buildings will face Arthington St.

Homan Square residents will have ready access to convenience shopping. A large shopping center, Lawndale Plaza is located ½ mile southeast on Roosevelt Road between Homan and Kedzie Avenues. Tenants include Leamington Foods, O’Reilly Auto Parts, Subway, Payless Shoe Source, PNC Bank, and medical offices for Sinai Medical Group. A Walgreens is located across the street.

The project site is 4.7 miles west of downtown Chicago and is accessible to public transportation. The site is a 2-3 block walk from the #82 Kimball/Homan bus line, which connects to the CTA Blue Line station, running down the middle of the Eisenhower Expressway (I-290). The #12 Roosevelt Road bus is 5 blocks south of the site. Autos can also access I-290 via Independence Blvd, 2 blocks west of the site.

The market area includes parts of the North Lawndale, West Garfield Park and East Garfield Park community areas. The Primary Market Area (PMA) covers the area generally bounded by the Eisenhower Expressway (I-290) on the North, 22nd Street to Ogden Ave on the South, California Avenue on the East, and the railroad tracks east of Cicero Ave on the West. The Secondary Market Area (SMA) is directly north of the PMA and extends north of the Eisenhower Expressway to the railroad tracks north of Lake Street.

The housing stock is mostly older buildings with 2 – 9 units. In the PMA, 77% of the buildings were built before 1960. This compares to 69% for the city as a whole. Occupancy is 86% in the PMA; however, Homan Square is fully occupied. Only 9% of the units in the PMA are single-family detached homes – vs 25% for the city as a whole. Over 73% of the buildings are renter occupied – vs 56% for the city as a whole.

Demographics:

- 1) Between 2000 and 2010, the PMA lost approximately 6.5% of its population and households: population decreased from 44,947 to 42,038; households decreased from 13,221 to 12,348. A further small decrease - approximately 1% - in both population and households is projected to occur between 2010 and 2015.
- 2) By comparison, between 2000 and 2010 the City of Chicago lost approximately 6.9% of its population and 1.6% of its households. Further declines in both population and households are projected between 2010 and 2015.
- 3) In the PMA, 69% of the population is under age 45. This compares with 35% for the City of Chicago.
- 4) More than 57% of the households in the PMA have incomes below \$25,000. This compares with 30% for the City of Chicago.
- 5) In the North Lawndale Community area, 30% of the population does not have a high school diploma.
- 6) The unemployment rate is 18% in North Lawndale.

Given the success of the previous rental phases, demand is expected to be good for Phase VI. Prospective tenants will come from the PMA and waiting lists maintained at Homan Square. Lease-up is projected to be 10 units per month. The project should be fully leased within 12 months.

An organization chart for the Owner, Westside Village Phase VI Limited Partnership is included in the Exhibits.

Homan-Arthington TIF Redevelopment Project Area (the project is located in this TIF): The TIF District was established in 1998 and expires in 2021. Encompassing land surrounding the former Sears Roebuck and Co. headquarters complex in the North Lawndale community, the Homan-Arthington TIF is designed to promote mixed-use redevelopment and to assist new construction projects on vacant and underutilized land. Goals include the creation of mixed-income housing and the rehabilitation of the former Sears administration building for mixed commercial uses. TIF funds assisted the creation of the Powerhouse High School.

Roosevelt-Homan TIF Redevelopment Project Area (funds will be ported from this TIF): The TIF district comprises 54 acres; was established in 1990 and will expire on December 31, 2014. Land uses include commercial and mixed income residential uses predominately on vacant land but also involving existing structures that are suitable for rehabilitation. The primary goal of the TIF was the development of a retail complex on the northwest corner of Kedzie Avenue and Roosevelt Road.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity:

Westside Village Phase VI Limited Partnership will be the borrower for this project. The developer is The Shaw Company, a nationally recognized real estate development firm. Shaw has developed primarily

mixed-use, office, hotel, and market rate high end residential properties.

Shaw has assembled the following team for the subject project, some of whom have worked on previous phases of Homan Square:

Architect:	Fitzgerald Associates Architects
General Contractor:	Pepper Construction
Property Manager:	Realty & mortgage
Developer’s Counsel:	Applegate & Thorne-Thomsen
Developer’s Consultant:	Block Affordable Housing Consulting, LLC

V. PROPOSED PROJECT

Project Overview:

The 52 units in Phase VI of Homan Square will be built in eight buildings; four 5-unit buildings and four 6-unit buildings. All buildings will be two stories. The buildings will be brick/masonry on the first floor and hardy board or vinyl siding on the 2nd floor. The unit mix will include 16 – 1BR units, 20 – 2BR 1½ BA units, and 16 – 3BR 2BA units. The 2BR and 3BR units will be 2-story townhouse style apartments; the 1BR units will be stacked flats. Each apartment will have a stove, refrigerator, in-unit washer and dryer, and dishwasher. Twenty units will have a 1 car garage integrated into the building; the remaining units will have surface parking at the rear of the building.

Twenty three units (44%) will be accessible or visitable and will be distributed throughout the eight buildings. The 2BR and 3BR units will have handicapped access to the 2nd floor via a wheelchair lift. The stairways have been designed to accommodate the installation of a wheelchair lift. If a handicapped person wants to rent an accessible unit, the Owner will have the wheelchair lift installed. The second floor 1BR units will not be designated accessible.

This phase of Homan Square will be located across the street from Boler Park.

A site plan and elevations are included in the Exhibits.

Residential Unit Profile: The following table provides a detailed description of the proposed project, which will provide a total of 52 rental units: 12 units will be affordable to households with incomes up to 50% AMI; 34 units will be affordable to households with incomes up to 60% AMI; and 6 units will be offered to market rate tenants. Forty six units or 88% of the total units will be affordable rentals. These units and rent levels 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.

Rental Unit Profile

Unit Type	Number of Units	Affordability	Size-sf	Monthly Rent Paid By Tenant (a) and (b)	Monthly Rent Received By Landlord
1 bed/1 bath	1	50% AMI	651	\$545	\$545
1 bed/1 bath	2	60% AMI	651	\$675	\$675
1 bed/1 bath	1	Market Rate	651	\$885	\$885
1 bed/1 bath	1	50% AMI	674	\$545	\$545
1 bed/1 bath	3	60% AMI	674	\$675	\$675
1 bed/1 bath	2	50% AMI	751	\$545	\$545
1 bed/1 bath	5	60% AMI	751	\$675	\$675
1 bed/1 bath	1	Market Rate	751	\$885	\$885
2 bed/1.5 bath	2	50% AMI	1390	\$655	\$655
2 bed/1.5 bath	8	60% AMI	1390	\$810	\$810
2 bed/1.5 bath	2	Market Rate	1390	\$985	\$985
2 bed/1.5 bath	2	50% AMI	1054	\$655	\$655
2 bed/1.5 bath	6	60% AMI	1054	\$810	\$810
3 bed/2 bath	2	50% AMI	1,282	\$760	\$760
3 bed/2 bath	6	60% AMI	1,282	\$940	\$940
3 bed/2 bath	1	Market Rate	1,282	\$1,150	\$1,150
3 bed/2 bath	2	50% AMI	1,464	\$760	\$760
3 bed/2 bath	4	60% AMI	1,464	\$940	\$940
3 bed/2 bath	1	Market Rate	1,464	\$1,150	\$1,150
	52	50% & 60% AMI	Total sf- 58,692	Total - \$41,370	Total - \$41,370

(a) Utilities: Tenants will pay gas heat, gas cooking, gas water heating, and other electric

(b) If a Tenant has a Housing Choice Voucher, they will pay 30% of their income for rent and the Voucher will pay the remaining rent to equal the contract rent per the lease.

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, and house), number of bedrooms and household size. Rent per square foot is not considered except that HUD housing quality standards and Chicago zoning and building codes set minimum room and unit sizes. Different federal funding development and operating support sources may have different maximum income and rent restrictions.

Environmental Features: Energy efficient features include advanced air sealing design for the building

envelope, minimum R-21 exterior wall insulation, minimum R-52 roof insulation, high efficiency furnaces, air conditioners, and water heaters, insulated hot and cold water lines, Energy Star rated kitchen and laundry appliances in each unit, high efficiency lighting, low VOC paints, carpet and pad, and low-flow kitchen and bathroom faucets and showerheads.

Property Management: Phase VI of Homan Square will be absorbed into the existing property management plan and program that is in place for the three previous rental phases for leasing of units and upkeep. There is an on-site management office. This phase of Homan Square will add 2 permanent positions to the management staff.

VI. FINANCIAL STRUCTURE

DPD will provide three funding sources for the project – a \$1.6 million multi-family loan will fund 13% of the development costs; an allocation of 9% LIHTCs to generate equity of \$5.3million; and, with CDC approval, TIF assistance of \$4,530,382 will fund 35% of total development costs. TIF funds will be paid out in two installments: at 50% construction completion and 100% construction completion. The final TIF payout will be contingent upon the project receiving a Certificate of Completion from DPD and a Certificate of Occupancy from the Building Department.

The developer will bridge the TIF payments via a loan.

The TIF-eligible expenses will be reimbursed from available area wide increment via a port of funds from the Roosevelt-Homan TIF to the adjacent Homan-Arthington TIF.

The following table identifies the sources and uses of funds:

Sources				<u>Amount</u>	<u>% of TDC</u>
1st Mortgage Lender				\$ 1,350,000	10.4%
City - Multi-family Loan				\$ 1,674,106	12.9%
City - TIF				\$ 4,530,382	35.0%
Equity				\$ 5,389,461	41.6%
	Total Sources			\$ 12,943,949	100.0%
Uses				<u>Amount</u>	<u>\$/sq.ft of Bldg.*</u>
Land Acquisition	\$ 10.37	per sf of land**		\$ 735,000	\$ 12.52
Site Clearance and Remediation				\$ -	\$ -
Hard Costs				\$ 10,080,230	\$ 171.75
Soft Costs					
Architect's Fee	2.0%	of hard costs	\$ 200,000		
Loan Origination Fee	1.4%	of loan	\$ 60,000		
Legal Fees	1.4%	of total costs	\$ 175,000		
Marketing Fees	0.5%	of total costs	\$ 65,000		
Loan Interest	1.4%	of total costs	\$ 175,000		
Developer Fee	5.9%	of total costs	\$ 770,000		
Other soft costs	5.3%	of total costs	\$ 683,719		
Total Soft Costs				\$ 2,128,719	\$ 36.27
	Total Uses			\$ 12,943,949	\$ 220.54
*Gross building area =	58,692	square feet		TDC per unit =	\$ 248,922
**Land area =	70,905	square feet		TDC psf =	\$ 221

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits.

Affordable Housing: The project will provide 52 new affordable housing units for families.

Property Taxes: The project will expand the tax base by developing land that is currently vacant.

Environmental Features: Environmentally friendly features have been incorporated into the design of the building, including advanced air sealing design for the building envelope, minimum R-21 exterior wall insulation, minimum R-52 roof insulation, high efficiency furnaces, air conditioners, and water heaters, insulated hot and cold water lines, Energy Star rated kitchen and laundry appliances in each unit, high efficiency lighting, low VOC paints, carpet and pad, and low-flow kitchen and bathroom faucets and showerheads.

Construction Jobs: The project will produce approximately 40 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 contractors 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.

Permanent Jobs: The project is estimated to generate 2 permanent jobs in property management and maintenance. Information on the 2 jobs has been forwarded to DPD's workforce development specialists.

VIII. COMMUNITY SUPPORT

Alderman Michael Chandler endorses the project and has provided a letter of support (see exhibits for copy). The project will be officially presented to the community during the Autumn of 2014. The Alderman specifically requested the community meeting not be held too far in advance of the start of the project. The following community organizations/ institutions have endorsed the project: Family Focus, Holy Family Ministries, Lawndale Christian Health Center, and UCAN (see exhibits for copies of support letters).

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the Homan-Arthington Redevelopment Project Area. The implementation strategy for achieving the Redevelopment plan's goals include: reducing deleterious conditions: increasing the number of rental units for a variety of income levels: employing Project Area residents in construction jobs; and strengthening the economic well-being of the project area. The proposed project also conforms to the plan's stated goals and the plan's land use map, which calls for residential development at the subject site.

X. CONDITIONS OF ASSISTANCE

If the proposed resolution is approved by the CDC, DPD will negotiate a redevelopment agreement with the developer. The redevelopment agreement will incorporate the parameters of the proposed project as described in this staff report.

It is DPD policy that no business will be conducted with a development entity where any principal has outstanding municipal debts (such as unpaid parking tickets, unpaid water bills, unpaid business licenses, and others), is in arrears on 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, the 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 Westside Village Phase VI Limited Partnership as developer for the development of Homan Square Phase VI at 3601 W. Arthington St.

EXHIBITS

- 1) TIF Project Assessment Form
- 2) Redevelopment Area Map
- 3) Neighborhood Aerial
- 4) Survey or Plat
- 5) Site Plan
- 6) Front Elevation or Rendering
- 7) Photos from previous phases
- 8) Sample M/WBE Letter
- 9) Copies of M/WBE Certified Letter Receipts
- 10) Letter of Interest from Lender
- 11) Copy of Residential Developer License
- 12) Organization Chart for Westside Village Phase VI Limited Partnership including Directors and Officers
- 13) Community Letters of Support (4 letters)
- 14) Alderman's Letter of Support

TIF PROJECT SCORECARD

Homan Square Phase VI 3601 W. Arthington

Homan Square Phase VI will be the sixth and final phase of the overall Homan Square development on the site of the former Sears Roebuck headquarters campus. The project includes 52 new construction rental units containing one -three bedrooms. Forty-six units will be affordable to households with incomes up to 60% AMI; six units will be market rate rentals. the two and three bedroom units will be 2-story townhouse style dwellings; the one bedroom units will be stacked flats.

Type of Project: **Residential**

Developer: **Westside Village Phase VI Limited Partnership**

Total Project Cost: **\$12,93,949**

Timeline for Completion: **March 2016**

TIF Funding Request: **\$4,530,382**

Project Status: **In process**

TIF District: **Homan-Arthington**

RETURN ON INVESTMENT BENCHMARKS

Advances Goal of Economic Development Plan YES or NO

Develop and deploy neighborhood assets to align with regional econ growth

Jobs Created/Retained
2 permanent jobs
40 temporary construction jobs

Advances Goal of TIF District YES or NO

Affordable Housing Units Created/Preserved
46 units of affordable housing created

Addresses Community Need YES or NO

Provision of low density affordable rental housing.

Return on Investment to City

FINANCIAL BENCHMARKS

Other Funds Leveraged by \$1 of TIF

Financing Structure Grant

Types of Other Funding Leveraged YES or NO

Low Income Housing Tax Credits

RDA TERMS

Payment Schedule:
2 payouts;50% and 100% construction completion

Monitoring Term of Agreement:
10 years

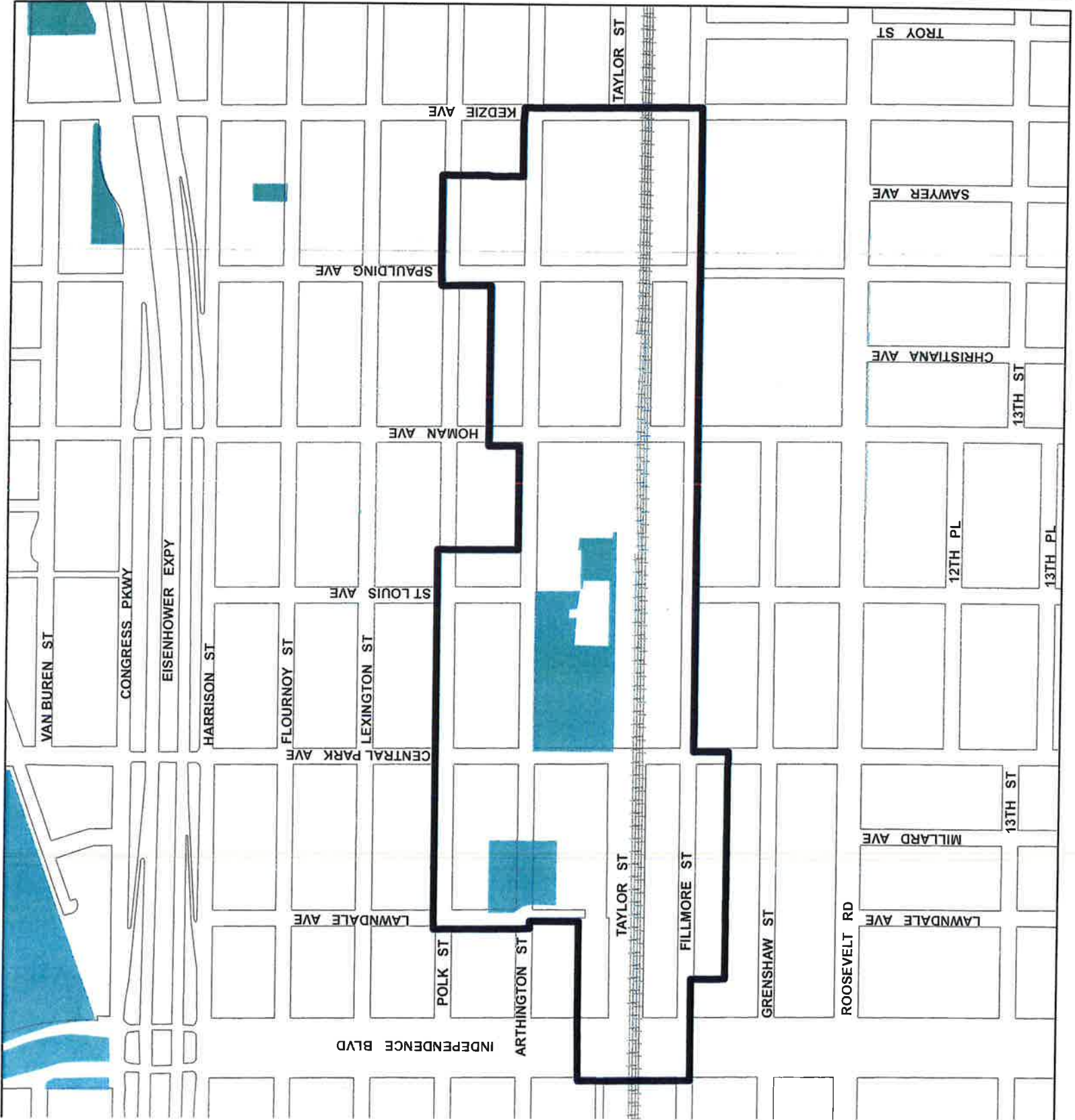
Taxpayer Protection Provisions YES or NO

OTHER CONSIDERATIONS



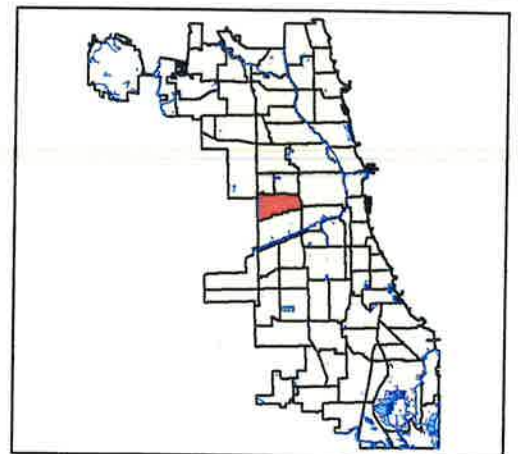
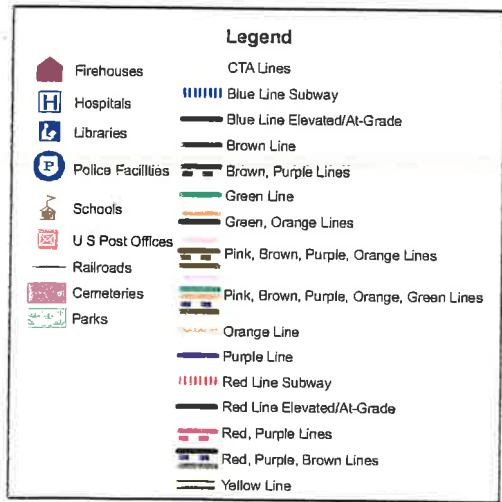
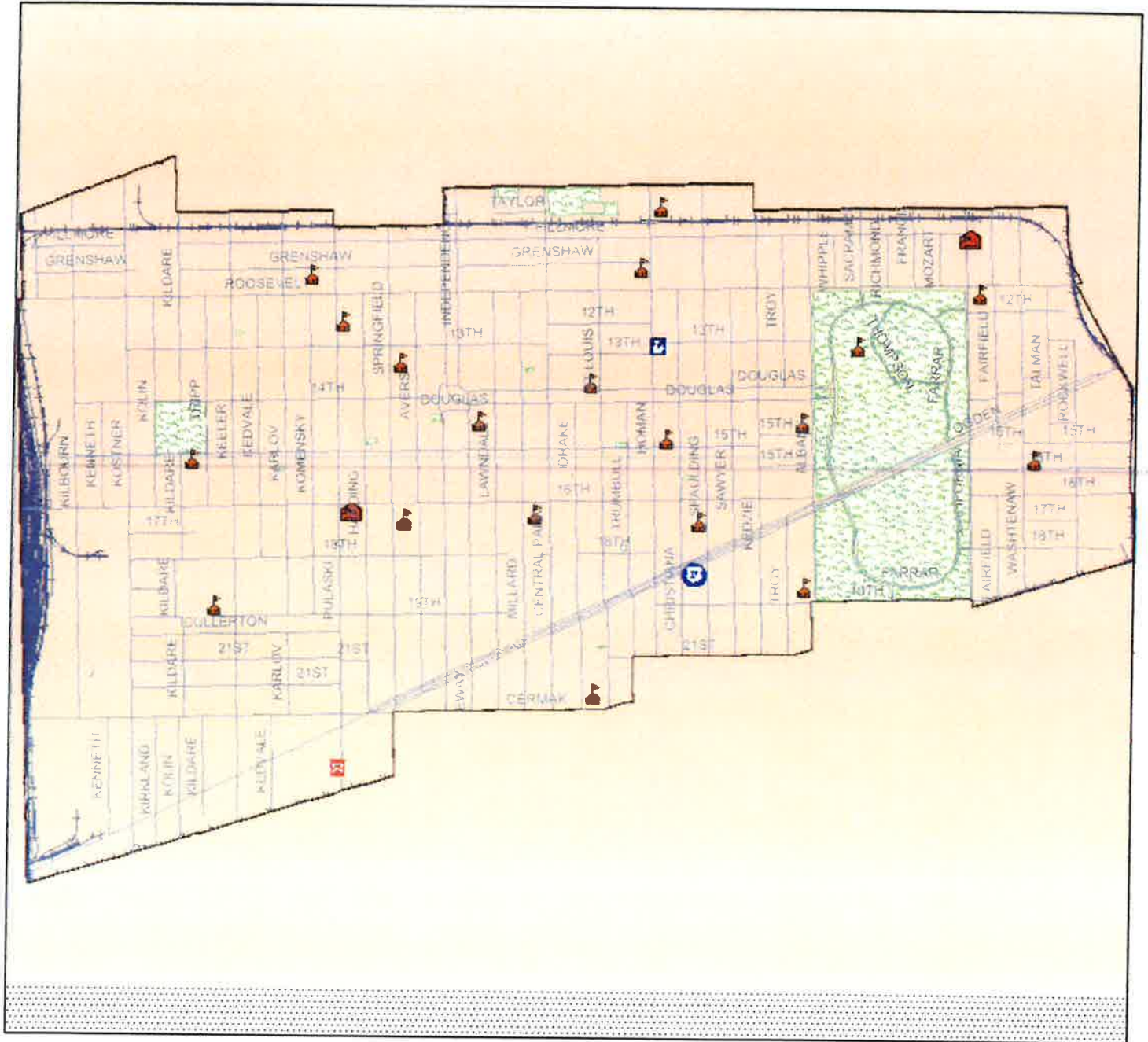
Existing Tax Increment Financing Districts

Homan Arthington

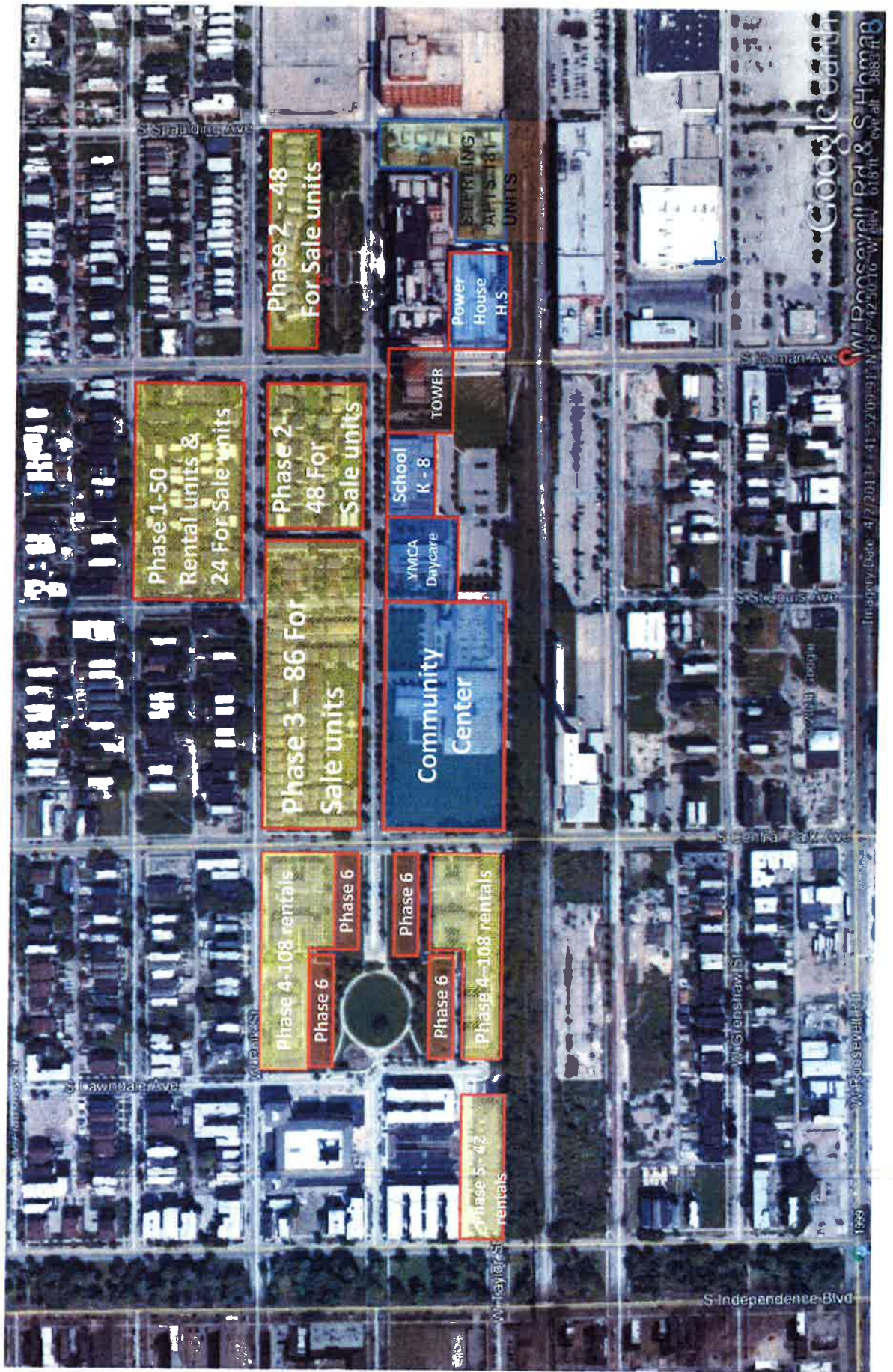




NORTH LAWNDALE



Aerial Photo





EAST



WEST



NORTH



SOUTH





EAST



WEST



NORTH



SOUTH



Photos – Homan Phase V – Phase VI will be a similar design



HOMAN SQUARE



Phase I - Townhouse



Phase I - 6 Flat



Phase I - Townhouse



Phase IV - 3 Flat

THE SHAW COMPANY

REAL ESTATE
DEVELOPMENT
MANAGEMENT
INVESTMENT

WILLIAM T. KING
Executive Vice President/C.F.O.

August 21, 2014

Mr. Omar Duque
Illinois Hispanic Chamber of Commerce
855 W. Adams Street
Chicago, IL 60617

VIA E-mail: info@ihccbusiness.net and US Certified Mail

Re: HOMAN SQUARE APARTMENTS PHASE VI

Dear Mr. Duque:


The Shaw Company is pleased to announce the development of the property located at the intersection of Arthington Street and South Central Park Avenue, Chicago, Illinois. This new development will consist of four buildings containing townhomes and flats for a total of 52 units. Pepper Construction Company is requesting bids for this project due on Wednesday, January 14, 2015. The project will require participation of trades such as site construction, landscaping, concrete, precast, masonry, steel, ceramic tile, MEP/FP, and others. Minority business enterprise (MBE) participation of 25 percent and women business enterprise (WBE) participation of 5 percent will be required for the project. The general contractor contact person is Greg Leofanti and he can be reached by email at gleofanti@pepperconstruction.com or by phone at 312.649.7607.

At your request, the general contractor will meet with a representative of your organization or provide your organization with either website access to the project documents, or one copy of the project bid documents (including plans and specifications).

We are 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,

THE SHAW COMPANY



William T. King
Executive Vice President/CFO

cc: Mike Stensland, PCC
Greg Leofanti, PCC

2211 YORK ROAD, SUITE 207
OAK BROOK, ILLINOIS 60521
TEL: (312) 990-8900
FAX: (312) 990-2910
www.theshaw.com

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X</p> <p>B. Received by (Printed Name) C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>MR. OMAR DUQUE ILLINOIS HISPANIC CHAMBER OF COMMERCE 855 W. ADAMS ST. CHICAGO, IL 60617</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p>7011 2970 0000 1654 8946</p>
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X</p> <p>B. Received by (Printed Name) C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>MS. MARY KAY MINAGHAN WOMEN CONSTRUCTION OWNERS & EXECUTIVES CHICAGO CAUCAS 308 CIRCLE AVE FOREST PARK, IL 60132</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p>7011 2970 0000 1654 8960</p>
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
		B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to: MR. AMAR SHARCEF AFRICAN AMERICAN CONTRACTORS (AACA) 7445 S. CHICAGO AVE SUITE 1E CHICAGO, IL 60619		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)		7011 2970 0000 1654 8977	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
		B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to: MR. PERRY NAKACHII ASSOCIATION OF ASIAN CONSTRUCTION ENTERPRISES (AACE) 5500 TOUCHY AVE, UNIT K SHORLE, IL 60077		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)		7011 2970 0000 1654 8991	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
		B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to: MS. HEDY RATNER WOMENS BUSINESS DEVELOPMENT CENTER (WBDC) 8 S. MICHIGAN, # 40 CHICAGO, IL 60603		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)		7011 2970 0000 1654 8953	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
1. Article Addressed to: MR. EDWARD MCKINIE BLACK CONTRACTORS UNITED (BCU) 12000 S. MARSHFIELD CALUMET PARK, IL 60827	B. Received by (Printed Name)	C. Date of Delivery
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	7011 2970 0000 1654 9011	
	PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
1. Article Addressed to: MR. LARRY BULLOCK SUBURBAN MINORITY CONTRACTORS ASSOCIATION 1250 SOUTH GROVE AVENUE BARRINGTON, IL 60010	B. Received by (Printed Name)	C. Date of Delivery
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	7011 2970 0000 1654 8984	
	PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
1. Article Addressed to: MS. MARSHETTE TURNER RAINBOW PUSH 930 E 50th STREET CHICAGO, IL 60615	B. Received by (Printed Name)	C. Date of Delivery
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	7011 2970 0000 1654 9004	
	PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MR. JORGE PEREZ
 HISPANIC AMERICAN
 CONSTRUCTION INDUSTRY
 (HACIA)
 650 W. LANE ST., SUITE 415
 CHICAGO, IL 60661

2. Article Number
(Transfer from service label)

7011 2970 0000 1654 9035

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

- Yes
 No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

- Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MS. BETH DORIA
 FEDERATION OF WOMEN
 CONTRACTORS
 5650 S. ARCHER AVE
 CHICAGO, IL 60638

2. Article Number
(Transfer from service label)

7011 2970 0000 1654 9042

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

- Yes
 No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

- Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MS. FAMYIA BERRYHILL
 CHICAGO WOMEN IN TRADES
 2444 W. 16TH STREET
 SUITE E
 CHICAGO, IL 60608

2. Article Number
(Transfer from service label)

7011 2970 0000 1654 9028

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

- Yes
 No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

- Yes

Citi Community Capital



TERM SHEET

Multifamily Rental Developments with Rent Restrictions New Construction and/or Substantial Rehabilitation and/or Term Mortgages

BOLER PARK APARTMENTS

June 3, 2011

NOTE: This Term Sheet constitutes a brief summary of certain, but not all, transaction terms and conditions for discussion purposes only. The summary that follows is subject to credit approval and does not constitute an offer or commitment.

In connection with this Term Sheet, CITI will be acting solely as a principal and not as your agent, advisor or fiduciary. CITI has not assumed a fiduciary responsibility with respect to this Term Sheet, and nothing in this transaction or in any prior relationship between you and CITI will be deemed to create an advisory, fiduciary or agency relationship between us in respect of this Term Sheet. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with this Term Sheet, if you have not already done so.

PRELIMINARY LOAN TERMS

Transaction Summary:	Citibank, N.A. (together with its affiliates, "CITI") proposes to arrange a construction/permanent loan (the "Loan") to the Borrower (defined below) in connection with the acquisition and construction of the Property described below.
Property:	A to-be-constructed multifamily senior housing property containing 52-units located in Chicago, Illinois. The property is commonly referred to as "Boler Park Apartments."
Set-Asides:	12 of the units are reserved for individuals or families whose income is no greater than 30% of Area Median Income ("AMI"). 34 of the units are reserved for individuals or families whose income is no greater than 60% of AMI. 6 of the units will be unrestricted market rate units.
Applicant:	The Homan-Arthington Foundation
Borrower:	A single asset entity whose manager or general partner is the Applicant or an affiliate of Applicant. Borrower entity, its constituent entities and operating/partnership agreement must be acceptable to CITI in all respects. It is anticipated that Westside Village Phase VI Limited Partnership will be the Borrower.
Guarantor(s):	The Homan-Arthington Foundation and/or other individual(s) or corporate entity acceptable to CITI in all respects. The Guarantor(s)' financial condition(s) must be acceptable to CITI in all respects.

**LIHTC Investor/
Syndicator:**

If applicable, the Low Income Housing Tax Credit ("LIHTC") Investor / Syndicator, the upper tier investor(s) if any and, the agreement between the LIHTC Investor/Syndicator and the Sponsor-affiliated manager entity, must be acceptable to CITI in all respects including, particularly, as to the timing and conditions to funding capital contributions.

At a minimum, CITI will require: 15% of the total LIHTC equity at closing, an additional 35% of the total LIHTC equity at construction completion or temporary certificate of occupancy, an additional 25% of the total LIHTC equity by lease-up / stabilization, and the remaining amounts at conversion if CITI is providing the permanent loan. At no time shall CITI's loan be out of balance with equity funded into the transaction. CITI will waive standard third party equity pay-in requirements if CITI or a related CITI entity is the LIHTC investor.

Subordinate Debt:

If applicable, the sources of subordinate debt and the subordinate loan documents must be acceptable to CITI in all respects. All subordinate debt must fund prior to Loan funding unless CITI approves other arrangements.

Loan Security:

First lien on land and any improvements, UCC filings for fixtures; assignment of all leases and rents; and, a first priority collateral assignment of all contracts, management agreements, and other agreements and all permits relating to the Property. Ground leases must be subordinate to CITI's lien position unless the fee is owned by a government agency to ensure long-term affordability. All income and rent restrictions will be subordinate to the CITI security instrument.

Recourse:

Prior to conversion of the Loan to the Permanent Phase (described below) and during the Construction Phase (described below), the Loan will be fully recourse to the Borrower and to the Guarantor(s).

**Guarantees,
Construction Phase:**

Prior to conversion of the Loan to the Permanent Phase and during the Construction Phase, Completion and Repayment Guarantees are required from the Borrower and the Guarantor(s).

**Guarantees,
Permanent Phase:**

None, except for industry standard carve outs ("Carve Outs"). Carve Outs include guarantees against fraud, misrepresentation, bankruptcy and environmental issues.

**Environmental
Indemnity:**

Borrower and Guarantor(s) will be liable for CITI's standard environmental indemnity.

Closing:

Closing is subject to full satisfaction of CITI's standard due diligence, underwriting and credit approval processes, and the execution and delivery of all required loan documents, delivery of opinions, payment of fees and other customary requirements.

Closing Date (est.):

March 31, 2012

CONSTRUCTION PHASE

Construction Phase

Loan Amount: An amount, currently estimated to be \$5,500,000 - but in any event, an amount not to exceed 80% of costs budgeted for the Construction Phase.

Term: 24 months, plus one 6-month extension(s). Fees for the extension(s) are indicated below under "Fees & Expenses".

Construction Phase

Interest Rate: Variable rate equal to one month LIBOR plus a spread of 3.00%, with no floor or minimum rate ("Construction Phase Interest Rate"). Rate adjusts monthly. Currently, one month LIBOR is trading at approximately 0.19%, for an all-in rate of 3.19%. Pricing is based on current market conditions and CITI agrees to hold the spread through the Closing Date, barring any major adverse or favorable changes in capital markets credit conditions.

Availability: Loan proceeds will be advanced to Borrower on a "draw down" basis upon receipt of a written request from Borrower, supported by documentation acceptable to CITI. Borrower will be required to submit a loan budget worksheet with each draw request tracking all Property sources and uses of funds. Draw requests limited to one per month.

Loan in Balance: The loan must remain "in balance" during the Construction Phase. "In balance" means that (1) the funds available during the Construction Phase (from the Loan and all other debt and equity sources) are sufficient to complete the construction or rehabilitation of the Property and all other expenses reasonably expected to be necessary to achieve the conditions for conversion of the Loan to the Permanent Phase; and (2) the sources available at Conversion are sufficient to pay down the Construction Phase loan amount to the Permanent Phase loan amount, along with any other funding requirements for Conversion.

Amortization: None. Payments on the Loan during the Construction Phase will be interest only.

**Prepayment and
Yield Maintenance:**

Prepayment of Loan principal amounts during the Construction Phase may be made without prepayment fee or penalty unless the Construction Phase Loan Amount is reduced to less than the maximum Permanent Phase Loan Amount (defined below). In that case, a fee equal to one percent (1.0%) on the anticipated Permanent Phase Loan Amount will be due to CITI.

Interest Reserve: Calculated at the Construction Phase Interest Rate noted above, plus a cushion acceptable to CITI at time of final Credit approval. Currently, CITI is underwriting with a cushion of 1.50%. The Interest Reserve will be sized based on an analysis of the projected draw schedule for the Loan during the Construction Phase.

**Budget and
Contingencies:**

The budget for the Construction Phase, including all budget line items, is subject to CITI approval. The budget shall include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects or, 10% for renovation projects. The budget shall include a soft cost contingency of no less than 5% of budgeted soft costs, excluding 1) soft costs incurred prior to or in connection with closing; 2) interest reserve and bank fees; 3) capitalized operating reserve deposits and other costs that may be due in connection with Conversion for which specific sources are identified; and 4) developer fees.

General Contractor and Bonding Requirements:

The general contractor and the construction contract must be acceptable to CITI. CITI will require payment and performance bonds equal to 100% of the construction contract amount. Surety issuing bonds must have an A.M. Best rating of "A/XIV" and must be acceptable to CITI in all other respects. In lieu of bonds, CITI will accept a letter of credit ("LC") equal to 10% of the initial construction contract amount. LC provider must be rated "A" or better.

Retainage:

Construction contract will provide for retainage of 10% of each construction pay application until substantial completion of construction is achieved unless other arrangements have been approved by CITI. All retained amounts will be released upon final, lien-free completion of construction, as approved by CITI.

PERMANENT PHASE

Permanent Phase Loan Amount:

An amount currently estimated to be in the maximum amount of \$1,650,000 or such other loan amount supported by CITI's underwriting of the Property at the time of Conversion in accordance with CITI's underwriting requirements including those listed below. If CITI'S underwriting at Conversion causes a reduction of the Loan to less than fifty percent (50%) of the anticipated Permanent Phase Loan Amount, a fee equal to one percent (1.0%) on the anticipated Permanent Phase Loan Amount will be due to CITI.

Term/Amortization:

16/30 years

Yield Maintenance Period:

14.5 years

Permanent Phase Interest Rate:

Fixed rate equal to the 10-year treasury yield plus a spread of 3.50%, with a floor of 7.00%. Currently, 10-year treasury is trading at approximately 3.00%; as a result, the estimated all-in rate would be the floor rate of 7.00%. Pricing is based on current market conditions and CITI agrees to hold the spread through the Closing Date, barring any major adverse or favorable changes in capital markets credit conditions. The rate will be committed at the time of closing of the Construction Phase financing.

Conversion to Permanent Phase Requirements:

Conversion requirements include completion of construction and 90% physical occupancy of Project for three consecutive calendar months. CITI will review the Property's net operating income to determine the maximum Permanent Phase Loan Amount based on the Debt Service Coverage and Loan-to-Value noted below.

Debt Service Coverage:

1.15 minimum

Loan-to-Value:

90% of market value, based on restricted rents and inclusive of value of permanent below market financing (if applicable), assuming project rents on 80% or more of the units are discounted to a level at least 10% below market. Otherwise, 85%.

Replacement Reserve: Upon Conversion, Borrower will be required to fund a Replacement Reserve at a level of \$250/unit/year for each of the first five years following Conversion. Five years following Conversion (and for each successive five year period thereafter until Loan maturity), the Replacement Reserve level will be determined following completion of a Physical Needs Assessment acceptable to CITI.

Operating Deficit Reserve: CITI will require an Operating Deficit Reserve. The Operating Deficit Reserve will be sized to equal six months of operating expenses (including all debt service payments and replacement reserve deposits)

Taxes and Insurance: Commencing upon Conversion, real estate taxes and insurance premiums must be escrowed with the Loan servicer (the "Servicer") on a monthly prorated basis in an amount sufficient to enable the Servicer to pay (at least 30 days before due) all taxes, assessments, insurance premiums or other similar charges affecting the Property.

OTHER

Appraisal, Environmental, Plan/Cost Reviews: Appraisal and Plan/Cost Review reports will be commissioned and reviewed by CITI. CITI may rely upon environmental reports commissioned by Borrower if report is current (within 12 months) and Citi has been provided evidence of acceptable E&O insurance coverage carried by Borrower's environmental consultant and a reliance letter in form acceptable to CITI. Appraisal, environmental condition and plan/cost reviews must be acceptable to CITI in all respects.

Property Tax Abatements, Incentives: All documentation related to any tax abatement or tax incentives must be acceptable to CITI in all respects.

Developer Fee: Any developer fee paid prior to conversion to the Permanent Phase shall be pre-approved by CITI in its sole discretion.

FEES & EXPENSES

Application Fee: \$20,000, which amount shall be non-refundable and due and payable upon acceptance of a Loan Application. This fee is applicable toward third party reports, loan underwriting and processing (in the minimum amount of \$5,000), and CITI's initial legal fees. Applicant is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the Loan (including CITI legal fees).

Origination Fee: A non-refundable Origination Fee equal to 1.00% of the Construction Phase loan amount (the "Origination Fee") shall be earned in full by CITI upon the closing of the Loan, and is due and payable at that time.

CITI Legal Fees (est): Estimated fees of CITI's counsel for the initial closing is \$35,000 and assumes no significant negotiation over CITI's form documents. A portion of the Application Fee will be applied to initial CITI counsel fees. Applicant agrees to make a supplemental deposit to cover CITI's counsel fees once the drafting of legal documentation commences, if requested.

Estimated fees of CITI's counsel for work associated with conversion of the Loan to the Permanent Phase is \$3,000.

Course of Construction Inspections (est):

\$1,000 per monthly report (estimated, will be bid by CITI prior to closing).

Construction Term Extension Fee:

0.25% of the outstanding Construction Phase Loan Amount.

Conversion Fee and Expenses:

A Conversion fee equal to \$10,000 will be charged by CITI. Other expenses include insurance review, site inspection, loan servicer set-up fees are estimated to be \$5,000.

Other Costs:

Applicant is responsible for costs of survey, title insurance policy, hazard insurance policy, tax escrow fee and all other normal and customary Loan closing expenses.

Term Sheet

Expiration Date:

Ninety (90) days after the date hereof, unless attached to a Preliminary Application letter.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

If you have any questions relating to financing terms outlined for Boler Park Apartments, or if we can be of any further assistance, please do not hesitate to let us know.

Sincerely,

CITIBANK, N.A.

By: _____

A handwritten signature in black ink, appearing to read 'Mark Risch', is written over a horizontal line.

Name: Mark Risch
Vice President
Citibank, N.A.
(303) 308-7401 office

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

This Term Sheet is an indication of our proposal to finance the Property. It is understood and agreed that this Term Sheet does not, in any manner, constitute a commitment to lend. The financing documents evidencing the loan will be documented separately and will contain terms and conditions that may be in addition to or in substitution of those set forth in this Term Sheet.

Any terms set forth herein are intended for discussion purposes only and are subject to the final terms as set forth in separate definitive written agreements. This Term Sheet is not a commitment to lend, syndicate a financing, underwrite or purchase securities, or commit capital. By accepting this Term Sheet, subject to applicable law or regulation, you agree to keep confidential the existence of and proposed terms for any transaction contemplated hereby (a "Transaction").

Prior to entering into any Transaction, you should determine, without reliance upon us or our affiliates, the economic risks and merits (and independently determine that you are able to assume these risks) as well as the legal, tax and accounting characterizations and consequences of any such Transaction. In this regard, by accepting this Term Sheet, you acknowledge that (a) we are not in the business of providing (and you are not relying on us for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with any Transaction, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice and (d) you should apprise senior management in your organization as to such legal, tax and accounting advice (and any risks associated with any Transaction) and our disclaimer as to these matters. By acceptance of these materials, you and we hereby agree that from the commencement of discussions with respect to any Transaction, and notwithstanding any other provision in this presentation, we hereby confirm that no participant in any Transaction shall be limited from disclosing the U.S. tax treatment or U.S. tax structure of such Transaction.

IRS Circular 230 Disclosure: Citigroup, Inc. and its affiliates do not provide tax or legal advice. Any discussion of tax matters in these materials (i) is not intended or written to be used, and cannot be used or relied upon, by you for the purpose of avoiding any tax penalties and (ii) may have been written in connection with the "promotion or marketing" of the Transaction. Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

We are required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with us. We will ask for your complete name, street address, and taxpayer ID number. We may also request corporate formation documents, or other forms of identification, to verify information provided.

CITY OF CHICAGO

**LICENSE CERTIFICATE
NON-TRANSFERABLE**

BY THE AUTHORITY OF THE CITY OF CHICAGO, THE FOLLOWING SPECIFIED LICENSE IS HEREBY GRANTED TO

NAME: WESTSIDE VILLAGE PHASE VI LIMITED PARTNERHSIP

PRINTED ON:
08/14/2014

DBA: HOMAN SQUARE APARTMENTS
AT: 2211 YORK RD., Apt./Suite 207
OAKBROOK, IL 60523
OAKBROOK, IL

LICENSE NO: 2350292

CODE 4404

FEE \$****250.00

LICENSE: Regulated Business License

Includes: Residential Real Estate Developer;

PARTNER: WILLIAM THOMAS KING

This license is a privilege granted and not a property right. This license is the property of the City of Chicago.

THIS LICENSE IS ISSUED AND ACCEPTED SUBJECT TO THE REPRESENTATIONS MADE ON THE APPLICATION THEREFOR, AND MAY BE SUSPENDED OR REVOKED FOR CAUSE AS PROVIDED BY LAW. LICENSEE SHALL OBSERVE AND COMPLY WITH ALL LAWS, ORDINANCES, RULES AND REGULATIONS OF THE UNITED STATES GOVERNMENT, STATE OF ILLINOIS, COUNTY OF COOK, CITY OF CHICAGO AND ALL AGENCIES THEREOF.

WITNESS THE HAND OF THE MAYOR OF SAID CITY AND THE CORPORATE SEAL THEREOF

THIS DAY OF

14

AUGUST

, 2014

EXPIRATION DATE

ATTEST:

August 15, 2016



Rahm Emanuel
MAYOR

ACCOUNT NO.

TRANS NO 392726

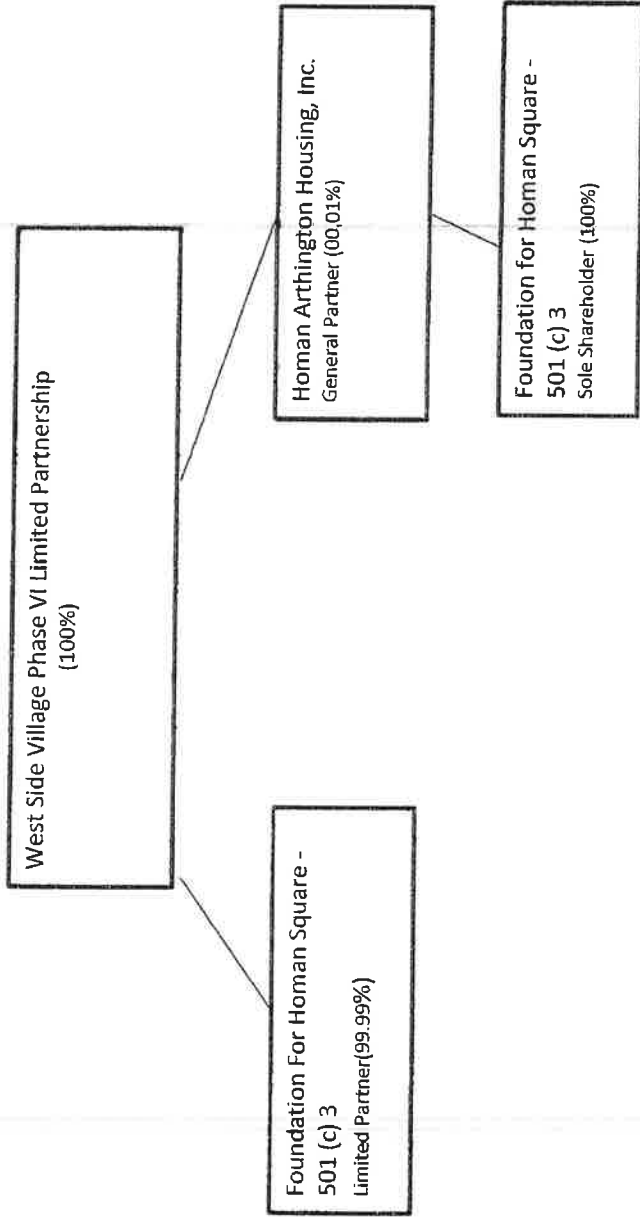
SITE 1

Suzanne J. Mendez
CITY CLERK



THIS LICENSE MUST BE POSTED IN A CONSPICUOUS PLACE UPON THE LICENSED PREMISES

West Side Village Phase VI Limited Partnership Ownership Chart



Directors and Officers

	Kristin	William	Charles	John
Foundation for Homan Square Homan Arthington Housing, Inc.	<u>Dean</u>	<u>King</u>	<u>Leeks</u>	<u>Nichols</u>
	D / P	VP/ST	D	D
	D / P	VP/ST	D	D

Board of Directors
Sara J. Gourlay
Chair
Bernice Weisboud
Founder and Chairman Emerita
Neil Hughes
Vice Chair
William M. Grossmann
Treasurer
Donna Adam
Secretary
Merri Ex
President and CEO



Jacinda D. Adams
Bary A. Barretta
Donna Barrows
Alicia Cruz
Stephen Fortino
Stephen B. Friedman
Vaughn Gordy
Ruth Grant, Ph.D.
Rheana Towner Guess
Lisa Herrera
Susan Jacobs
Sharad K. Kapur
Susan R. Kiphart
Patrick M. Magoun
Brian S. Maher
Nancy Meier
Gwendolyn D. Rogers, Ph.D.
Mary Ann Sias
Rita P. Sussman, Ph.D.
John Syvertsen
Richard Weissboud, Ph.D.
John Baker Welch
Scott Wilgenbusch
Sara West

Representatives,
Community Advisory Boards
Walter Cashoun
Noel K. Cayford-Harden, Ph.D.
Paula Johnson
William Koleseike
Jason Simmons
Stephen M. Vick

Co-Founders
Irving B. Harris
Bernard Weissboud

Emeritus/Honorary Board
Christine Albritton
Charles Benton
Hon. Marjorie Craig Benton
Barbara Bowman
Lester Crown
Onnie Darrow
James C. Hagy
Chaz Hammelsmith (Emer.)
King Harris
Christie Helner
James W. Hoak
Carol G. Kloster
Judy Langford
Arthur C. Nielsen III, M.D.
Jeffrey Rhodenbaugh
John W. Rogers, Jr.
Warner Saunders
Anne Lea Tuohy
Kim Waller

Professional Advisory Board
Susan Crown-Kunkler
Robert P. Gordon, M.D.
Raymond Grady
Susan Manlow
John L. McKnight
Dolores G. Norton, Ph.D.
Betty Lu K. Saltzman

August 20, 2014

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

Dear Commissioner Mooney,

Homan Square has provided much needed affordable housing in the North Lawndale community over the past two decades. I am in full support of their efforts to add to the quality housing by building another phase of rental apartments. This community needs more housing and Homan Square is the right place for it.

Family Focus has been in the Lawndale community for over 10 years. We have a longstanding partnership with the Foundation for Homan Square and consider them one of our strongest allies in the fight to serve local families living in low-income communities. They have a proven track record and I urge you to approve their application for more housing in our community.

Thank you.

Sincerely,

Caterina Varvaro
Director of Finance and Administration

Administrative Offices
550 Frontage Road, #2820
Northfield, Illinois 60093
Tel. 773-273-6013



School & Youth Programs
3415 W. Arthington Street
Chicago, Illinois 60624
Fax 773-273-6014

August 19, 2014

Dear Commissioner Mooney,

For six years Holy Family Ministries has been peacefully located directly across the street from the affordable housing managed by the Foundation at Homan Square in the North Lawndale neighborhood. The residents are good neighbors to us and the Foundation's management of the development has been exemplary.

I am in full support of the Foundation's efforts to add to the quality housing available in our neighborhood by constructing another phase of rental apartments. This community needs more good housing, and Homan Square is the right place for it. The easy access to the Eisenhower Expressway is a real plus, and we are just ten minutes west of the Loop. Furthermore, many nonprofit organizations provide amenities that make this neighborhood desirable to those seeking affordable housing close to downtown.

During our six years at Homan Square, Holy Family Ministries has been providing high quality learning and youth development programs for children ages three to fourteen. Our programs have thrived and the children we serve have thrived during our time here. The Foundation at Homan Square has been steadily supportive of our endeavors, and we consider them a valued partner.

Because of the Foundation at Homan Square's proven track record, I urge you to approve their application to develop more housing in our community.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Susan".

Susan M. Work, Ph.D.
Chief Executive Officer
Holy Family Ministries
swork@hfm.org
www.hfm.org

We provide opportunities for children and adults from Chicago's underserved neighborhoods to excel academically, grow spiritually, expand life experiences, and become effective leaders.

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LAWNDALE CHRISTIAN

Living God. Loving People.

Wednesday, August 20, 2014

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

Dear Commissioner Mooney,

As a proud participant in the Homan Square redevelopment project, I am pleased to present this letter of support for Homan Square to expand their housing offerings. Homan Square has provided much needed affordable housing in the North Lawndale community over the past two decades. I am in full support of their efforts to add to the quality housing by building another phase of rental apartments. This community needs more housing and Homan Square is the right place for it.

Lawndale Christian Health Center (LCHC) has been working in the community for 30 years and we are consistently pleased with the partnership we have with the Foundation for Homan Square. As a primary medical care provider for nearly 55,000 residents of the West Side of Chicago, LCHC knows first-hand the physical and mental health effects that residents suffer when they lack adequate access to housing.

Having worked with The Foundation for Homan Square, we are familiar with their proven track record of community support and successful housing development and I urge you to approve their application for more housing in our community. Thank you.

Sincerely,

Bruce Miller, MHA

CEO



P. (773) 588.0180
 F. (773) 588.7762
 3737 N. Mozart Street
 Chicago, IL 60618-3639
 www.ucanchicago.org

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August 20, 2014

Commissioner Andrew Mooney
 City of Chicago Planning and Development
 121 N. LaSalle Street, 10th Floor
 Chicago, IL 60602

Dear Commissioner Mooney,

Homan Square has provided much needed affordable housing in the North Lawndale community over the past two decades. I am in full support of their efforts to add to the quality housing by building another phase of rental apartments. This community needs more housing and Homan Square is the right place for it.

UCAN has been in the Chicagoland area for 145 years and we are proud to be partners with the Foundation for Homan Square. Today we are a multi-faceted social service organization serving 10,000 children, youth and families. Our vision "youth who have suffered trauma can become our future leaders" guides us in providing more than 30 programs ranging from foster care and clinical therapy to parenting education and violence prevention programming.

Homan Square has a proven track record and I urge you to approve their application for more housing in our community. If you have any questions or need any additional information, please feel free to me at 773-290-5800 or thomas.vandenberk@ucanchicago.org.

Sincerely,

Thomas C. Vanden Berk
 CEO



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CITY OF CHICAGO

COUNCIL CHAMBER

CITY HALL--ROOM 200
121 NORTH LA SALLE STREET
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MICHAEL D. CHANDLER

ALDERMAN, 24TH WARD
1158 SOUTH KEELER STREET
CHICAGO, ILLINOIS 60624
TELEPHONE: 773-533-2400
FAX: 773-722-2400

E-MAIL: MICHAEL.CHANDLER@CITYOFCHICAGO.ORG

August 18, 2014

Mr. Andrew Mooney, Commissioner
City of Chicago
Department of Housing and Economic Development
121 N. LaSalle Street #1006
Chicago, IL 60602-1202

Re: Homan Square Rentals – Phase VI

Dear Commissioner Mooney:

I am writing to express my enthusiastic support for this new Homan Square rental Development. This will be the final phase of housing at the Homan Square development which has been a tremendous success to date. Your approval will help insure that high quality housing will continue to be affordable to the broadest income range possible.

As part of the Homan Square campus, the tenants in this new development will be able to enjoy the many amenities offered there to existing residents which include a public park (Boyer Park), a state-of-the-art fieldhouse operated by the Chicago Park District, and an adjacent Community Center that provides numerous social services.

The amounts of financing I support are as follows:

- LIHTC Allocation of \$550,000 that will generate approximately \$5.4 million in equity.
- TIF Grant in the amount of \$4,530,382 ported from the Roosevelt-Homan TIF into the Homan-Arthington TIF.
- City of Chicago DPD Multi-Family Loan in the amount of \$1,674,106

It is my understanding that the above referenced TIF amount needs to be ported during the Autumn of 2014 in order for the Project to proceed, and I am in support of this effort.

Sincerely,

Michael D. Chandler
Alderman, 24th Ward

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

RESOLUTION NO. __ - CDC -

**AUTHORIZATION TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH WESTSIDE VILLAGE PHASE VI LIMITED PARTNERSHIP**

**AND
RECOMMENDATION TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF WESTSIDE VILLAGE PHASE VI 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 97-CDC-78 and pursuant to the Act, enacted three ordinances on February 5, 1998 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Homan Arthington 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, Westside Village Phase VI 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 a 52-unit multi-family project, with 46 units affordable to households earning up to 60% of AMI and 6 units to be rented at market rate (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 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: _____, 20__

Attachment: Exhibit A, Street Boundary Description

EXHIBIT A

**Street Boundary Description of the
Homan-Arthington Tax Increment Financing
Redevelopment Project Area**

The Area is generally bounded by Polk Street and Arthington Street on the north, Kedzie Avenue on the east on the east, Fillmore Street on the south, and Independence Blvd. and Lawndale Avenue on the west.