City of Chicago
Department of Housing and Economic Development

STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING AUTHORITY TO APPROVE THE SALE OF LAND TO A CDC-DESIGNATED SUCCESSFUL RFP RESPONDENT
AND DESIGNATION OF THE SUCCESSFUL RESPONDENT AS DEVELOPER
July 12, 2011

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	Viceroy Apartments
Property Address:	28 N Ogden (17-08-332-007) 1517 W Warren Blvd (17-08-332-006) 1519-21 W Warren Blvd (17-08-332-005)
Ward and Alderman:	27th Ward, Alderman Walter Burnett
Community Area:	Near West Side
Redevelopment Area:	Central West TIF Redevelopment Project Area
Requested Action:	Approve the sale of the land to the CDC-designated successful RFP respondent and designate the respondent as Developer
Successful Respondent And Date Designated By CDC:	Heartland Housing and First Baptist Congregational Church designated on April 14, 2009
RFP Development Goal:	Development of supportive housing units in an existing historically significant building and the redevelopment of the adjacent surface parking lots for mixed-use development
Proposed Development:	Historic rehabilitation of former Viceroy Hotel into 89 units of permanent, affordable, studio supportive housing

Target Price:	**$1.00**
	Appraised value: **$2,300,000** (based on appraisal August 21st, 2008)
	Description: Viceroy Hotel building with a use restriction limited to its renovation as Studio Supportive Housing, the land directly beneath the Viceroy Hotel, and the eastern parking lot if used as surface parking and open space to serve the Viceroy Hotel. Approximately 23,067 square feet of land.
Offer Price:	$1
Write-down:	$2,299,999
TIF Assistance:	$3,876,673
RFP Key Dates:	RFP Issued: September 9, 2008 Responses Due: January 12, 2009

II. BACKGROUND

CDC authorized the issuance and advertisement of a Request For Proposals on September 9, 2008 for the purchase and redevelopment of the subject property. The primary goals and objectives of the RFP are as follows:

- Development of permanent affordable housing.
- Provision of supportive housing.
- Preservation and rehabilitation of a historically significant building.
- Redevelopment of surface parking lots for mixed use.

HED received three responses to the RFP by the deadline date of January 12, 2009. The department evaluated the responses and recommended that Heartland Housing and First Baptist Congregational Church be designated the successful respondent. Their proposal best satisfied the goals and objectives of the RFP for the following reasons: a) the response was very thorough, detailed, and easy to read; b) the developers demonstrated a comprehensive understanding of all affordable housing financing options, presented a sound budget, and included a description of financing options they intend to pursue; c) the proposal included a strong plan for the provision of supportive services and a description of the demographic they intend to serve; d) the proposal incorporated a strong rehabilitation plan with historic preservation as a primary objective; e) the proposal addressed all urban design goals as stated in the RFP; and f) the proposal includes a high-level of sustainable building techniques to achieve a LEED silver designation.

At the April 14, 2009 meeting, CDC designated Heartland Housing and First Baptist Congregational Church as the successful respondent and rejected all other responses to the RFP. CDC also authorized HED to continue negotiating with the successful respondent the final form of the development proposal. HED has concluded these negotiations and is here to present the development proposal for the commission=s approval.

III. PROPERTY DESCRIPTION

Address:	28 N. Ogden Ave. 1517 W. Warren Blvd. 1519-21 W. Warren Blvd.
Location:	Southwest corner of Warren Boulevard and Ogden
Property Identification Numbers:	17-08-332-005; 17-08-332-007; 17-08-332-006
Land Area:	Approximately 23,067 square feet of land
Current Use:	The property contains three parcels: the existing 6-story, 51,000 +/- square-foot building, and a surface parking lot (two adjacent parcels) to the east. The existing building is structurally sound but in poor condition inside with no operable mechanical systems. The building has been vacant since January 2007.
Current Zoning:	B2-3 Neighborhood Mixed-Use District
Environmental Condition:	An environmental assessment of the building was procured by the City of Chicago in April 2007. The assessment confirmed the presence of asbestos containing building materials, lead-based painted surfaces, and mold growth throughout the building. The assessment did not include an analysis of the two surface parking lots adjacent to the building. The developer submitted a Phase I environmental assessment to the City on May 7, 2010. The Phase I confirmed the findings of the original 2007 assessment and identified two additional environmental conditions: two historic fuel oil underground storage tanks and an unresolved leaking underground storage tank incident on an adjacent property which may have impacted the development site. A Phase II environmental assessment was submitted to the City on June 14, 2011. The Department of Environment is in the process of reviewing the Phase II report and will advise the HED and the developer on the steps necessary to clean-up the site. The developer will be responsible for the clean-up and any costs associated with the removal of the contaminants. The land and the property will be sold Aas-is@ with no warranties or representations as to its environmental condition, and it will be the responsibility of the selected respondent 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: For purposes of developing supportive housing, the City acquired the property in 2005 for $5,100,000 (TIF funded) from the Viceroy Hotel, LLC (Mark Ordower and David Aebert).

IV. SELECTED DEVELOPMENT TEAM

Development Entity: Heartland Housing, Inc. (HHI) and First Baptist Congregational Church (FBCC) executed a Memorandum of Understanding in November of 2008 to develop permanent, supportive housing at the Viceroy Building.

The Viceroy Hotel Limited Partnership will be the project owner. The Viceroy Hotel Limited Partnership will consist of Viceroy GP, LLC as the General Partner with a .01% ownership interest and Heartland Housing, Inc. with a 99.99% ownership interest. Viceroy GP, LLC consists of Heartland Housing, Inc. with a 75% ownership interest and First Baptist Congregational Church with a 25% ownership interest. At closing, the General Partner, Viceroy GP, LLC will have an .01% interest and Enterprise Community Investments, Inc. or an entity acceptable with HED will replace Heartland Housing, Inc. as the limited partner with 99.99% ownership interest.

HHI will be responsible for the development and overall operations of the Property, including all property management, asset management and other related services. Heartland will be responsible for the ultimate determination and utilization of all project partners and of all other development activities.

In its position as the local partner, FBCC will serve as the main public representative, with responsibilities to include guiding and facilitating community input and coordinating media relations.

The developer's organization chart is included in the exhibits.

Heartland Housing, Inc.

Heartland Housing, Inc. is a leader in developing and managing affordable housing in the Midwest. Heartland Housing builds and advocates for safe, high-quality housing and supportive services for people experiencing homelessness, poverty, or chronic illness. As Heartland Alliance's housing division, Heartland Housing has developed and manages over a thousand affordable homes across the Chicago region and Midwest since their founding in 1988. Heartland Housing has completed a number of multi-family projects in the City utilizing City loans, all in good standing including Hollywood House, Karibuni Apartments, and Jazz on the Boulevard.

Heartland Alliance advances the human rights and responds to the human needs of endangered populations—particularly the poor, the isolated, and the displaced—through the provision of comprehensive and respectful services and the promotion of permanent solutions leading to a more just global society.

Heartland Alliance was founded in 1888, when Chicago became the second city to form a Travelers Aid organization. Newcomers moving to the city to look for work—particularly vulnerable youth and women—were able to visit Travelers Aid service centers around the city's ports and rail stations and receive help with housing, employment and community resettlement.

These efforts were expanded by the work of Jane Addams and her colleagues at Hull House, when they founded the League for the Protection of Immigrants in 1908. The League advocated to ensure immigrant rights and worked to integrate immigrants into U.S. life, placing particular attention on legal protections for youth.

In 1967, the two organizations with parallel missions merged into one: Travelers Aid of Metropolitan Chicago. In the 1970s, the organization was one of the first partners of the U.S. government's new refugee resettlement program and began working in health care with an initiative to provide medical and dental care to migrants.

Heartland Alliance for Human Needs & Human Rights was formally adopted as the name of the organization in 1995 to reflect the growing portfolio of housing, health care, economic security, and legal protections services.

A list of the board of directors is attached in the exhibits for your reference as is a summary of the qualifications of the development team and key staff.

Consultants: Landon Bone Baker is the project architect. Humboldt Construction is the general contractor, Applegate & Thorne-Thomsen will be the finance attorneys and Heartland Human Care Services is the supportive service provider.

V. PROPOSED PROJECT

Project Overview: The successful respondent, Heartland Housing / First Baptist Congregational Church, was recommended to and approved by the Community Development Commission on April 14, 2009. The Developer proposes to redevelop the Viceroy into 89 units of affordable, permanent supportive housing. All units will serve individuals with incomes at or below 60% of Area Median Income (AMI). Key populations being housed will likely earn at or below 30% of AMI. Those populations include ex-offenders, formerly homeless individuals, and persons from CHA waiting lists. Heartland Human Care Services, Inc. will provide in-house supportive services to the tenants. All units will be located on floors 2 through 6 and each unit will be designed with a full kitchen and a private bathroom. Saint Leonard's Ministries proposes to execute a master lease for 18 units within one designated floor of the building to serve the needs of formerly-incarcerated women with histories of substance abuse. The ground floor will house the laundry facilities, a community room, a computer room, bicycle storage, social service offices meeting rooms and mechanicals. Also located on the ground floor will be a social venture coffee shop run by Saint Leonard's Ministries. Heartland Housing Inc. / First Baptist Congregational Church will undertake a historic rehabilitation of the building according to the Secretary of Interior's standards in order to receive Historic Rehabilitation Tax Credits. The eastern vacant parcel will have 11 parking spaces (on permeable pavers), outdoor seating for the coffee shop, open space for residents, and a community garden.

A site plan, floor plans and elevation are provided as exhibits to this report.

Residential Unit Profile: All units will be 0-bedroom (studios) and will range from 320 to 450 square feet (including all spaces), with an average size of 347 square feet. All units will accommodate one resident and will have private kitchens and baths. The units will satisfy the Chicago affordable housing ordinance, which requires 10 percent affordable units in projects developed on land sold by the City or 20 percent affordable units for projects receiving TIF assistance.

The following table provides a detailed description of the proposed project. The subject property will provide a total of 89 rental units. All units will be affordable to households earning no more than 60 percent of the area median income. Of the 89 units, nine will be restricted for residents earning no more than 30 percent of the area median income.

The developer has secured a commitment for project rental assistance (formerly called project based vouchers) from the Chicago Housing Authority for 72 of the 89 units. For the remaining 17 units, the developer has submitted an application to the Chicago Housing Authority for additional project rental assistance vouchers that is subject to CHA Board approval. CHA Board approval is expected in August, 2011.

Viceroy Apartments Unit Profile

Unit Type	Number	Market/ Affordable	Size-sf [1]	Monthly Rent/sf	Monthly Rent [2][3]
Studio with bathroom and kitchenette	72	Affordable at or below 60% AMI	347	$1.97	$685
Studio with bathroom and kitchenette	8	Affordable at or below 60% AMI	347	$1.08	$376
Studio with bathroom and kitchenette	9	Affordable at or below 30% AMI	347	$1.08	$376

[1] units range from 320 to 450 square feet with an average of 347 s.f.

[2] Residents of these units will pay no more than 30% of their incomes toward the stated rent and the project rental assistance will make up the difference. The rent received by the owner under the project rental assistance contract may exceed the rents required under the Low-Income Housing Tax Credit program, as long as the household pays no more than 30% of its adjusted income for rent. Should the project rental assistance contract be terminated, the owner would be required to keep nine units at or below 30% of the area median income and the balance, 80 units, at or below 60% of the area median income.

[3] Tenants do not pay any utilities (electric, gas, sewer/water), heat, and a/c.

Environmental Features: Sustainable building and site features include: Permeable pavers at the parking, loading and café locations, rain barrels to capture storm water runoff, a community garden, open space with a rain garden for storm water mitigation, Geothermal HVAC, a green roof, solar hot water heating, Energy Star Appliances, sustainably harvested lumber, recycled carpet, cork and bamboo flooring, low VOC paints, etc.

Urban Design Features: The proposal incorporated a strong rehabilitation plan with historic preservation as a primary objective and addressed all urban design goals as stated in the RFP including utilizing the existing alley for car access, no additional curb cuts, and off-street green space for tenants.

VI. FINANCIAL STRUCTURE

HED proposes to provide a variety of financing sources to this project including Tax Increment Financing, a property value write-down, and Illinois Affordable Housing Tax Credits. The balance of financing will come from various sources of equity, private and public financing.

The first projected source of HED financing is TIF assistance in the amount of $3,876,673 for TIF-eligible expenses. The funding will be in the form of four cash payments – the first will be at closing, the second at 50% construction completion, the third at 75% construction completion, and the last at project completion. TIF assistance will come from area wide increment in the Central West TIF and is needed to off-set the cost of developing a housing project in which all of the units will be affordable. TIF assistance will represent 16.8% of total project costs.

The next source of City-financing will be a property value write-down to $1.00 on City-owned property valued at $2,860,000. The City's property donation will enable the developer to seek the issuance of Illinois Affordable Housing Tax Credits (IAHTC's) or "Donation Tax Credits" issued through the City of Chicago HED. It is anticipated that US Bank will be the equity investor in the Donation Tax Credits. They have proposed a pay-in rate of $.87 which will generate approximately $1,244,100 in equity for the project. Donation Tax Credit Equity will represent 5.4% of total project costs.

The TIF assistance, along with the property value write-down (based on the original appraisal from August 21, 2008) is $5,159,999 which is 25.4% of total project costs.

The largest source of funding for the project will be equity generated by the issuance of approximately $1,352,409 in Low Income Housing Tax Credits (LIHTC's) by the Illinois Housing Development Authority to the project owner. The LIHTC's will generate approximately $11,901,199 in equity which represents approximately 51.5% of total project costs. It is anticipated that Enterprise Community Investments will be the limited partner investor in the project. Enterprise has committed to a LIHTC pay-in rate of $.88.

During the construction period, the developer will bridge the balance of equity not disbursed during the construction period with two construction period loans. Both loans will be paid off by the remainder of equity installments after construction completion. The first bridge loan, provided by Enterprise Community Investments, will be in the amount of $4,000,000 and will have a rate of 4.0% during the 48 month term. The second construction bridge loan, provided by USBank, will be in the amount of $5,265,825 and will have a rate of 2.69 % during the 18 month term.

Since the building is listed on the National Register of Historic Places, the developer will be seeking to restore the building according the Secretary of Interior Standards for Historic Preservation. The restoration work will generate approximately $2,961,808 in historic tax credits. With a pay-in rate of $.90, the Historic Tax Credits are expected to produce approximately $2,665,628 in equity for the project which represents 11.5% of total project costs. Enterprise Community Investments is anticipated to be the equity syndicator for the historic tax credits.

Other sources of financing proposed by the developer include $147,150 in equity generated from the Federal Renewable Energy Tax Credit Program, and a $181,127 grant from the Illinois Department of Commerce and Economic Opportunity for energy efficient building design.

Please see the exhibits to the staff report for the ten-year operating proforma.

SOURCES OF FUNDS	Amount	% of Total Sources
City of Chicago TIF Financing	$3,876,673	19.1%
DCEO Energy Efficiency Grant	$181,127	0.9%
Federal Energy Tax Credit Equity	$147,150	0.7%
Donation Tax Credit Equity	$1,244,100	6.1%
Deferred Developer Fee via cash flow	$224,369	1.1%
Historic Tax Credit Equity**	$2,659,137	13.1%
Low Income Housing Tax Credit Equity**	$11,901,199	58.8%
TOTAL SOURCES:	**$20,233,755**	100%

USES OF FUNDS	Amount	% of Total Uses	$ / sf of Building*
Property Acquisition	$1	---%	$---
Other Acquisition (transfer taxes)	$31,460	.1%	.61
Hard Costs	$14,954,681	73.9%	$291.83
Professional Services	$1,184,385	5.8%	$23.11
Lender Fees and Interest	$1,435,914	7.1%	$28.01
Escrows and Reserves	$1,332,945	6.6%	$26.01
Marketing and Leasing	$70,000	.3%	$1.37
Deferred Developer's Fee	$224,369	1.1 %	$4.38
Developer's Fee	$1,000,000	4.9%	$19.51
TOTAL USES:	**$20,233,755**	**100%**	**$394.83**

*Gross building area is 51,247 square feet.

** The two construction period loans will bridge the balance of equity not disbursed during the construction period. The two bridges will be disbursed throughout the construction period and will be paid off by the remainder of equity installments at construction completion.

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits.

Affordable Housing: The project will provide 89 new affordable housing units.

Environmental Features: The project will incorporate geothermal HVAC, solar thermal hot water, green roof, permeable pavers in the parking lot, insulation meeting DCEO efficiency standards, traction elevators, low VOC/surfaces and finishes, energy efficient lighting and water fixtures, a home scale composting system, a rain cistern and Energy Star appliances. Furthermore, the developer is preserving an existing building thereby conserving its embodied energy.

Construction Jobs: The project will produce 40 temporary construction jobs.

Historic Preservation: Rehabilitation of a City of Chicago Landmark.

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

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

Permanent Jobs: The project is estimated to generate five permanent jobs in property management. In addition, post construction, the department's workforce development specialists will work with the St. Leanord's Ministries to maximize local resident job placement and job training for the social venture enterprise coffee shop that will provide residents and the broader neighborhood a community gathering spot.

VIII. COMMUNITY SUPPORT

27th Ward Alderman Walter Burnett endorses the action and has provided a letter of support (see exhibits for copy). The proposal has been well received by the community and the following community organizations have endorsed the action: Saint Leonard's Ministries, Rush Medical Center, State Rep. Annazette Collins, Congressman Danny Davis, and Senator Dick Durbin.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the Central West Redevelopment Project Area. The proposed project will satisfy the following goals of the area=s redevelopment plan:

- Central West TIF Plan calls for the preservation of architecturally or historically significant buildings as well as the development of a variety of housing types at a wide range of income levels.
- Near West Side Area Land Use Plan- calls for a coordinated mixed-use development on this parcel with ground floor commercial space and improvements to the streetscape surrounding the property.

X. CONDITIONS OF SALE

The successful respondent has provided HED with a good faith deposit. The offer for sale of the City land was advertised at the time the RFP was released, and no additional public notice of the proposed sale is required. With the approval of CDC, HED will negotiate a redevelopment agreement with the successful respondent. The redevelopment agreement will incorporate the parameters of the proposed project as described in this staff report.

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

Closing of the sale of the property will not occur before the City Council has approved the redevelopment agreement. The documents will include a development timetable.

XI. RECOMMENDATION

The Department of Housing and Economic Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, need for public assistance, its public benefits, and the project=s conformance with the RFP and the redevelopment area plan. HED recommends that the CDC approve the sale of 1517-1521 W Warren Boulevard and 28 N Ogden to Heartland Housing, Inc and First Baptist Congregational Church, the CDC-designated successful RFP respondent, for development of supportive housing units and recommends the designation of Heartland Housing, Inc and First Baptist Congregational Church as Developer.

EXHIBITS

Ten year operating pro forma
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
Letter of Interest from Lender
Community Letters of Support
Alderman's Letter of Support

Operating Proforma

Viceroy Apartments	Per Unit Year 1	Esc. Rates	Year 1 2014	Year 2 2015	Year 3 2016	Year 4 2017	Year 5 2018	Year 6 2019	Year 7 2020	Year 8 2021	Year 9 2022	Year 10 2023
Total Gross Income	10,429		928,214	956,060	984,742	1,014,284	1,044,713	1,076,054	1,108,336	1,141,586	1,175,834	1,211,109
Total Effective Income	9,615		855,736	881,408	907,850	935,086	963,138	992,032	1,021,793	1,052,447	1,084,021	1,116,541
Administration Subtotal	*441*		*39,262*	*40,440*	*41,653*	*42,903*	*44,190*	*45,515*	*46,881*	*48,287*	*49,736*	*51,228*
Management Fee Subtotal	*465*		*41,413*	*42,655*	*43,935*	*45,253*	*46,611*	*48,009*	*49,449*	*50,933*	*52,461*	*54,035*
Payroll Subtotal	*2,521*		*224,392*	*231,124*	*238,057*	*245,199*	*252,555*	*260,132*	*267,936*	*275,974*	*284,253*	*292,781*
Taxes & Insurance Subtotal	*1,181*		*105,084*	*108,237*	*111,484*	*114,828*	*118,273*	*121,821*	*125,476*	*129,240*	*133,117*	*137,111*
Maintenance Subtotal	*275*		*24,519*	*25,255*	*26,012*	*26,793*	*27,596*	*28,424*	*29,277*	*30,155*	*31,060*	*31,992*
Repairs Subtotal	*274*		*24,356*	*25,087*	*25,839*	*26,614*	*27,413*	*28,235*	*29,082*	*29,955*	*30,853*	*31,779*
Utilities Subtotal	*837*		*74,500*	*76,735*	*79,037*	*81,408*	*83,850*	*86,366*	*88,957*	*91,626*	*94,374*	*97,206*
Reserves Subtotal	*400*		*35,600*	*36,668*	*37,768*	*38,901*	*40,068*	*41,270*	*42,508*	*43,784*	*45,097*	*46,450*
Other Tenant Services	-	3.00%	-	-	-	-	-	-	-	-	-	-
Tenant Services Subtotal	*2,324*		*206,855*	*213,061*	*219,452*	*226,036*	*232,817*	*239,802*	*246,996*	*254,406*	*262,038*	*269,899*
Grand Total Operating Costs	***8,719***		***775,981***	***799,260***	***823,238***	***847,935***	***873,373***	***899,575***	***926,562***	***954,359***	***982,990***	***1,012,479***
Net Operating Income			79,755	82,148	84,612	87,150	89,765	92,458	95,232	98,088	101,031	104,062
Total Loan Payments			-	-	-	-	-	-	-	-	-	-
Cash Flow			79,755	82,148	84,612	87,150	89,765	92,458	95,232	98,088	101,031	104,062
Debt Coverage Ratio												

Viceroy Hotel
1519 W Warren

NORTH

Legend

Central West (TIF)

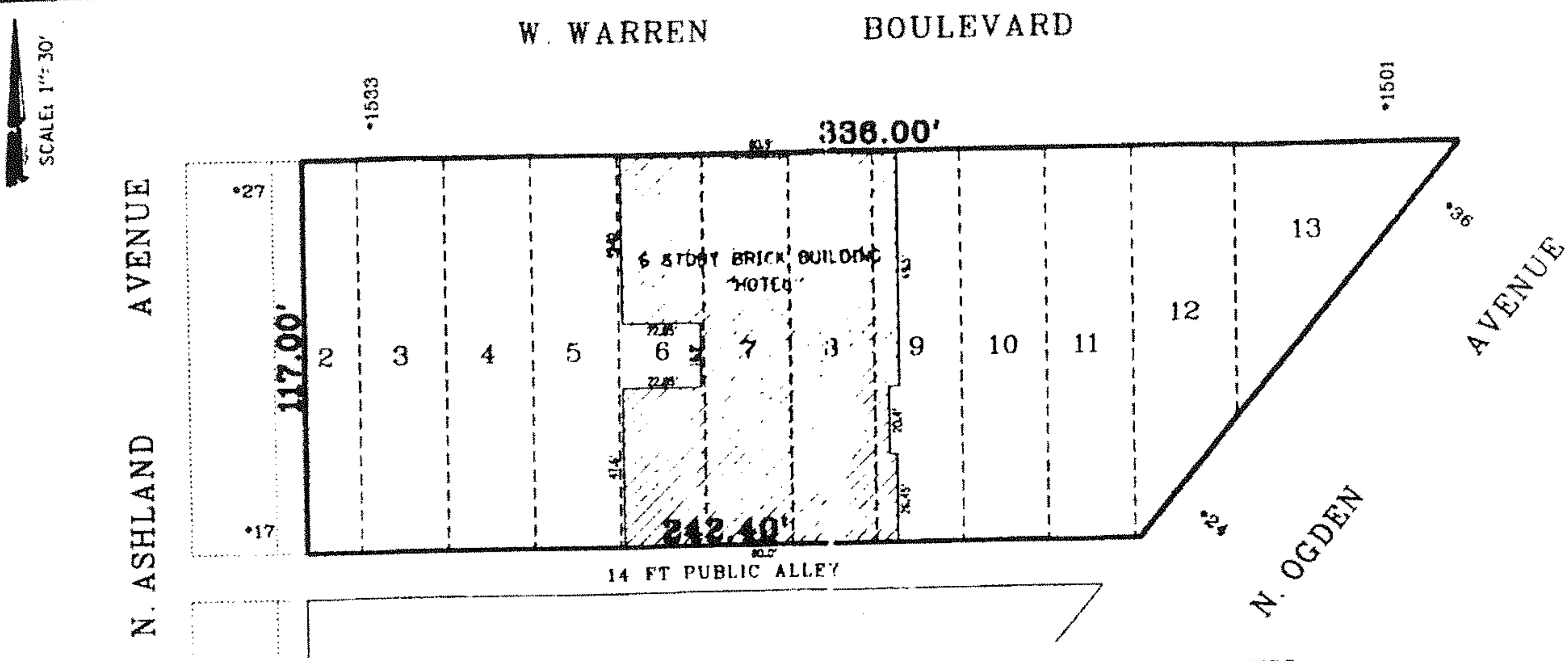
Legend

Central West (TIF)

Viceroy Hotel
1519 W Warren

NORTH

PARCEL NO.	OWNER
CW 332-1	COLE TAYLOR BANK TRUST NO's 97-7755 & 98-7776



LOT 2 (EXCEPT THAT PART THEREOF TAKEN FOR WIDENING ASHLAND AVENUE) AND ALL OF LOTS 3 TO 13, BOTH INCLUSIVE, IN LAFLIN AND MATHER'S SUBDIVISION OF THE NORTH PART OF BLOCK "D" IN THE SOUTHWEST CORNER OF THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, SOMTIMES CALLED BLOCK "D" IN WRIGHT'S ADDITION TO CHICAGO, AND BEING IN THE SOUTH PART OF LOT 4 IN THE CIRCUIT COURT PARTITION OF THE SOUTHWEST 1/4 OF SECTION 8, AFORESAID, IN COOK COUNTY, ILLINOIS.

TYPE OF CONST.	NO. OF FLOORS	BASEMENT	CUBIC	BLDG. AREA SQ. FT.	LAND AREA SQ. FT.
BRICK	6	NO	546,077	53,275.8	33,836.4 / R5

TYPE AND DATE CONVEYANCE
D. IN T. REC. 2-20-98
DOC. 98138503
DOC. 98139504

ASSESSED VALUE 2004
LAND $42,044.00
BLDG. $290,953.00
VOL. NO. 590
INDEX NO. 17-08-332-001 TO 007

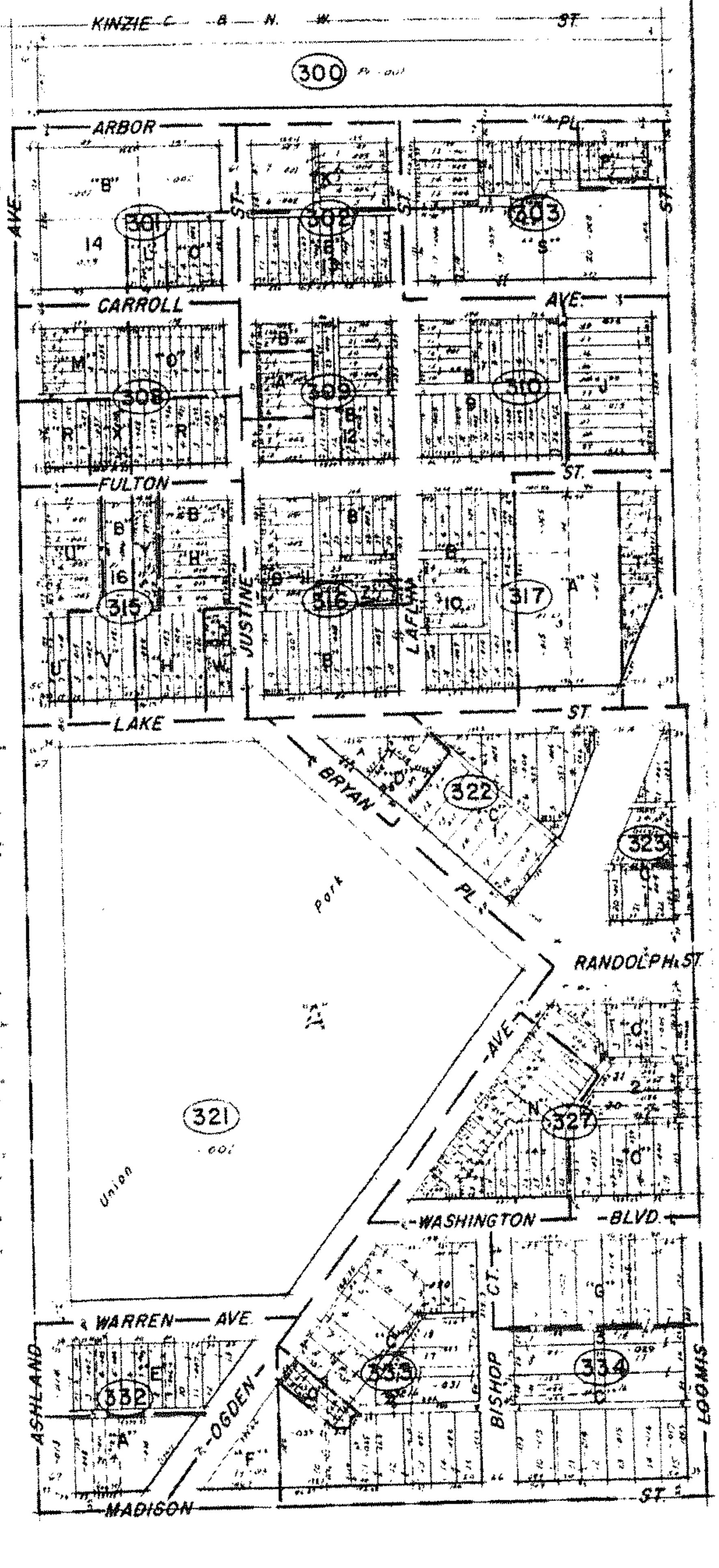
2004
FIRST INSTALL. $26,306.93
SECOND INSTALL.

PARCEL NO. CW 332-1

19-14-8E

7-8

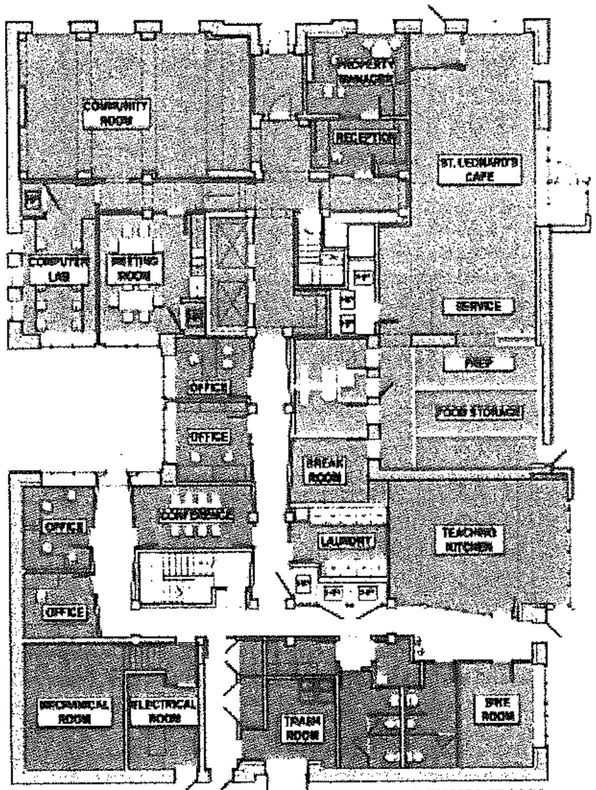
W. 1/2 S.W. 1/4 Sec. 8-39-14
WEST TOWN



REVISED JAN 1, 1996

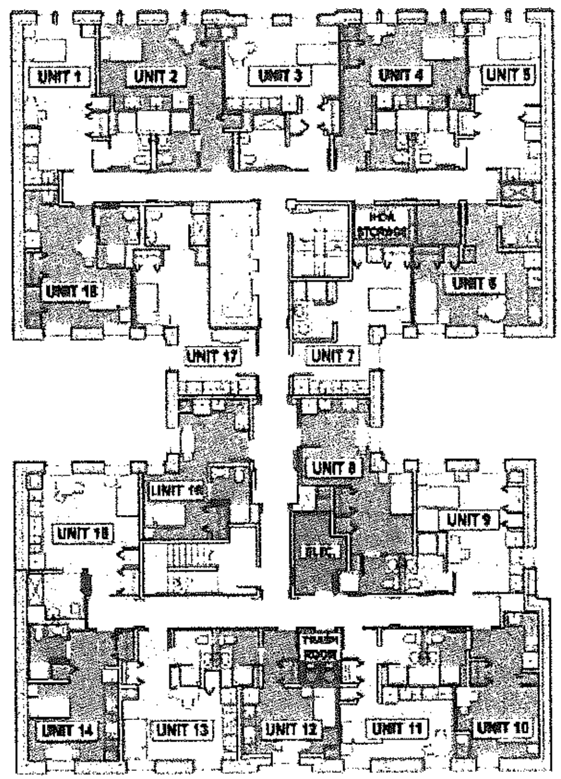
VICEROY SRO

1519 W. Warren Blvd
Chicago, IL

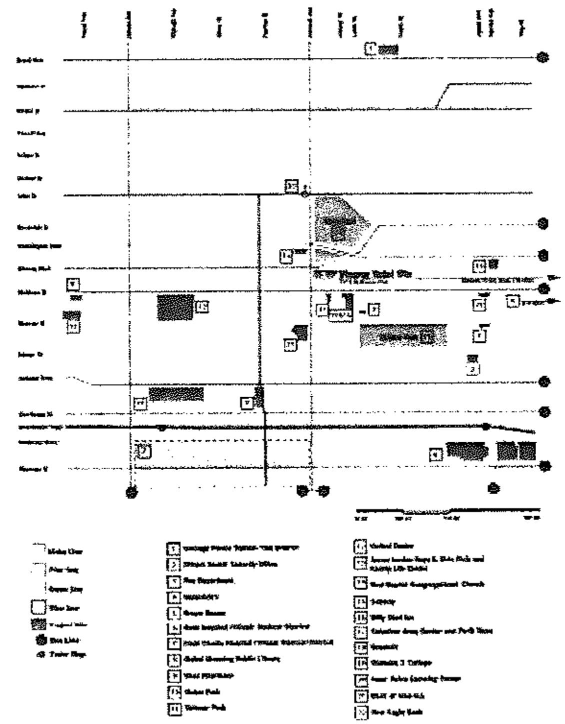


1 PUBLIC SPACES
2 OFFICES
3 BACK OF HOUSE
4 CAFE

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



TYPICAL FLOOR PLAN (2-6)
SCALE: 1/8" = 1'-0"
39 UNITS TOTAL

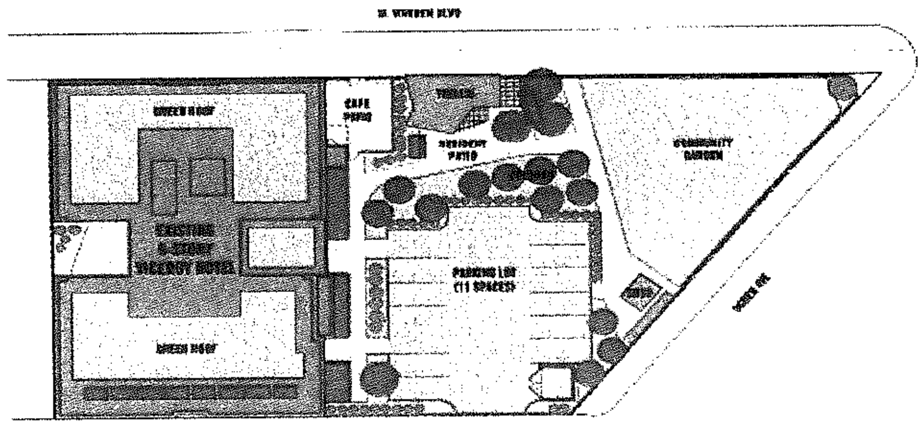


AMENITIES PLAN
N.T.S.

DEVELOPER: HEARTLAND HOUSING 208 S. LASALLE ST, SUITE 1818, CHICAGO, IL 60602
ARCHITECT: LANDON BONE BAKER ARCHITECTS 734 N. MILWAUKEE, CHICAGO, IL 60642

VICEROY SRO

1519 W. Warren Blvd
Chicago, IL

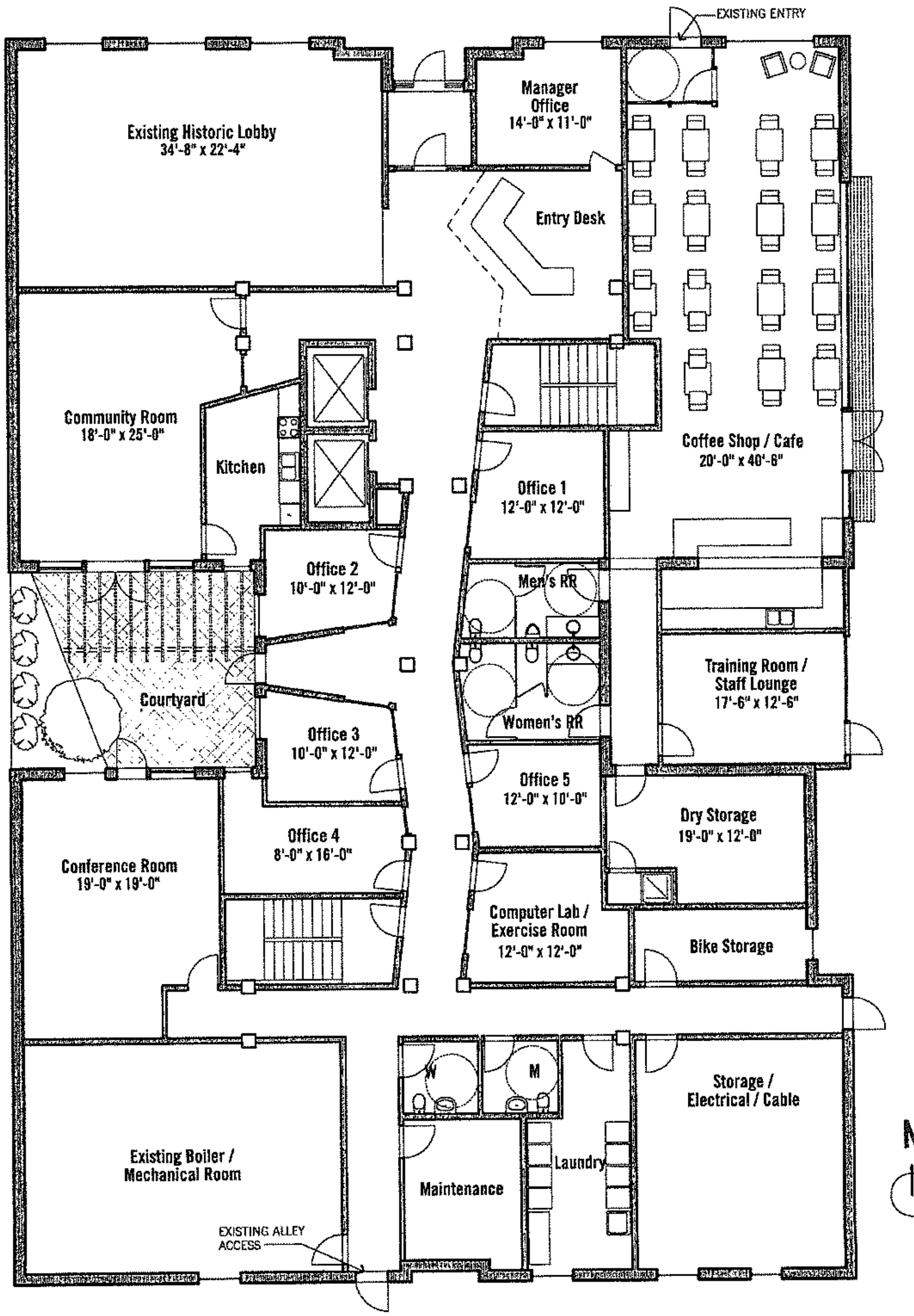


SITE & ROOF PLAN
SCALE: 1/16" = 1'-0"

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

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

DEVELOPER: HEARTLAND HOUSING 208 S. LASALLE ST. SUITE 1818, CHICAGO, IL 60602
ARCHITECT: LANDON BONE BAKER ARCHITECTS 734 N. MILWAUKEE, CHICAGO, IL 60642



1 Ground Floor Plan

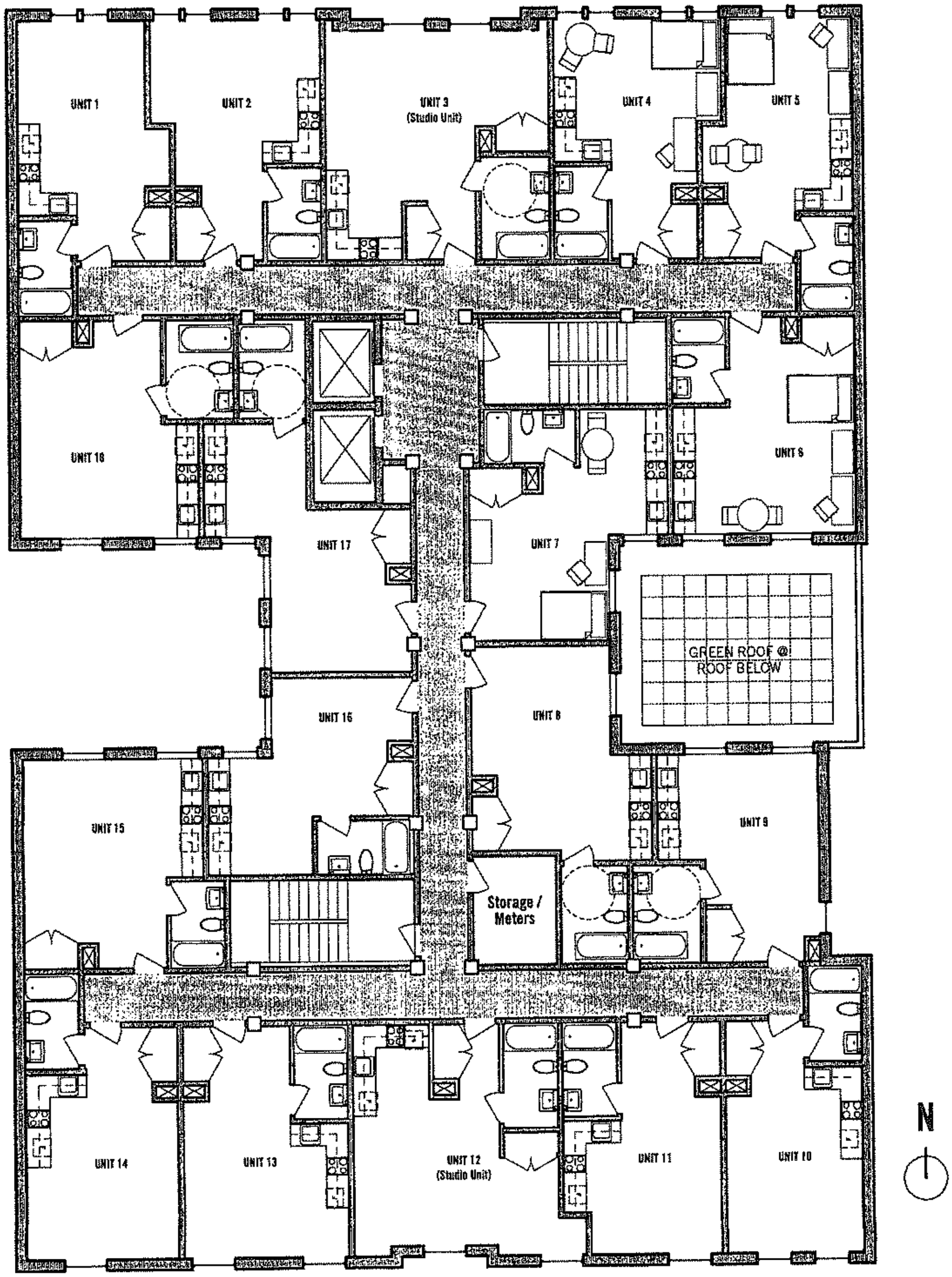
SCALE: 1" = 10'-0"

First Floor - 8,854 Gross SF

- **Coffee Shop - 2,000 Net SF**
- **New Construction Infill - 350 Net SF**

Typical Residential Floor - 8,418 Gross SF

Total Gross - 50,944 Gross SF



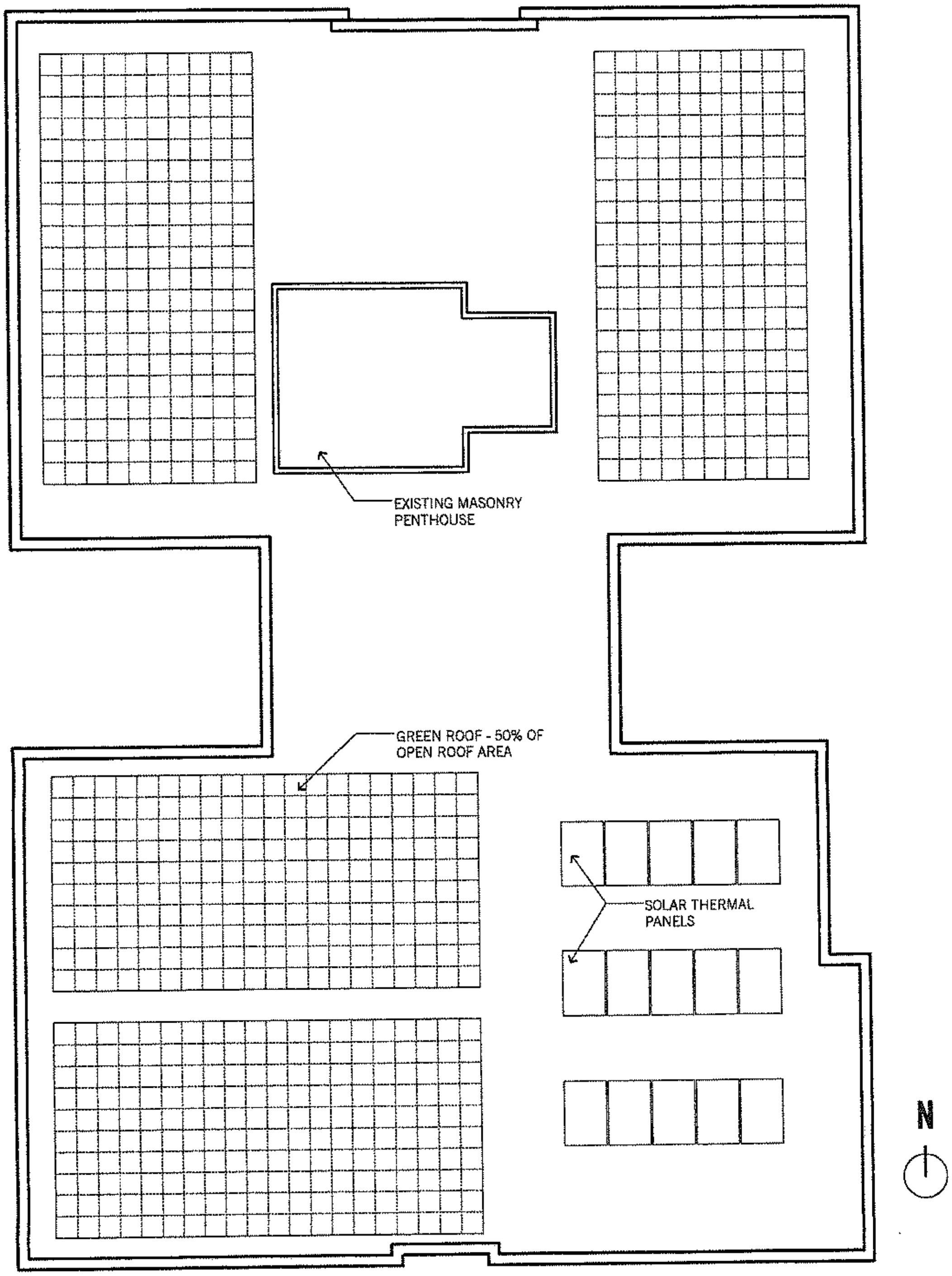
1 Typical Floor Plan (Floors 2-6)
SCALE: 1" = 10'-0"

16 SRO + 2 Studio per floor
80 SRO + 10 Studio total = 90 TOTAL UNITS
SRO - (4) typical unit types - 320-350 sf per unit
Studio - (1) unit type - 450 sf per unit

LANDON BONE BAKER ARCHITECTS
734 N MILWAUKEE AVE CHICAGO IL 60642
312.988.9100 FAX 312.829.3302

HEARTLAND HOUSING, INC.
FIRST BAPTIST CONGREGATIONAL CHURCH

project: Viceroy Hotel RFP	2821	05
Typical Floor Plan		
date: 01-08-09 scale:		



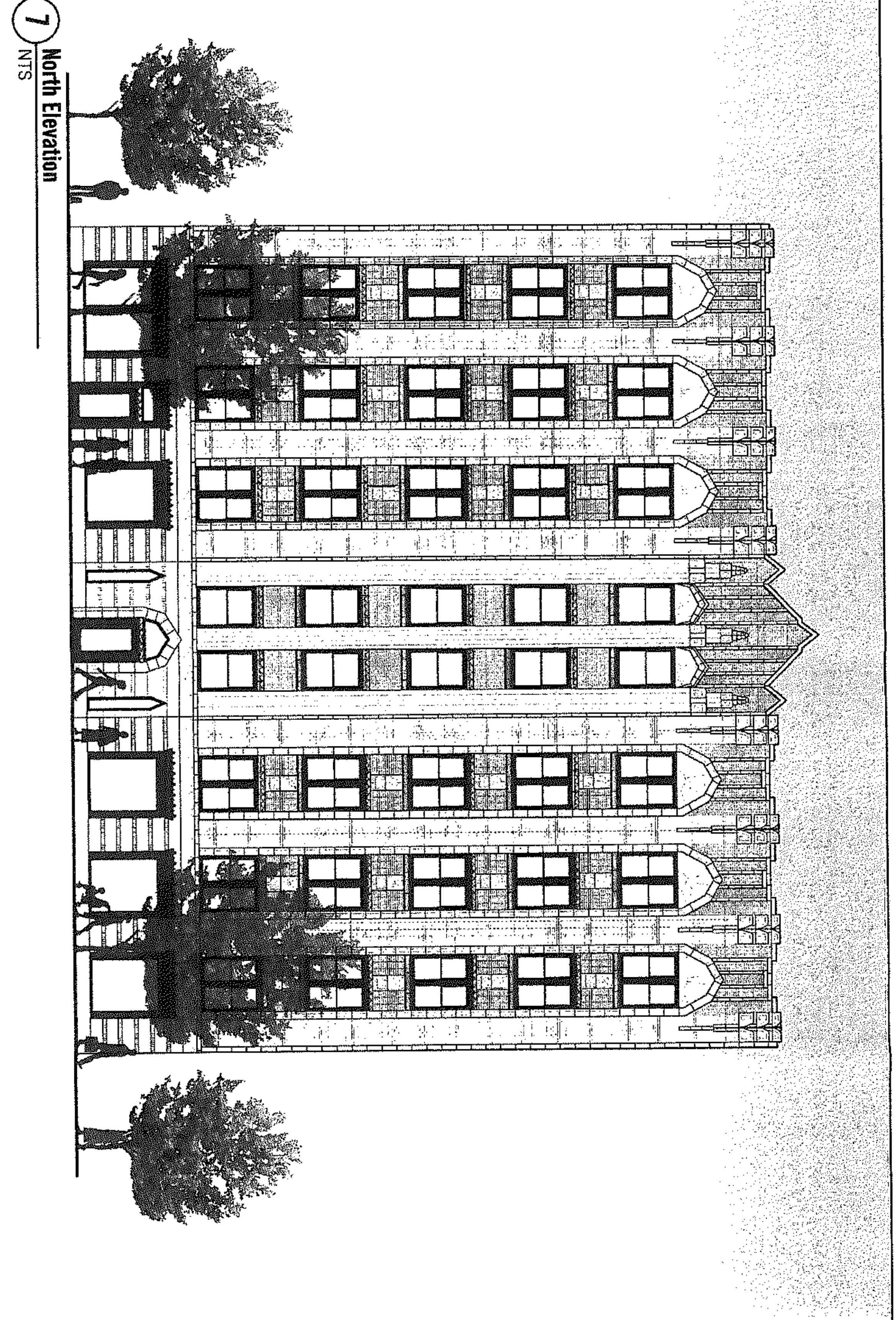
1 **Roof Plan**
SCALE: 1" = 10'-0"

LANDON BONE BAKER ARCHITECTS
734 N MILWAUKEE AVE CHICAGO IL 60642
312.988.9100 FAX 312.829.3302

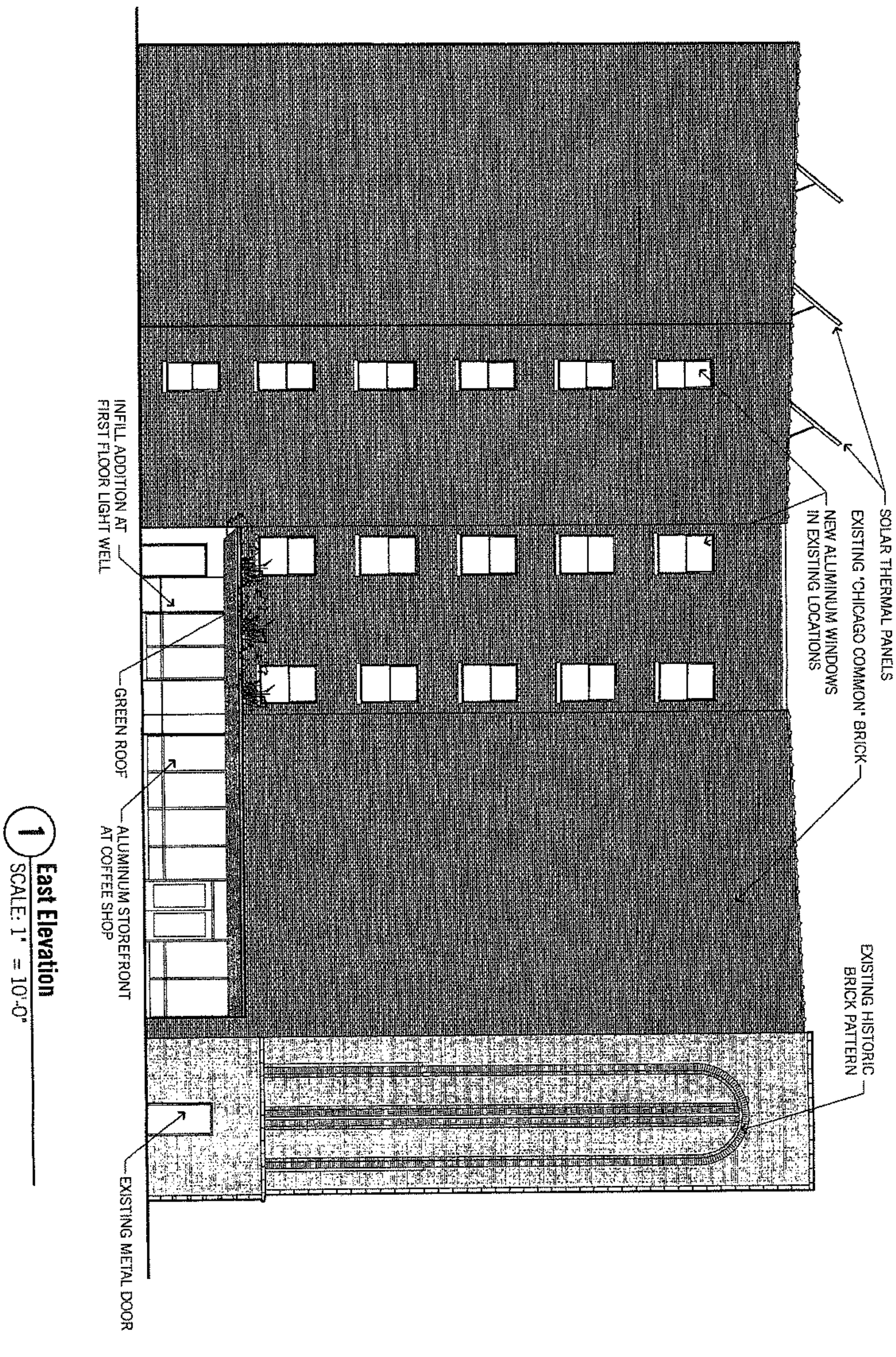
HEARTLAND HOUSING, INC.
FIRST BAPTIST CONGREGATIONAL CHURCH

project: **Viceroy Hotel RFP** | 2821
Roof Plan
date: 01-08-09 scale:

06



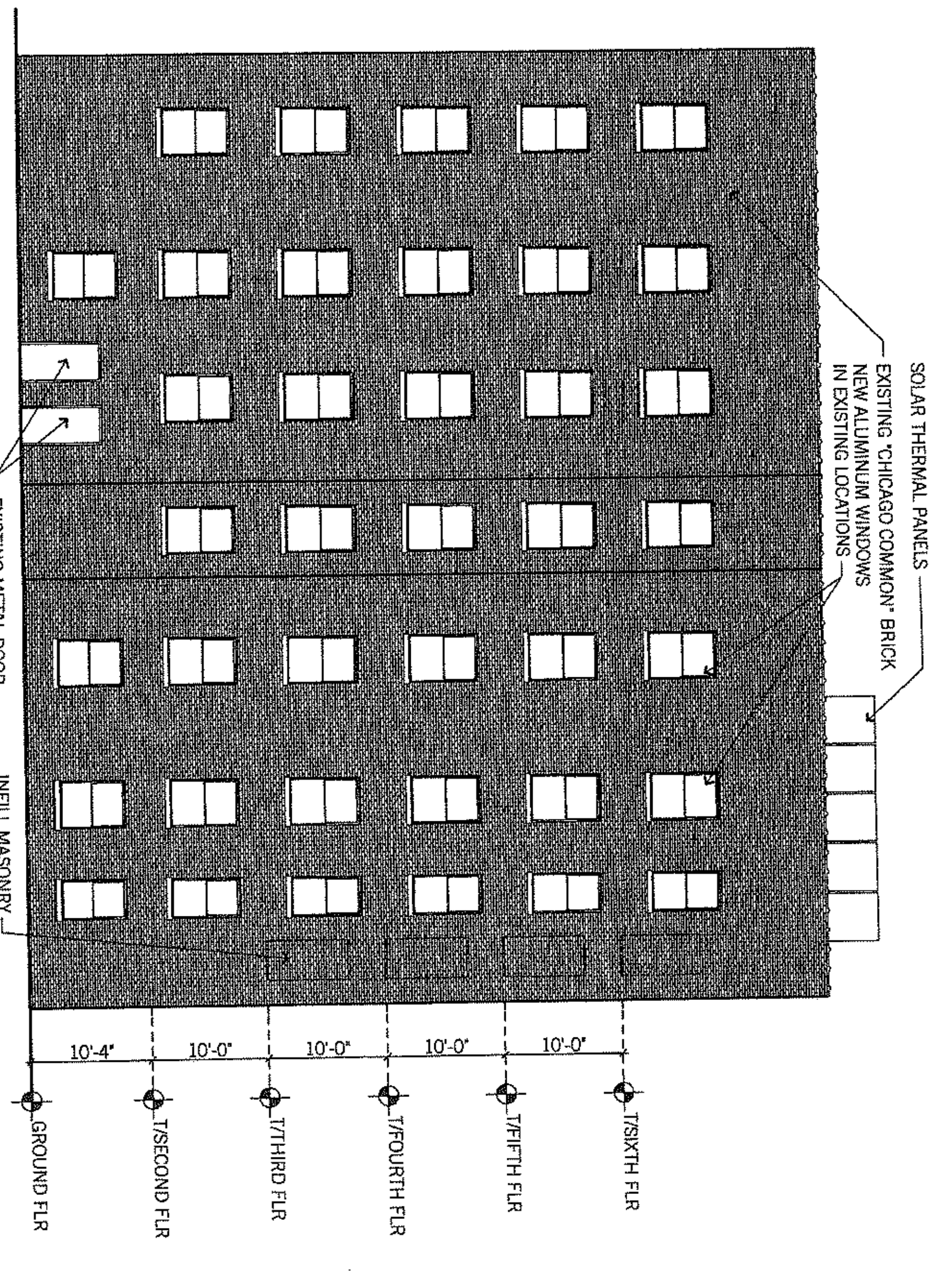
LANDON BONE BAKER ARCHITECTS 734 N MILWAUKEE AVE CHICAGO IL 60642 312.988.9100 FAX 312.829.3302	**HEARTLAND HOUSING, INC.** **FIRST BAPTIST CONGREGATIONAL CHURCH**	project: **Viceroy Hotel RFP** — **2821** **North Elevation** date: **01-08-09** scale:	**07**



LANDON BONE BAKER ARCHITECTS
734 N MILWAUKEE AVE CHICAGO IL 60642
312.988.9100 FAX 312.829.3302

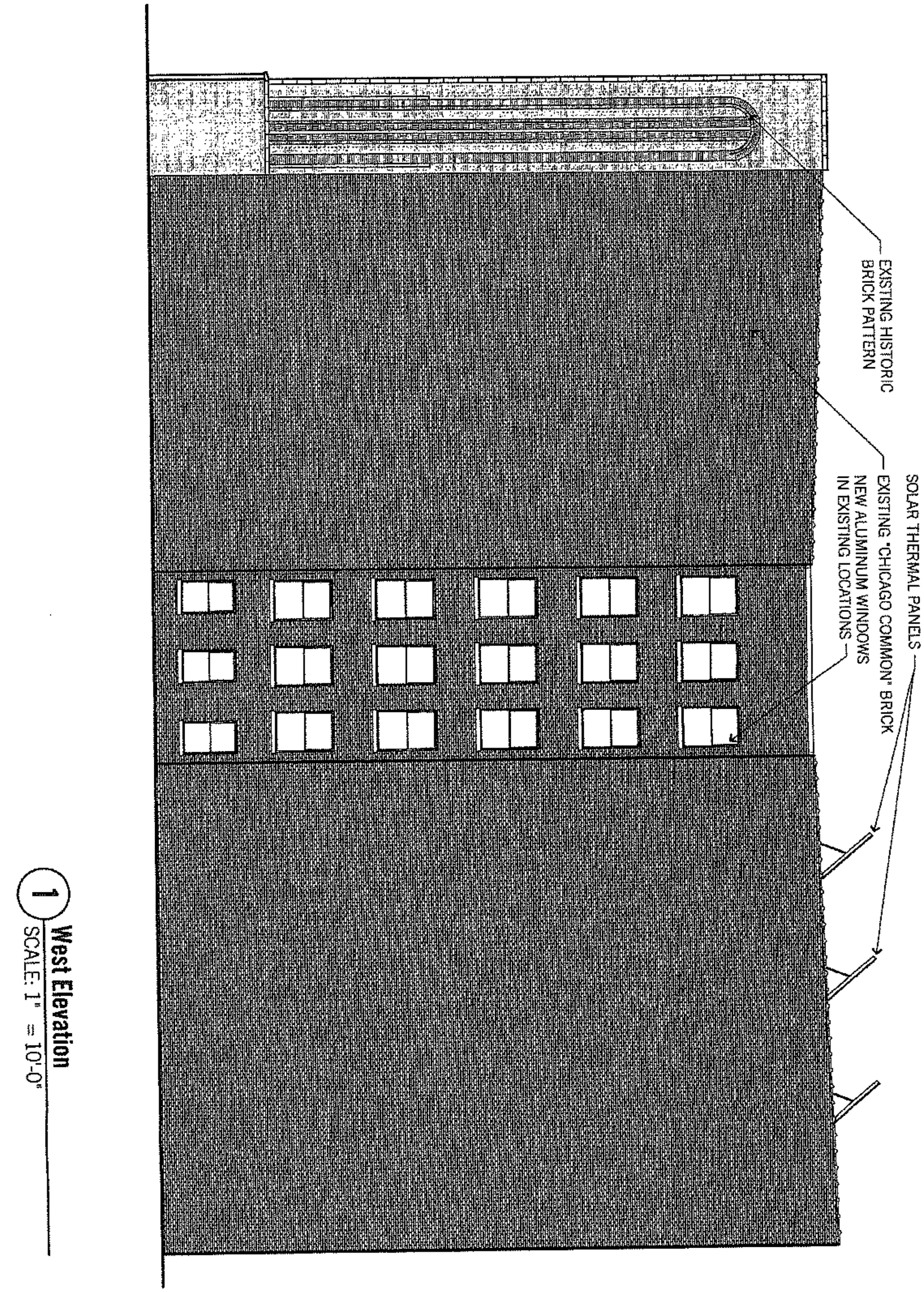
HEARTLAND HOUSING, INC.
FIRST BAPTIST CONGREGATIONAL CHURCH

project: **Viceroy Hotel RFP**	**2821**	**08**
East Elevation		
date: 01-08-09	scale:	



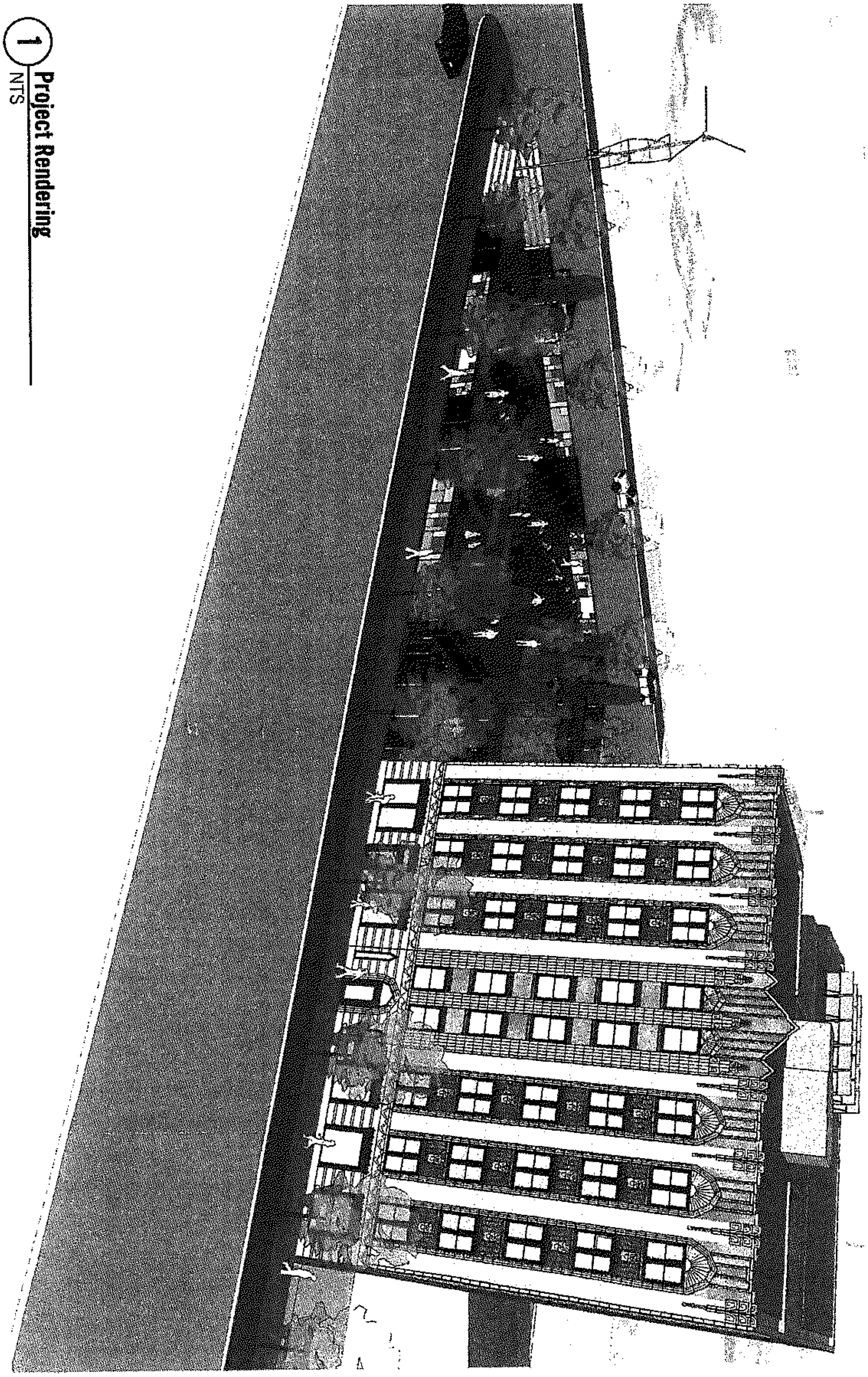
1 **South Elevation**
SCALE: 1" = 10'-0"

LANDON BONE BAKER ARCHITECTS 734 N MILWAUKEE AVE CHICAGO IL 60642 312.988.9100 FAX 312.829.3302	**HEARTLAND HOUSING, INC.** **FIRST BAPTIST CONGREGATIONAL CHURCH**	project: **Viceroy Hotel RFP** **2821** **South Elevation** date: **01-08-09** scale:	**09**



LANDON BONE BAKER ARCHITECTS 734 N MILWAUKEE AVE CHICAGO IL 60642 312.988.9100 FAX 312.829.3302	**HEARTLAND HOUSING, INC.** **FIRST BAPTIST CONGREGATIONAL CHURCH**	project: **Viceroy Hotel RFP** 2821 **West Elevation** date: 01-08-09 scale:	**10**

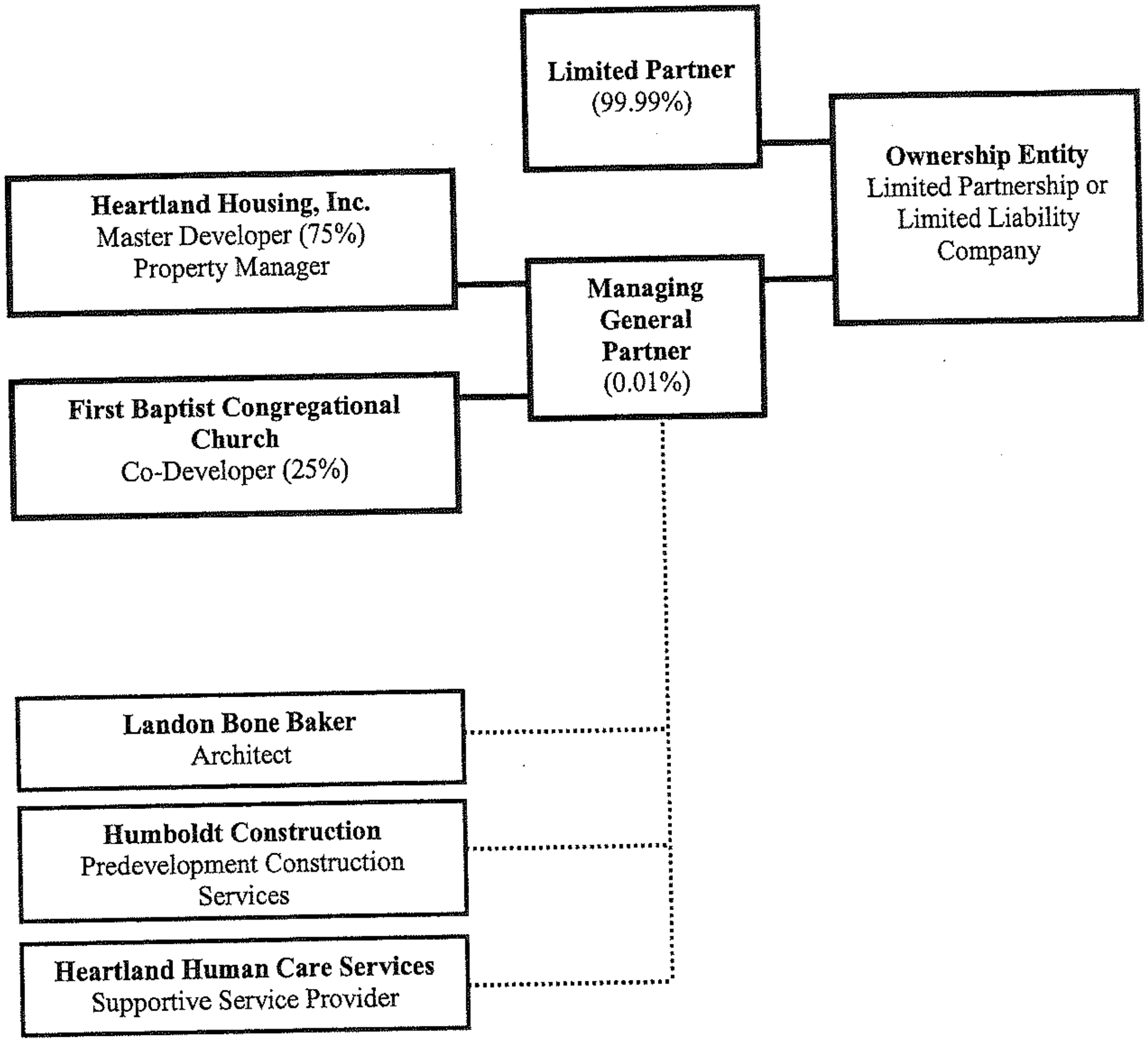
1 Project Rendering
NTS



LANDON BONE BAKER ARCHITECTS 734 N MILWAUKEE AVE CHICAGO IL 60642 312.988.9100 FAX 312.829.3302	HEARTLAND HOUSING, INC. FIRST BAPTIST CONGREGATIONAL CHURCH	project: Viceroy Hotel RFP 2821 Project Rendering date: 01-08-09 scale:	01

Respondent's Organization

Organizational Chart

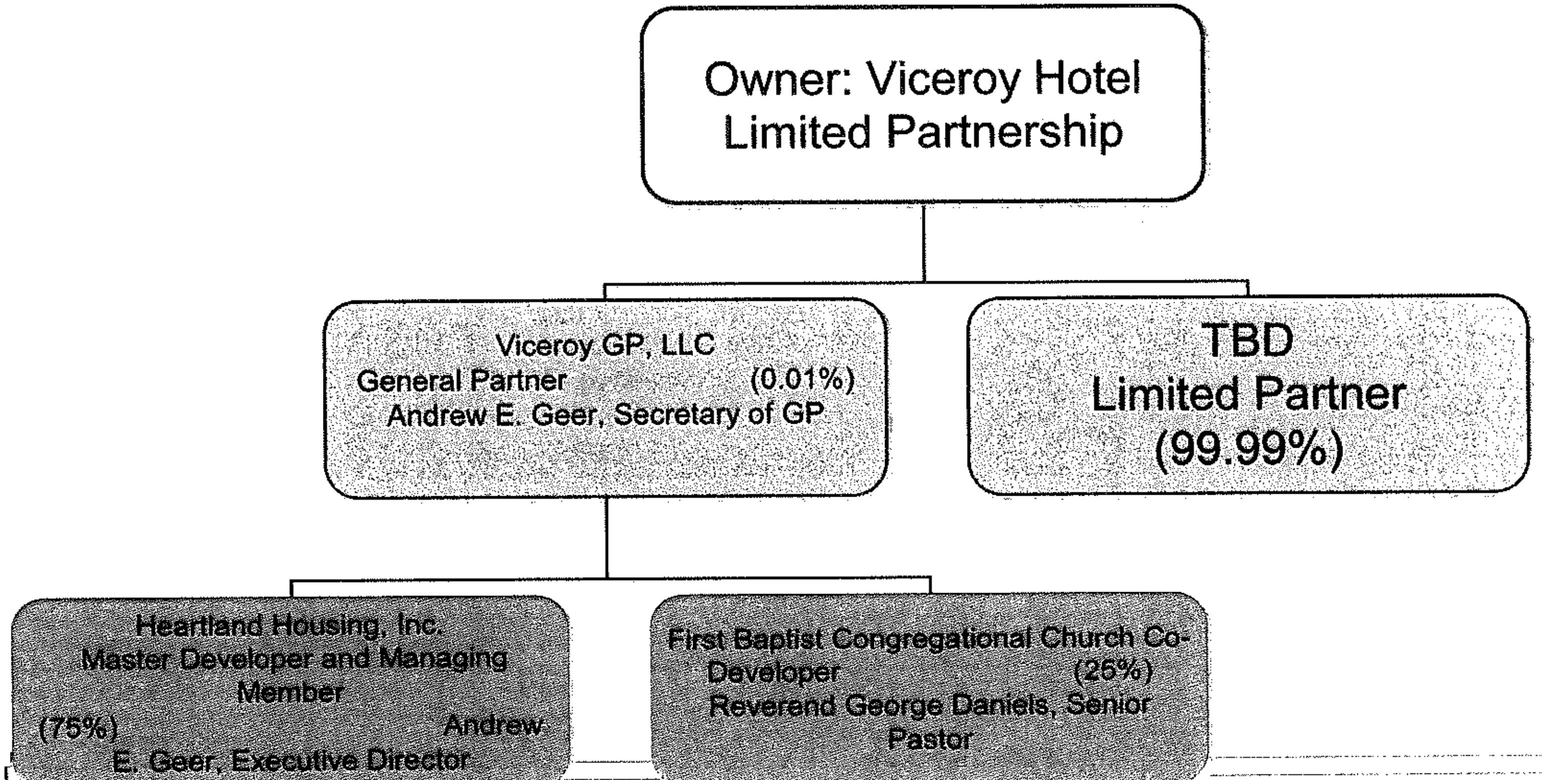


Project Name: Viceroy Apartments
Project Address: 1519 W. Warren Blvd. Chicago, IL 60607
Owner: Viceroy Hotel Limited Partnership

INSTRUCTIONS:

1. Complete all boxes applicable to the organizational chart for the Project Ownership Entity.
2. Provide entity names, and principals and indicate actual percentage of ownership or general partnership in each box.

3. Use the Notes section to provide any additional information not adequately captured here.
4. Insert boxes as needed using the organizational chart toolbar (go to view, toolbars, customize, and check the box for organization charts). Delete boxes as needed.
5. For NFPs, please list Board of Directors in the Notes section below.
6. For LLCs, please indicate which member is the managing member.



Heartland Housing: Andrew Geer, Executive Director; Board of Directors: See attached.
First Baptist Congregational Church: Rev. George Daniels, Senior Pastor; Board of Directors: See attached.

I hereby certify that the information contained herein is accurate and complete, to the best of my knowledge, and that there are no material misrepresentations.

Owner: Viceroy Hotel Limited Partnership

By: ______________________

Name: ______________________

Its: ______________________

Date: ______________________

Heartland Alliance for Human Needs and Human Rights Board of Directors

Chair: Scott L. Goodman
Vice Chair: Lynn C. Todman, PhD
Secretary: Glenn D. Newman
Treasurer: Karen E. Otto

Directors:

Shubhada Ahya, MD
Alan R. Braxton
Linda T. Coberly
Ruth A. Colby
Araceli Esquivel
Julia E. Getzels
Elaine H. Klemen
Ray J. Koenig III
Suellen G. Long*
Christopher D. Lueking
Wendy A. Manning
Theodore W. Michalke
Arthur Moore
Kathe A. Pate
Frank F. Quinn
Sandy J. Rebitzer
Marita Rhea
Peyman Salehi
Steve E. Scholl
Jeanne M. Sullivan
Guy F. Summers
Harlan R. Teller**
Robert H. Tucker
Lori S. Tuffield
Giovani Twigge
Andrew T. Ward, CFA
Thomas O. Weeks
Barclay C. Welch
Paul A. Zucker

Liaisons from boards and auxiliaries:
Mary L. Ahern (HHCS)
Susan R. Fortino (NIJC-LC)
Daniel V. Lezotte (HH)
Jason Miller (JB)
Roberto Requejo (HH)
Jesse Ruiz (Mexico–US Binational Leadership Council)
Melissa C. Sauder (JB)
Nancy A. Simonson (WB)
Beth Steele (WB)
Mary G. Wilson (HHO)

Ad hoc—international counsel
Mia Beers

(Liz Sode, Assistant Treasurer)
(Tamara L. Smith, Assistant Secretary)

** Sabbatical until February 2012*

Department of Housing and Economic Development
Heartland Housing, Inc.
Board List

Contact Person: Hume An **Phone#:** 312-660-1345

Project Name: Viceroy Apartments **Developer:** Heartland Housing, Inc.
Submission Date: June 21, 2011

Prepared by: Hume An

Principal's Name
Adnan Assad
Jean G. Brophy
Robert G. Byron
Ross D. Emmerman
Jennifer Zellner Faron
Michael Goldberg
Robert P. Griffiths
Robert Grossinger
Kristine Jurmu
Daniel V. Lezotte
Arthur Moore
Roberto Requejo
Tamara L. Smith
Robyn Snyderman
Kevin A. Sterling, Esq.
Benjamin J. Weprin
Ruth A. Wuorenma
Paul A Zucker

Qualifications of Development Team and Key Staff

Heartland Housing, Inc.
Heartland Housing, Inc. (HHI) is a leader in developing and managing affordable housing in the Midwest. As Heartland Alliance's housing division, Heartland Housing has developed and manages over a thousand affordable homes across the Chicago region and Midwest since our founding in 1988. Our experience has helped us perfect the art of balancing solid property management with programs that create opportunities for residents. As a result, our work not only sparks community revitalization but also creates stable lives and homes.

As the only housing developer in the city of Chicago to be chosen under all three of Mayor Daley's Supportive Housing Initiatives, HHI has established itself as a model program for others in the city as well as nonprofits nation-wide. HHI is committed to providing tenants access to appropriate supportive services and promoting tenant involvement in neighborhood activities and programs in order to foster the interdependency necessary to build stable communities.

As a part of a broad service-based organization, HHI is able to draw upon the expertise of its Heartland Alliance partners to design and deliver integrated housing, social and health services. Heartland Human Care Services (HHCS) and Heartland Health Outreach (HHO) provide many services that are critical to maintaining housing stability in HHI properties, ranging from case management to mental health services to employment training and placement. HHI's development efforts also benefit from Heartland collaboration with the Mid-America Institute on Poverty (MAIP). MAIP supports Heartland's housing goals by advocating for sound housing assistance policies with Chicago and at the state and federal levels.

Andrew Geer
Executive Director
Andrew Geer brings 17 years of corporate, banking, and real estate finance experience to Heartland Housing, Inc. (HHI). Prior to joining HHI, Mr. Geer worked as an internal auditor and accounting/finance supervisor for the DuPont Corporation. Mr. Geer joined the HHI team in 1996 and is presently responsible for overseeing the development and management of HHI's affordable and supportive housing real estate portfolio. Currently the portfolio consists of eight buildings and more than 800 units of housing preserved for low-income individuals and families, and homeless and special needs populations. Mr. Geer received his Masters of Arts from the Harris School of Public Policy Studies at the University of Chicago in 1994. His Masters Thesis analyzed the geographic and demographic distribution of low-income housing tax credit financed projects in Chicago between 1989 and 1994. Other significant academic work included being part of the research team to develop and analyze the historical context for environmental racism in Chicago. Mr. Geer received his Bachelors of Business Administration from the University of Michigan in 1988.

Michael Goldberg
Director of Real Estate Development
Michael Goldberg brings over 17 years of professional community development, planning and housing experience to Heartland Housing, Inc. Past work experiences include senior planner/associate with the consulting firm of SmithGroupJJR. In this position Mr. Goldberg helped manage a city-planning studio that provided services to communities throughout the Midwest. In addition to planning consulting work with another firm (Planning Resources, Inc.), Mr. Goldberg has also managed planning and housing activities as staff of the cities of New York and Chicago. Mr. Goldberg joined Heartland Housing in 2003 and is currently developing and managing HHI's affordable and supportive housing real estate portfolio. Current projects include an initiative to develop affordable housing for immigrants and refugees and working with the Chicago Housing Authority to redevelop public housing developments. Mr. Goldberg received his Master of Science degree in Urban and Regional Planning from the University of Wisconsin-Madison in 1990. He has served on the Board of Directors of DuPage County PADS (Public Action to Deliver Shelter), a non-profit housing advocacy and service provider.

Erica Champer
Director of Quality and Compliance
Ms. Champer oversees the compliance, quality control, facilities management, and long-term financial health of more than 600 units of affordable and supportive housing for low-income Chicagoans. As a member of the leadership team, she is involved in strategic planning for Heartland Housing. Ms. Champer is also a member of the Heartland Alliance Risk Management team, assisting in the development and implementation of the organization's response to financial, environmental, and political risk. Ms. Champer has more than seven years of affordable housing development experience. Prior to joining Heartland Alliance, she was an Asset Management Associate for Aeon (formerly Central Community Housing Trust) in Minneapolis, MN. Ms. Champer graduated Summa Cum Laude from Augsburg College with a Bachelors degree in Urban Studies, Political Science and Sociology and currently resides in Chicago.

Chuck Kerpec
Director of Property Management
Mr. Kerpec brings more than 15 years of experience in facilities operations to the Heartland Housing team. Mr. Kerpec's expertise in facilities management allows Heartland Housing to maintain quality affordable residences with tight operating budgets. Prior to joining Heartland Housing Mr. Kerpec held a variety of positions including: Regional Director of Sales and Marketing for Pathway Senior Living LLC., Executive Director of American Retirement Corporation, and Executive Director & Director of Sales and Marketing at Tamarack Retirement Residences, INC. Mr. Kerpec holds the following degrees: BS in Applied Behavioral Sciences and Business Administration from George Williams College, a degree in Gerontology from the University of Chicago, a Certificate of Sales from IBM Sales Training Seminar, a degree in Revenue Source

Management from North Carolina State University, as well as an Associate Degree in Culinary Arts from The Cooking and Hospitality Institute of Chicago.

Samuel Mordka
Project Manager
Mr. Mordka brings nearly 8 years of affordable housing experience in both affordable housing policy and affordable housing development. Prior to joining Heartland Housing, Mr. Mordka held positions at the North Carolina Housing Finance Agency, and at Winmore Development LLC. Mr. Mordka received his Master of Regional Planning Degree, with a focus on affordable housing policy and real estate development, from the University of North Carolina at Chapel Hill.

Landon Bone Baker Architects
Landon Bone Baker Architects' practice has evolved over the past eighteen years to offer architectural services ranging from large scale urban design and planning initiatives to furniture design. Since its inception, Landon Bone Baker Architects has focused on new and rehabilitated affordable, multi-unit, community-based family housing. While realizing an expertise in community-based housing, we have also developed a considerable portfolio of single family homes, small infill flats, and mid-rise and high-rise new and rehabbed residential buildings. With the experience and understanding of mixed income communities that our office has acquired, we have matured into developing medium-sized and large urban planning and development schemes for market rate, mixed income, as well as most current programs for subsidies in housing.

Along with the housing, we have designed a variety of associated program spaces such as daycare, shelters, SRO's, offices, auxiliary outdoor spaces and support service buildings. We have found that we can bring the same design process to a fully subsidized 2-bedroom apartment as we bring to a market rate custom summer home. Producing a well designed, accessible, cost efficient and sustainable SRO unit is equal to the challenge of producing a universal design for a cost efficient, and sustainable light fixture. Due to a consistent and comprehensive approach, we have developed a considerable expertise in what we call "best practice" design and construction including green initiatives, sustainable development programs, alternative material development (such as pre-cast concrete), sustainable landscape and support and coordination of construction ways and means as a cost containment measure. We are team players both within our own organization, including associate architects, engineers, and technical consultants, and on the development team as a whole.

Jeff Bone AIA,
Jeff received a Bachelor of Architecture degree from Ball State University in 1987. He worked at Weese Hickey Weese Architects in Chicago from 1986 to 1987 and lived in London from 1987 to 1988 where he worked and traveled. Jeff joined Landon Architects Ltd. in 1988 and became a principal in 1999. He is president of Knothead Furniture, an ongoing collaboration with Landon Bone Baker Architects that

designs furniture and custom installations. Jeff has worked on a wide variety of affordable, supportive housing projects throughout the city and in Champaign/Urbana and currently is working on a 60-unit independent living senior building which is a part of a senior campus that includes a grandfamily building and senior café. He is a current board member of archi-*treasures*, a nonprofit arts-based group that designs and builds community based gardens, and has been active in the AIA Education in the Schools PIA. He presented at the AIA Professional Development Conference last year and received the Young Architect Award from the CCAIA in 2001. Recently, Jeff organized and led a tour for the City's Great Chicago Places and Spaces. The tour, Fortifying Affordable Housing, looked at the collaborative effort between management, residents, architects, and artists in the rehabilitation of Barbara Jean Wright Courts, 272 Units of affordable housing on the near west side.

Jack Schroeder

Jack graduated with honors from Ball State University in 2001 with bachelor's degrees in Architecture and in Environmental Design. He has worked at Browning Day Mullins Dierdorf and at a3design in Indianapolis, Indiana. Jack joined Landon Bone Architects in 2002. He has worked on a number of affordable housing projects of varying scales throughout Chicago and Illinois, as well as collaborating on smaller custom furniture projects with Knothead Furniture. Jack has been involved with various design related not-for-profit organizations and programs, including: classroom volunteer and competition judge for CAF's Newhouse Competition, teacher and TA for art courses at Marwen, and charrette participant and marketing/web designer with archi-*treasures*. He was a finalist in the 2005 USGBC Natural Talent Competition – a collaborative competition staged by the USGBC Emerging Green Builders Committee and the Boys and Girls Clubs of America. Jack is a licensed architect in the state of Illinois

Humboldt Construction

HCC was created in 1981 as a wholly owned subsidiary of Bickerdike Redevelopment Corporation. Through a hard won agreement with the Carpenter's Union, HCC gives local low income residents access to otherwise difficult to obtain union apprenticeships and employment, preparing workers for success at living wage jobs beyond our organization. HCC is a member of the Chicago and Northeast District Council of Carpenters.

Humboldt Construction Company is a minority certified (MBE) general contractor. HCC employs 20 to 30 carpenters at any given time, and more than 75 workers have made their way through the apprenticeship program and into skilled jobs elsewhere.
HCC employs local and minority subcontractors, providing free technical assistance to help them develop their businesses so they can provide quality construction services in their trade, build their companies and create more jobs for area residents. Over 75% of the work generated by HCC is performed by these local minority subcontractors. Additionally, HCC prioritizes work with local suppliers in all aspects of its construction work. HCC's work with local subcontractors and suppliers helps keep dollars circulating in the local economies of our communities.

While HCC got its start by acting as general contractor for all of Bickerdike's development projects, over the past decade HCC has diversified its client base, now working for a variety of both for profit and not for profit owners, including both public and private sector jobs. In fact, when HCC performs jobs outside of Bickerdike's target area, a local employment plan is implemented where minority contractors and workers are hired from that community.
HCC is a fully insured company with bonding capacity of $25 million dollars. Over this past decade, HCC has performed over $45 million in construction contracts, including the new construction and substantial rehabilitation of 57 residential and 2 commercial buildings. HCC's impeccable track record of job performance and local hiring make it an ideal partner for the Viceroy project.

Efrain Vargas
Director of Housing and Economic Development
Mr. Vargas oversees the development of new housing projects and the operations of HCC for Bickerdike Redevelopment Corporation. Throughout his nearly 25-year association with our company, he has been a driving force in HCC's development from a neighborhood repair and rehab project to a full service union affiliated carpentry and general construction contractor. Currently, he serves as the Director of Housing and Economic Development for Bickerdike Redevelopment Corporation (Humboldt's Owner).

Mr. Vargas is responsible for the overall development of residential real estate and property acquisitions, and acts as liaison between Bickerdike Redevelopment Corporation/HCC and various public agencies including DOH, HUD, and IHDA. He is directly involved in the overall community and public approval process for all development activities. In addition, Mr. Vargas currently coordinates all HCC and Bickerdike activities through the Executive Director and supervises all project staff. He is and has been very active in community affairs having held several positions for various organizations including the Latin American Task Force.

His extensive experience and knowledge of the construction field has allowed HCC to maintain a steady workflow for the past twenty five years. He has successfully managed and completed various multi-million dollar projects, including our most recent project, the "Harold Washington Unity Cooperative" ($17.2 Million). Mr. Vargas has extensive experience in the bidding and negotiation process and is fully versed in the public financing process. In addition, Mr. Vargas was originally one on the main players in our successful negotiation and agreement with the Carpenters Union Local 13.

John Knox
Project Manager
Mr. Knox is Project Manager and Estimator for HCC. He is responsible for bid preparation, sub-contractor management, estimating, bid solicitation, budgeting, project scheduling, payout and logistics. Projects that he has managed include new construction of six bedroom group home ($650,000) and 18 unit accessible apartment building ($2.1

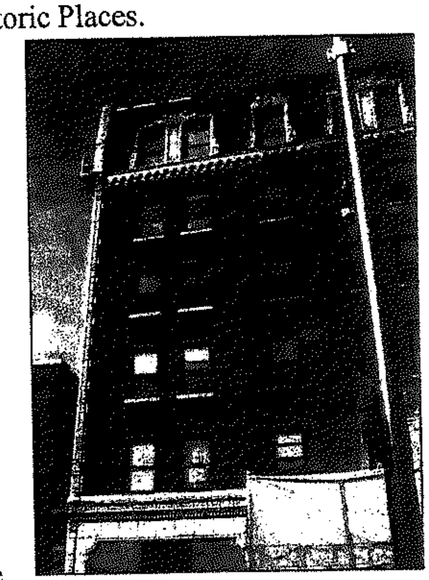
mil.), government-funded rehabilitation of 24-unit apartment building ($2.1 mil.), and 62-unit SRO apartment building ($5.4 mil.). Mr. Knox previously managed lead abatement activities for Bickerdike Redevelopment as part of Bickerdike's participation in a federally funded lead abatement and education program in the West Town neighborhood of Chicago from 1996 through 1999. His duties included the formation and management of HCC's lead abatement crew, a state licensed team of carpenters who formed lead safe abatement and remodeling.

Please see the enclosed charts for descriptions of the Heartland's project development capability and ability to finance projects of similar scope, in response to items 3.b. and 3.c. of the RFP.

Historic Rehabilitation Experience

HHI has significant experience with rehabbing problem properties and turning them into assets that contribute to the economic and social improvement of the community. Vintage rehabilitation has been HHI's housing niche in our nearly 20 year history, including the Sutherland Apartments, San Miguel Apartments, Karibuni Place, Parkway Apartments and Mae Suites.

HHI recently completed The Leland Apartments, a Historic Tax Credit development in Chicago's Uptown community area. The six-story Leland is an "orange" building in the Chicago Historic Resources Survey and is a "contributing" building in the Sheridan Park Historic District, which is listed on the National Register of Historic Places.



The development team, which included general contractor Madison Construction, worked to preserve the Leland's early twentieth century character while modernizing the building for 137 units of affordable housing. The development team worked closely with the Illinois Historic Preservation Agency to ensure the project met the Department of Interior standards. Highlights of the project include:

- Significant attention was paid to the exterior, including extensive masonry cleaning, correcting poor tuck-pointing, and repairing and replacing terra cotta. (The picture to the right shows the masonry cleaning in progress.)
- Picture frame molding and custom ceiling textures were recreated in the lobby and on the residential floors.
- The interior design of the lobby drew inspiration from the building's Spanish architectural influences.

In addition to our ability to meet physical rehabilitation standards, Heartland Housing has considerable experience in the financing associated with Historic Tax Credits. With our track record of syndicating tax credits, Heartland Housing is able to maximize the equity return on the credits, which in turn increases resources available to properly rehabilitate a historic property.

Humboldt Construction

Humboldt Construction has over the years done a number of historic rehabilitations on a variety of building types. The following are a few examples of Humboldt's experience:

Instituto Puertoriqueno de Arte Y Cultura (IPRAC) Humboldt Park Stables, This is a Historic Landmark building in the middle of Humboldt Park (3015 N. Humboldt). The project is a complete gutted historic/landmark renovation of the old horse stables into a museum. Cost over 5MM.

Howard Apartment, 1567 N. Hoyne; gutted historic rehabilitation of 49 SRO units in Historic Wicker Park

Humboldt Building; 1704 N. Humboldt; gutted historic rehabilitation of a 29 units apartment building in Humboldt Blvd.

Landon Bone Baker Architects

Landon Bone Baker Architects has an award winning record of completing historic rehabilitations including historic rehabilitations for affordable housing. The following are examples of this work:

North Pullman Place Chicago, IL
Client: Neighborhood Housing Services
2008 Chicago Landmark Award for Preservation Excellence
Pullman Place, located at 10461 N. Corliss in Chicago's North Pullman Landmark District, was originally built in the 1880's as a tenement house and recently underwent an exterior historic rehabilitation and interior gut rehabilitation reconfiguring the plan to create 6 loft style residential units. LBBA was the architect on the project working for Neighborhood Housing Services of Chicago, a nonprofit organization that promotes community development through neighborhood-based programs offering home ownership, lending and rehab services. The rehabilitation was al s o recognized as a winning project in HGTV's Restore America series LBBA was the architect on the project working for Neighborhood Housing Services of Chicago, a nonprofit organization that promotes community development through neighborhood-based programs offering home ownership, lending and rehab services.

1819 W Humboldt Chicago, IL
Client: Thresholds

Located on the historic Humboldt Boulevard, this existing 1920's era multi-family was gutted and completely rehabilitated to provide affordable housing for residents of the Thresholds program. The interior plan configuration has a central, double-loaded corridor with 42 units of efficiency and one bedroom units. The ground floor is partially dedicated to an entry lobby and laundry room. The exterior building envelope was updated with new windows and roofing, while the terra cotta and brick front façade was repaired and restored to its original beauty.

Howard Apartment, historic rehab of an SRO in the Wicker Park neighborhood of Chicago

Relationship Between the Development Team for the Viceroy and The Development Team for the Western Lot

As mentioned earlier, the HHI/FBCC development team is offering to purchase the western lot, but has not identified an end user. To remain consistent with the City's development goals and with what we heard at the pre-submittal conference, the development team is not proposing to put additional housing on this parcel. Instead we are seeking a commercial development that will compliment the supportive housing, provide goods and/or services to the surrounding neighborhood, fit within the context of commercial development along Ashland Avenue, provide jobs, and financially support the established TIF district.

Heartland Housing has had numerous conversations with potential end users and developers, including: two commercial developers, a neighborhood not-for-profit health care provider, a caterer looking to relocate his kitchen and office space, private not-for-profit entities looking for office space in the neighborhood, and private for profit businesses including retail and office users. When a viable use is identified we will evaluate ownership and development alternatives that may include: outright sale of the parcel to an entity that will develop it, a long term land lease of the parcel to an entity that will develop it, Co-developing and owning the parcel with an outside party, or the current team developing the parcel and entering into a long term lease with an end user. The development team will explore opportunities to use private funding and New Market Tax Credits in the development of this commercial space.

The development team has done initial zoning studies, and created conceptual site plans and building massing studies showing alternative development scenarios for the western lot. These conceptual site plans and drawings can be found in Section 12.

CHANGE.
CHICAGO HOUSING AUTHORITY

May 12, 2010

Ms. Gloria Materre
Executive Director
Illinois Housing Development Authority
401 North Michigan Avenue
Suite 700
Chicago, IL 60611

Dear Ms. Materre:

The Chicago Housing Authority's (CHA) mission is to ensure the provision of affordable housing opportunities in viable communities for lower income households. The redevelopment of the Viceroy Hotel seeks to fulfill that mission and will provide much needed quality housing for individuals in need of supportive services.

The CHA supports the Viceroy Hotel and, subject to the CHA Board of Commissioners and HUD approval, intends to provide 72 project-based vouchers (PBV) to the development for the maximum allowable term, which is currently 30 years. The PBV assistance is also contingent upon the developer and CHA executing an AHAP contract prior to closing, which will be replaced by a HAP contract when rehabilitation is complete. The PBV subsidy will be available once the project has passed HQS and the designated unit is under lease. Tenants will pay 30% of their adjusted household income toward the rent, including utilities.

CHA's consideration of this proposal is in conjunction with the City of Chicago Department of Community Development's commitment to contribute funds and/or land to the development based on its competitive selection criteria.

Sincerely,

Lewis A. Jordan
Chief Executive Officer

dceo Illinois Department of Commerce and Economic Opportunity

Pat Quinn
Governor

Warren Ribley
Director

May 13, 2010

Mr. Andrew Geer
Heartland Housing, Inc.
208 S. LaSalle St., Suite 1818
Chicago, IL 60604-1156

RE: Viceroy Apt.

Dear Mr. Geer:

This letter is to confirm receipt of your application for a grant through the DCEO's Energy Efficient Affordable Housing Construction Program. Your request for funding for the rehab of 89 units of affordable housing located at 1519 W. Warren Blvd., in Chicago IL is under review at this time.

The grant will be available as a source of funding for the project only after final review of the construction documents. The amount of the grant has yet to be officially determined, but based upon preliminary review of the schematic drawings for the project; the estimated grant amount would be $182,157. If funding is approved, the funds would be made available upon start of construction.

Please let me know if you need any further clarification regarding this grant process. I look forward to working with you on this worthwhile project.

Sincerely,

Maureen Davlin,
Program Manager

City of Chicago
Richard M. Daley, Mayor

Department of Community Development

Chris Raguso
Acting Commissioner

City Hall, Room 1000
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4190
(312) 744-2271 (FAX)
(312) 744-2578 (TTY)

http://www.cityofchicago.org

May 13, 2010

Ms Gloria Materre
Executive Director
Illinois Housing Development Authority
401 N. Michigan Avenue, Suite 700
Chicago, IL 60611

RE: Redevelopment of the Viceroy Hotel – 1519 W. Warren Blvd.

Dear Ms. Materre,

I am writing to express my support for the redevelopment of the Viceroy Hotel, a project sponsored by Heartland Housing Inc. (HHI) and the First Baptist Congregational Church (FBCC). The proposed project, which will be located in the Near West Side Community Area, will redevelop the property into 89 units of studio supportive rental units.

DCD will convey the building and the adjacent eastern parcel to HHI and FBCC for $1. In addition, DCD expects to provide approximately $1,500,000 in Illinois Affordable Housing Tax Credits and secondary financing in the amount of approximately $3,876,673.

Our support for this project is conditioned on final underwriting and approval by City Council.

Should you have further questions or need additional information, please contact your Financial Analyst, Michael Roane, at 312-744-6434.

Sincerely,

Christine Raguso
Acting Commissioner

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

CONDITIONAL RESERVATION LETTER

September 23, 2010

VICEROY HOTEL LIMITED PARTNERSHIP (the "Owner")
208 S. LaSalle, Suite 1818
Chicago, IL 60604
Attn: Michael Goldberg

Re:

Project Name:	Viceroy Hotel Apartments
Project Location:	1519 W. Warren Boulevard Chicago, IL 60607
IHDA Tax Credit No.:	FTC-10308
Credit from Allocation Year(s):	2010
Allocation Type (NC, R, A/R):	A/R
Unit Count:	89/89[1]
Applicable Fraction:	100%
Completion Date:	December 31, 2012
Minimum Low Income Election:	40/60
Reservation Amount ("Reservation"):	1,352,409[2]
Reservation Fee ("Reservation Fee"):	$ 135,240.90
Non Profit Set-Aside Reservation:	____ Yes __X_ No
Date by which 10 Percent test must be met:	December 31, 2011
Date 10 Percent test documentation due:	November 1, 2011

Dear Mr. Goldberg:

The Illinois Housing Development Act, 20 ILCS 3805/1 *et seq*., as amended from time to time (the "Act"), designates the Illinois Housing Development Authority (the "Authority") as the low income housing tax credit agency for the State of Illinois (the "State") to allocate federal low income housing tax credits ("Tax Credits") to housing projects that satisfy the requirements set forth in Section 42 ("Section 42") of the Internal Revenue Code of 1986 (the "Code") and the regulations of

1 The number of low income units/The total number of units in the Project.

2 This credit amount has been calculated using an estimated qualified basis and an estimated applicable percentage. While the actual qualified basis and applicable percentage may change, the reservation amount cannot be exceeded.

the U.S. Department of Treasury and Internal Revenue Service ("IRS") promulgated thereunder, as amended from time to time (the "Regulations"), the Authority's Low Income Housing Tax Credit Qualified Allocation Plan, as amended from time to time (the "QAP"), and the rules and regulations of the Authority codified at 47 Ill. Adm. Code Part 350, as amended from time to time (the "Rules"). Subject to the terms and conditions set forth in this Conditional Reservation Letter (this "Letter"), the Authority agrees to reserve Tax Credits in the amount of the Reservation for allocation in connection with the real estate legally described in **Exhibit A** attached hereto and made a part hereof, and the improvements located or to be located thereon (the "Project"). No change in the Owner or, as applicable, general partner(s) or managing member(s) of the Owner shall occur prior to issuance of Form 8609 for the Project without the prior written consent of the Authority. Each non-grammatical capitalized term not defined in this Letter shall have the meaning ascribed to it in the Rules.

I. TERM FOR ACCEPTANCE

The terms and conditions of this Letter shall become effective as of the date of this Letter, provided that the Owner accepts it by executing this Letter in the spaces indicated by October 4, 2010 and returning it to the Authority, together with the Reservation Fee, as indicated on page 1 of this Letter, no later than October 4, 2010. **Failure to return this Letter by October 4, 2010 may result in forfeiture of the Reservation for the Project.** The Reservation Fee is equal to 1% of the 10 year credit amount for the Project as required by the QAP.

This Letter is conditioned on the Owner's constructing, rehabilitating or acquiring and rehabilitating, as applicable, the Project in accordance with the application for Tax Credits (the "Application") submitted to the Authority and is subject to the Owner and the Project maintaining eligibility under all selection criteria. The Owner acknowledges that it has an affirmative obligation to advise the Authority of any changes to such Application.

II. GENERAL CONDITIONS

Performance by the Authority of its obligations under the Letter is contingent on the following:

1. the Authority's continued designation as the Tax Credit agency for the State

2. the Authority's continued ability to comply with Section 42 and other applicable sections of the Code, and the applicable Regulations and

3. the Authority's determination that the allocation of Tax Credits is not greater than the amount necessary for the financial feasibility of the Project at the time the Project is placed in service

III. SPECIAL CONDITIONS

A. At least ten percent (10%) of the Units in the Project must be Rent Restricted and occupied by Qualifying Tenants at or below thirty percent (30%) of Area Median Income.

B. At least 10% of the Units in the Project will be constructed to exceed minimum accessibility requirements of Section 504 of the Rehabilitation Act of 1973, as amended, for persons with mobility impairments. An additional 2% of the Units in the Project will be constructed to exceed minimum accessibility requirements of Section 504 of the Rehabilitation Act of 1973, as amended, for persons with sensory impairments in accordance with the Application and any supporting documentation submitted with the Application. Requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) must be met. The proportion of "accessible" and "adaptable" Units which must be constructed for Qualifying Tenants must be consistent with the Project's Applicable Fraction.

IV. CARRYOVER AND FINAL ALLOCATIONS

The Owner shall submit documentation required in this paragraph based on the projected placed in service date for the Project, as follows:

1. Projects seeking a Carryover Allocation – Projects that will not be placed into service (as defined by Section 42 of the Code) prior to December 31, 2010 must meet all Carryover Allocation requirements by November 1, 2010, including evidence of current site control in the name of the Owner, satisfactory to the Authority and extending through June 30, 2011. A Carryover Allocation Letter describing the requirements will be provided to the Owner prior to the November 1 submission date. Limited extensions to the submission date will be reviewed upon written request to the Authority. On June 1 of the year following the Carryover Allocation, evidence of site control in the name of the Owner must be submitted to the Authority and extend through December 31, 2011; or

2. Projects that do not require a Carryover Allocation – Projects that will be placed into service (as defined by Section 42 of the Code) by December 31, 2010 must submit all documentation required for the Final Allocation Checklist by November 1, 2010 (the year of the Reservation Letter)

V. RESERVATION FOR ALLOCATION

The Authority agrees to allocate an amount not to exceed the lesser of the Reservation Amount or the maximum amount of Tax Credits the Project may be qualified to receive under the provisions of Section 42, the Regulations and the Rules at the time the Project is placed in service, subject to the following: (i) the Owner meets all terms and conditions set forth in this Letter and (ii) after the date of this Letter, there is no change, without the Authority's prior written consent, in (a) the source or the amount of the permanent financing for the Project, (b) the ownership structure of the Project, (c) the number or configuration of the residential units in the Project or other Project physical characteristics, or (d) the Project's continuing qualification under all criteria on which scoring decisions were made. If these conditions are not met, the Authority reserves the right to reevaluate the Project and revoke the reservation of Tax Credits for the Project. All fees paid to the Authority in conjunction with the Application or the Reservation will be retained by the Authority.

If the Allocation Year shown on page 1 of this Letter is different from the calendar year of this Letter, this Letter will constitute a forward Reservation pursuant to the 2011 Authority Housing Credit Ceiling and the Project's placed in service date must be no later than December 31, 2013. If two Allocation Years are shown on page 1 of this Letter, the Owner must meet the various time requirements as if the Project were awarded the full allocation pursuant to the 2010 Authority Housing Credit Ceiling. Projects approved for a forward Reservation of 2011 Tax Credits must meet all carryover allocation ("Carryover Allocation") requirements (including the ten percent carryover rule (the "10 Percent Test") in accordance with Section 42(h)(1)(E)(i) and (ii) of the Code, Treasury Regulations (26 CFR) Section 1.42-6 and other related IRS Notices and Rulings) for calendar year 2010.

VI. PERFORMANCE BY OWNER

The allocation of Tax Credits pursuant to this Letter and the subsequent issuance of IRS Form(s) 8609 with respect to the Project (further discussed in Section VII below) are subject to:

1. continuing compliance by the Owner and Project with the Code and the Regulations

2. the Owner's continuing compliance with the Act and the Rules, and such other procedures as the Authority may establish from time to time. In the event of any conflict between federal law and the Act, the Rules or this Letter, federal law shall control; and

3. the Owner's maintaining all plans for the Project, which shall include, but not be limited to, the following: (i) the source and amount of permanent

financing for the Project; (ii) the ownership of the Project; (iii) the number and configuration of the residential units in the Project and other physical characteristics of the Project; (iv) the Project's continuing qualification under all criteria under which scoring decisions were made; and (v) the Owner's ability to complete the project as scheduled; and

4. the Authority's determination, in its sole discretion, that the Owner and Project are, and can be expected to remain, in compliance with the terms and conditions of this Letter

Owner acknowledges that it is under an affirmative obligation to advise the Authority of any material change in the nature or composition of the Owner or the development team or of any of the specifics of the Project set forth in the Application. Owner acknowledges that the Authority may, at its option, terminate this letter and revoke the Reservation of Tax Credits without liability if any of the conditions listed in 1 through 4 above has not been met. Owner acknowledges that the Authority may, at its option, terminate this Letter and revoke the Reservation of Tax Credits without liability if litigation or other proceedings are pending that, in the Authority's sole judgment, are likely to hamper the Owner's ability to complete the Project because they may affect (a) the Owner's acquisition, construction or rehabilitation, as applicable, of the Project; (b) the interest of the Owner in the Project; or (c) the ability of the Owner to perform its obligations under this Letter.

VII. MONITORING FEE

The Authority is required to monitor projects receiving Tax Credits to ensure that such projects are in compliance with Section 42, the Regulations, the Act and the Rules, and will charge a fee for such monitoring (the "Annual Compliance Monitoring Fee"). The Annual Compliance Monitoring Fee for the Project will be $30.00 per unit, per year. This fee is subject to change by the Authority at any time during the compliance period upon written notice to the Owner. The Owner hereby agrees to pay the Annual Compliance Monitoring Fee to the Authority.

VIII. DOCUMENTS TO BE DELIVERED BY OWNER

A. The Owner shall submit an estimate of its reasonably expected basis in the project as of December 31 of this calendar year, by November 1 of this year.

In addition, the Owner shall deliver to the Authority each of the following documents, all in a form and substance acceptable to the Authority, by the date by which the 10 Percent Test must be met, as specified on page 1 of this letter:

1. Original executed Carryover Allocation Letter (which will be sent by the Authority to the Owner for execution), with complete exhibits, to the Authority by the date

specified in Section III of the letter, Special Conditions(including evidence that the Owner has met the 10 Percent Test);

2. Original letter from a certified public accountant or an attorney certifying the costs incurred in meeting the 10 Percent Test;

3. Original executed copy of this Letter, proof of payment of the required Reservation Fee and evidence that all special conditions have been met;

4. Evidence that the Owner has site control of the Project through June 30, 2011;

5. For projects requiring a waiver of the 10 year holding requirement for the acquisition of an existing building, a copy of such waiver obtained from the IRS or a legal opinion to the effect that the Project will qualify for such waiver, citing the appropriate provision of the Code and factual basis for such opinion; and

6. Any and all other documents or evidence required under Section 42(h)(1)(E) of the Code and Treasury Regulations (26 CFR) Section 1.42-6(d) and any other documents required to satisfy the terms and conditions of this Letter.

B. Owners are required to enter into an Extended Use Agreement at the initial financial closing of the Project. The Extended Use Agreement shall be a restrictive covenant on the Project and shall be binding upon the Owner and all successors of the Owner. The Owner must record the Extended Use Agreement prior to all other documents evidencing or securing the financing provided in connection with the Project. The Owner must satisfy the requirements of Section XIV of the QAP, and provide all other documents required by the Code, the Regulations, the Act, the Rules and any other documents the Authority or its counsel may require, in their sole discretion, prior to the Authority's execution of the Extended Use Agreement. The Authority will provide the Extended Use Agreement under separate cover.

The Authority will issue IRS Form(s) 8609 for the Project, provided that the Project is placed in service within the time period required under the Code. The Owner must satisfy the requirements of Section XV of the QAP, and provide all other documents required by the Code, the Regulations, the Act, the Rules and any other documents the Authority or its counsel may require, in their sole discretion, prior to the Authority's issuance of IRS Form(s) 8609.

C. Also enclosed with this Letter are:

1. Payment Instruction Form (for payment of Reservation Fee);
2. Gross Rent Floor Election Form pursuant to IRS Revenue Ruling 94-57;
3. Final Allocation Checklist;

4. Final Financing Form;
5. Owner Certification Form;
6. Certification of Partnership Agreement;

IX. TERMINATION

This Letter shall automatically terminate two years after December 31, 2010 (or, in the case of a forward Reservation pursuant to the 2011 Authority Housing Credit Ceiling, three years after December 31, 2010). The Authority reserves the right to terminate this Letter at any time for reasons which include, but are not limited to, the following:

1. the Authority determines in its sole discretion, prior to the final award of Tax Credits pursuant to IRS Form(s) 8609, that the Owner is not diligently pursuing completion of the Project;

2. the Authority determines that the requirement for a valid carryover allocation of the Tax Credits as described in the Code and Treasury Regulations (26 CFR) Section 1.42-6 will not be met by December 31 of the year of allocation;

3. the Authority determines that the Owner or the Project is not in compliance with the Code, the Regulations, the Act, the Rules or this Letter, including, but not limited to the conditions stipulated in Section V of this Letter;

4. the Authority determines that the Owner has intentionally provided erroneous or fraudulent information to the Authority in connection with the Owner's application; or

5. any other reasons referenced in the QAP in effect as of the date of this Letter.

The Authority shall give prior written notice of any termination of this Letter and corresponding revocation of the Reservation of Tax Credits and may, in its sole discretion, retain the Reservation Fee as liquidated damages

X. DISCLAIMER OF LIABILITY

The Authority has relied on the information supplied by the Owner in the Application for Tax Credits. The Authority disclaims any liability arising out of (i) the Reservation or allocation of Tax Credits; (ii) the reduction of the Reservation in an amount by which the Reservation exceeds the Authority's Tax Credit allocation ceiling; (iii) the disallowance or recapture of Tax Credits by the IRS; or (iv) any information supplied by the Owner. The Authority's review of documents submitted in connection with this Reservation is for its own purposes. The Authority makes no representations to the Owner or to any other individual or entity as to Owner's compliance with the Code, the Regulations, the Act, the QAP, the Rules or any other laws or regulations governing Tax Credits.

By accepting this Letter, the Owner acknowledges and accepts the risk that the U.S. Congress, the U.S. Department of the Treasury or the State of Illinois may change the requirements for the award of or qualification for Tax Credits by subsequent enactment of law or promulgation of regulations or regulatory materials.

No member, officer, agent or employee of the Authority shall be personally liable concerning any matters arising out of or in relation to the undertakings or obligations set forth in this Letter.

XI. NOTIFICATION TO INTERNAL REVENUE SERVICE

The Authority will notify the IRS, pursuant to its QAP and Treasury Regulations (26 CFR) Section 1.42-5, of any knowledge the Authority may acquire to the effect that the Owner of the Project is not complying with the provisions of the Code.

XII. ASSIGNMENT

This Letter is not assignable by the Owner, in whole or in part, without the prior written consent of the Authority. If such consent is given, this Letter is binding upon such successor or assign.

XIII. SURVIVAL OF OBLIGATIONS

The obligations of the Owner as set forth herein shall survive the allocation of Tax Credits and shall not be deemed to terminate or merge with such allocation. The Owner shall continue to cooperate with the Authority and furnish such documents, reports, exhibits, or showings as may be required by the Code, the Regulations, the Act, the Rules and the Authority or its counsel.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

Very truly yours,

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
Taxpayer Identification #E9974-2896-03

By: Linda Thurmond
Linda Thurmond
Managing Director of Multifamily Programs
Multifamily Financing Department

THE TERMS AND CONDITIONS OF THIS LETTER
ARE ACCEPTED AND AGREED TO BY OWNER
THIS 15th DAY OF October, 2010

OWNER:

VICEROY HOTEL LIMITED PARTNERSHIP
an Illinois limited partnership

By: Viceroy GP, LLC
an Illinois limited liability company
its general partner

By: Heartland Housing, Inc., its Manager
Name: Michael Goldberg
Title: Michael Goldberg, Executive Director

Owner's Statement of Election:

_____ Owner does elect the current, applicable percentage and has attached the properly executed and notarized Election Rider;

or

_____ Owner does not elect the current applicable percentage

Very truly yours,

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
Taxpayer Identification #E9974-2896-03

By: Linda Thurmond
Linda Thurmond
Managing Director of Multifamily Programs
Multifamily Financing Department

THE TERMS AND CONDITIONS OF THIS LETTER ARE ACCEPTED AND AGREED TO BY OWNER THIS 15 DAY OF October, 2010

OWNER:

VICEROY HOTEL LIMITED PARTNERSHIP
an Illinois limited partnership

By: Viceroy GP, LLC
an Illinois limited liability company
its general partner

By: Michael Goldberg

Name: Michael Goldberg

Title: ____________________

Owner's Statement of Election:

_____ Owner does elect the current, applicable percentage and has attached the properly executed and notarized Election Rider;

or

_____ Owner does not elect the current applicable percentage

EXHIBIT A

LEGAL DESCRIPTION

PROJECT NAME: Viceroy Hotel

ALL OF LOTS 6 TO 13, BOTH INCLUSIVE, IN LAFLIN AND MATHER'S SUBDIVISION OF THE NORTH PART OF BLOCK "D" IN THE SOUTHWEST CORNER OF THE SOUTHWEST ¼ OF SECTION 8, TOWNSHIP 39 NORTH,
RANGE 14 EAST OF THE THIRD PRICIPAL MERIDIAN, SOMETIMES CALLED BLOCK "D" IN WRIGHT'S ADDITION TO CHICAGO, AND BEING IN THE SOUTH PART OF LOT 4 IN THE CIRCUIT COURT PARTITION OF THE SOUTHWEST ¼ OF SECTION 8, AFORESAID, IN COOK COUNTY, ILLINOIS

Enterprise™

April 20, 2011

Michael Goldberg
Viceroy Hotel Limited Partnership
208 S. LaSalle Street, Suite 1818
Chicago, IL 60604

RE: Viceroy Hotel Limited Partnership

Dear Michael:

The purpose of this letter is to outline the basic terms and conditions under which an equity fund or funds (the "Fund") of which Enterprise Community Investment, Inc. ("Enterprise") is Managing Member, would make an equity investment in The Viceroy Hotel (the "Project") located in Chicago, IL.

A. The Project

- The Project consists of the acquisition/historic rehabilitation of 89 apartment units (the "Units") in one building.
- Construction is expected to begin approximately by September 1, 2011 and is expected to be substantially complete by approximately October 1, 2012.
- The Project will be owned by a limited partnership~~,~~ known as Viceroy Hotel Limited Partnership, an Illinois limited partnership (the "Partnership").
- 100 percent of the Units will qualify for the federal low-income housing tax credit (the "Federal LIH Credit") as provided for in Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").
- The Partnership will operate the Project in accordance with any applicable HUD or other federal or state regulations.

B. Partnership Interest

The Partnership will have as its general partner Viceroy GP, LLC, an Illinois limited liability company (the "General Partner") which shall be a single purpose entity with a 0.01% partnership interest. The General Partner has two members: Heartland Housing, Inc., an Illinois not for profit corporation, with a 70% ownership interest ("Heartland"); and First Baptist Congregational Church of Chicago, an Illinois not for profit corporation, with a 30% ownership interest ("FBCC"). Heartland is the managing member of the General Partner. Both Heartland and FBCC are exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The General Partner has elected, or will elect, to be taxed as a corporation and will make the 168(h)(5) election. The Fund will be the investor limited partner (sometimes referred to as the "Fund" or the "Limited Partner") with a 99.99% partnership interest.

Heartland and FBCC are co-developers of the Project ("Co-Developers" or "Co-Sponsors").

C. **Fees**

- Development Fee - The Co-Developers will receive a developer's fee in the amount of $1,333,333, of which $1,000,000 is projected to be paid out of equity as detailed in Section D below and $333,333 is scheduled to be deferred. The General Partner shall be obligated to pay any deferred amount outstanding at the end of the Federal LIH Credit compliance period (as defined in the Code).

- Investor Services Fee - The Partnership will pay the Limited Partner an investor services fee of $3,500 (inflating 3% per year). Payment of the investor services fee will be made from project cash flow after operating costs, required debt service, and replacement reserve contributions, but before any cash flow is used to pay the deferred developer fee or is otherwise distributed to the partners in accordance with Section F.2 hereof, with any unpaid investor services fee to accrue without interest and to be paid as a priority from subsequent years' cash flow and sale or refinancing proceeds.

Note: Alternatively, the General Partner may be eligible to receive a distribution of net cash flow following the expiration of the five-year Federal Historic Tax Credit compliance period; see Paragraph F. The sum of all cash flow fees and distributions paid to the General Partner and affiliates should not be projected to exceed 90% of available cash flow.

D. **Pricing of Credits; Timing of Capital Contributions**

Based on existing conditions, the Limited Partner contemplates making an equity investment in the Partnership of $14,728,000 ($0.88 per dollar of Federal LIH Credit, $0.90 per dollar of Federal Historic Tax Credits, and $0.90 per dollar of Energy Tax Credits allocated to the Limited Partner) assuming an annual allocation to the Partnership of $1,352,409 of Federal LIH Credits, $3,667,453 of Federal Historic Tax Credits ("HTC"), and $200,000 of Energy Credits. We have assumed that the Limited Partner will be admitted to the Partnership on or about July 1, 2011. However, if at any time prior to closing, there are material changes in the assumptions or there are material changes in investor's required yields or availability of capital, the Limited Partner may, at its option, adjust the pricing of the Federal LIH Credits, in accordance with the provisions of Paragraph M. For purposes of the above, failure to close by October 1, 2011 shall be considered a material change in the assumptions. Subject to the satisfaction by the General Partner and/or Co-Sponsors of all of the conditions contained in this letter, and the additional conditions which may result from the underwriting of the Project, the Fund will make capital contributions in an aggregate amount based on the pricing set forth above (subject to the repricing provisions of this letter). Subject to these conditions, such capital contributions shall be payable in installments in accordance with the following major payment conditions.

First Installment: Admission Date

Second Installment: On the latest to occur of:

(a) Completion Date (including, without limitation, receipt of temporary certificates of occupancy for 100% of the Units and inspection by the Limited Partner or its designee, which must be satisfied that the buildings have been completed in accordance with the relevant Project Documents);

(b) receipt and approval of Cost Certification by Enterprise, which report shall include the Project's eligible basis, matching sources and uses, and calculation of annual Credit;

(c) receipt and approval by Enterprise of an updated title report for the Project, evidencing that there are no recorded mechanics liens that have not been released or bonded against so as to preclude the holder of such lien from having any recourse to the Partnership Property, the Project, any of the Units, or the Partnership for the debt secured thereby;

(d) receipt by Enterprise of copies of all insurance binders (including title insurance) on the Partnership Property acceptable to Enterprise;

(e) receipt by Enterprise of a copy of the Extended Use Agreement with recording information from the city/county in which the Property is located;

(f) receipt and approval by Enterprise of satisfactory radon testing, for each building in the Partnership Property, regardless of zone, together with evidence of mitigation, if required;

(g) receipt by Enterprise of evidence that all Partnership reserve accounts required on Exhibit A-6 have been established, pending funding by Limited Partner equity;

(h) receipt and approval by Enterprise of an updated source and use schedule for the Project;

(i) submission of the Part 3 application to the National Park Service;

(j) receipt and approval by the Limited Partner of Housing Assistance Payments Contract;

(k) receipt and approval by the Limited Partner of a lead free inspection certificate (for rehab of buildings built before 1978);

(l) November 1, 2012.

<u>Third Installment</u>: On the latest to occur of:

(a) Take-out of construction loan;

(b) April 1, 2013.

<u>Fourth Installment</u>: On the latest to occur of:

(a) receipt of permanent certificates of occupancy for 100% of the Units;

(b) receipt and approval by Enterprise of IRS Form 8609;

(c) achievement of the Stabilization Date (including 3 months of Required Debt Service Coverage (or Required Expense Coverage where no hard debt) following 95% occupancy and 95% rent potential);

(d) receipt by Enterprise of the Partnership's projection of the Projected Federal LIH Credits and Projected HTC prepared in accordance with the Partnership Agreement (as hereafter defined);

(e) achievement of 100% Qualified Occupancy;

(f) Enterprise's receipt and approval of all initial Tenant Income Certifications (including first and last page of lease and third party confirmation);

(g) receipt by Enterprise of evidence of the General Partner's Section 168(h)(6)(F) election;

(h) receipt of Part 3 Approval from the National Park Service;

(i) July 1, 2013.

Fifth Installment: On the latest to occur of:

(a) Take-out of Enterprise Community Loan Fund loan;

(b) October 1, 2015.

After the initial payment, all subsequent payments will be contingent upon the satisfaction of all the conditions to all prior payments and receipt by Enterprise of all outstanding reporting items. All subsequent payments will also be contingent upon certain representations and warranties to insure the Project's viability, substantially as outlined in the attached Exhibit B. Such capital contribution installments shall be used as follows:

	Project Costs	Developer Fee	Legal	Rent-up Reserve	Operating Reserve	Replacement Reserve	Transition Reserve	Total
Initial Payment	3,342,000*	300,000	40,000	0	0	0	0	3,682,000
2nd Payment	0*	300,000	0	93,915	0	0	0	393,915
3rd Payment	5,156,925	100,000	0		0	0	0	5,256,925
4th Payment	0	300,000	0	0	415,490	35,600	0	751,090
5th Payment	4,000,000 *(ECLF loan take-out)*	0	0	0	0	0	644,070	4,644,000
Total	$12,498,925	$1,000,000	$40,000	$93,915	$415,490	$35,600	$644,070	$14,728,000

** an additional $4,000,000 will be available during construction from Enterprise Community Loan Fund to fund construction*

E. Credit Adjuster

The Limited Partner's capital contributions are subject to adjustments as follows:

1. At cost certification and issuance of IRS Form(s) 8609: the aggregate capital contributions will be reduced by $0.88 for every dollar of reduction in the amount of Federal LIH Credits available to the Partnership as compared to the projected amount of Federal LIH Credits. If the unpaid capital contributions are insufficient to cover a required adjustment, the General Partner will be required to make a cash contribution up to the amount of any deficiency. In the event that the cost certification and Form 8609s support a Federal LIH Credit amount in excess of the projected amount, the aggregate capital contributions will be increased by $0.88 for every additional dollar of Federal LIH Credit compared to the projected amount, but not in excess of 5% over the originally projected capital contributions, and such increased contribution shall be payable as part of the fourth installment. Such 5% limit shall be applied to the Limited Partner's total capital contributions, regardless of whether the increase is as a result of this section 1 or section 2 below, or a combination thereof.

2. First Year Credit Amount: if the Project does not deliver $1,287,000 of Federal LIH Credits in 2013, the third and/or fourth installments of the Limited Partner's capital contributions will be reduced by $0.88 for every dollar by which the Federal LIH Credit amount is less than such amount, minus the net present value of any additional credit available in the 11th year (discounted at 10% per annum). If the unpaid capital contributions are insufficient to cover a required adjustment, the General Partner will be required to make a cash contribution up to the amount of any deficiency. If the project delivers Federal LIH Credits in excess of the amounts projected for 2012, the total capital contribution will be increased by $0.80 for every additional dollar of Federal LIH Credit delivered in excess of the projected amount. Any additional equity paid under this clause will be paid at the later of 1) the fourth capital contribution, 2) evidence that the extended use agreement has been recorded in the year in which Federal LIH Credits are to be taken, 3) 8609s have been delivered to the Limited Partner, and 4) if the increase in first year Federal LIH Credits results in any delay of Federal LIH Credits due to the 2/3 rule, the increase will be further adjusted to take into account such a loss of Federal LIH Credits.

3. If (i) in any year during the remainder of the fifteen year compliance period after the project achieves initial 100% qualified occupancy, the actual Federal LIH Credits allocated to the Limited Partner are less than projected at cost certification and issuance of IRS Form(s) 8609, or (ii) if there is recapture of Federal LIH Credits, then the Limited Partner's capital contribution will be reduced by $0.88 for every dollar reduction in the amount of Federal LIH Credits plus any interest and penalties imposed by the IRS. Total reductions under this adjuster shall be limited to the amount of the developer fee. If the unpaid capital contributions are insufficient to cover a required adjustment (including interest and penalties), the General Partner will be required to make a cash contribution to the Partnership up to the amount of the developer's fee. Any further credit deficiencies will be paid as a priority from available cash flow and from capital proceeds upon sale of the Project. If it is determined by the Limited Partner and confirmed by the Partnership's accountants that an adjuster will be applicable in subsequent years, the full adjuster for the future years will be made at the time of the initial determination.

4. Failure to make the appropriate depreciation elections (including elections under 168(h)) may result in a reduction in capital contributions to reflect the reduction in tax benefits as a result of such failure. If unpaid capital contributions are insufficient to cover such adjustment, the General Partner will be required to make a cash contribution up to the amount of any deficiency.

F. Allocations and Distributions

1. Allocation of Tax Credits, Losses and Profits

Federal LIH Credits, HTC, Energy Tax Credits, and operating profits and losses will generally be allocated 99.99% to the Limited Partner and 0.01% to the General Partner.

2. Distributions of Cash Flow

Operating cash flow (cash remaining after required debt service, reserve deposits, and all operating expenses, including the property management fee) will be shared as follows:

First, to the Limited Partner the amount of any unpaid credit adjusters;

Second, to the Limited Partner, an amount sufficient to pay federal income taxes on taxable income allocated to the Limited Partner (excluding any taxable income allocated to the Limited Partner due to any action, omission or decision of the Limited Partner);

Third, to pay the Limited Partner's investor services fee;

Fourth, the deferred development fee, if applicable;

Fifth, to replenish the operating reserve to required level ($277,000), if necessary;

Sixth, cash flow portion of property management fee;

Seventh, repayment to General Partner of operating deficit contributions;

Eighth, partnership administration fee;

Ninth, to repayment of the Heartland Seller Financing Loan;

Tenth, to repayment of the Heartland IAHTC Proceeds Loan;

Eleventh, to repayment of the Heartland TIF Loan;

Twelfth, 99.99% to the Limited Partner and 0.01% to the General Partner.

Notwithstanding the above, the underwriting of the Project may result in contingent debt service payments that are subject to cash flow and superior in priority to some or all of the above cash flow payments.

3. Sale or Refinancing

The net proceeds of a sale or refinancing of the Project will be shared as follows:

First, to pay any taxes owed by the Limited Partner that result from the sale or refinancing;

Second, to the Limited Partner the amount of any unpaid credit adjusters;

Third, to the Limited Partner the amount of any unpaid investor services fees;

Fourth, to pay any unpaid development fee, if applicable;

Fifth, to pay any unpaid management fees, if applicable;

Sixth, to the General Partner to repay any unrepaid operating deficit contributions and credit adjuster advances; and

Seventh, the amount of any unpaid partnership administration fee;

Eighth, 10% to the Limited Partner and 90% to the General Partner.

G. Disposition of Property

It is the express objective of the Fund to identify and implement strategies so that the projects in which it invests are maintained permanently as low income housing. If the General Partner agrees to maintain the Project as low-income housing, as defined in the Code, for at least an additional 15 year period after the initial 15-year compliance period the General Partner shall have the following options at the end of the compliance period:

1. Purchase of the Limited Partner's Interest

The General Partner will have the option to purchase the Limited Partner's interest in the Partnership for a price equal to the greater of (i) the appraised value of the Limited Partner's interest assuming that the Project remains available for low-income use, or (ii) the total amount of any taxes payable by the Limited Partner as the result of the sale.

2. Right of First Refusal

Heartland and FBCC, or another designated 501(c) (3) corporation approved by Enterprise~~,~~ should Heartland and FBCC decline to exercise their refusal rights, shall have a right of first refusal which will allow the non-profits to jointly purchase the Project for a price equal to the sum of: 1) any taxes payable by the Limited Partner that result from the sale, and 2) any outstanding debt. In the event that Heartland and FBCC decline to jointly exercise the right of refusal, Heartland shall have the contingent right to exercise the right of refusal and FBCC shall have the second contingent right to exercise the right of refusal if Heartland declines to do so. In the event of such sale to Heartland and FBCC or another designated non-profit, no return of Limited Partner capital is required. Any bonafide offer to purchase shall be sufficient to trigger the right of first refusal.

The Limited Partner shall have an absolute right to withdraw from the Partnership upon at least 30 days prior written notice at any time after the end of the 10-year credit period, as defined in the Code. Should the Limited Partner elect to exercise its right to withdraw, it shall donate its interests in the Partnership to Heartland for no consideration and shall execute such documents as may be necessary to evidence the charitable donation of its partnership interest.

H. General Partner Obligations

All obligations of the General Partner, including but not limited to the following guarantees, shall be guaranteed by Heartland Housing, Inc. ("Guarantor"). The Guarantor must demonstrate to Enterprise, in its sole and absolute discretion, its ability to provide meaningful guarantees.

1. Guarantees

The General Partner shall guaranty the following obligations:

A) Lien-free construction completion, all cost overruns during construction, payment of all development costs, and closing and/or conversion of permanent financing at the amounts and terms shown in the projections. Advances under this guarantee will be unreimbursable.

B) Advance funds needed to cover all operating deficits until the project has achieved Stabilization (as defined in Section H.2.A below).

C) Advance funds needed to cover all operating deficits up to a maximum of $277,000 for five consecutive years following initial achievement of Stabilization, provided, however, that (i) the Partnership Operating Reserve is fully funded and has a balance of at least $277,000; and, (ii) to the extent the project has not achieved debt service coverage equal to expense coverage equal to 110% for the last two years of such five year period, then the obligation shall be extended until the two year test has been met.

D) Guarantee the payment of all cash contributions related to credit adjusters as described in Section E above.

E) Repurchase the Fund's interest in the Partnership for the total capital contributions made to date by the Limited Partner plus interest at the Prime Rate plus 2% if the Partnership minus any Federal LIH Credits, HTC and Energy Credits received by the Limited Partner and not subject to recapture: i) fails to receive a valid carryover allocation of Federal LIH Credits or fails to spend the required 10%, ii) fails to complete and place in service the Project within 24 months following receipt of a valid 2010 carryover allocation of Federal LIH Credits, iii) fails to receive IRS forms 8609s by July 1 of the year following the year the Project is placed in service, iv) fails to reach the minimum set-aside test for the Project prior to the end of 2012, v) at any time before the Project has operated at break-even for 3 consecutive months, an action is commenced and successfully executed to foreclose, abandon, or permanently enjoin the construction of the Project, or vi) the Project has not received Part 3 approvals for the Historic Investment Tax Credit from the National Park Service with respect to all of the buildings comprising the Partnership Property by April 1, 2013.

2. Reserve Requirements

A) The General Partner will establish a Partnership Operating Reserve account (the "Partnership Operating Reserve") in the total amount of $415,490. The Partnership Operating Reserve will be available to fund operating deficits after the Project has achieved three consecutive months of Required Expense Coverage ("Stabilization"). After the achievement of Stabilization, the General Partner will be permitted to use the Partnership Operating Reserve prior to making Operating Deficit Contributions to the extent the Partnership Operating Reserve has been funded as of the date of the deficit. The Partnership Operating Reserve will be held in an account requiring the joint signatures of the General Partner and the Limited Partner. The Partnership Operating Reserve will be established from the Limited Partner's capital contribution as detailed in Section D above.

B) The General Partner will establish a Lease-Up Reserve in the amount of $93,915. The reserve will be available to fund operating deficits during the lease-up period without the Limited Partner's prior consent. Funds remaining in the lease-up reserve after the initial lease-up period will be deposited into the Operating Reserve.

C) The General Partner will establish a Replacement Reserve account (the "Replacement Reserve") for the Project. $35,600 will be capitalized from the development budget. The Replacement Reserve will also be funded from project operations in the amount of $350 per unit per year, increasing 3% annually. The Replacement Reserve will be held in an account requiring the joint signatures of the General Partner and the Limited Partner.

D) The General Partner/Sponsor will establish a "Transition Reserve" from the development budget. The minimum amount to be deposited into this reserve will be $644,070. The Transition Reserve will be held in an account requiring the joint signatures of the General Partner and the Limited Partner. The Transition Reserve will be established from the Limited Partner's capital contribution as detailed in Section D above.

I. Legal Costs

The Partnership will pay its attorneys for Project related legal costs and the Limited Partner will pay its attorneys. The Limited Partner's attorneys will prepare an Amended and Restated Partnership Agreement (the "Partnership Agreement"), conduct the collection of relevant and necessary due diligence according to a due diligence checklist, and prepare the Limited Partner's tax opinion. The General Partner and the Partnership's attorneys will prepare all other necessary documents, due diligence, legal opinions and other tasks necessary to complete the transaction.

J. Opinion of Counsel

The Fund will require an opinion of counsel satisfactory to the Fund on certain corporate matters including: formation of the Partnership, limited liability of the Limited Partner, no conflict between the Partnership Agreement and other binding contracts, no litigation that may have a material adverse effect upon the Partnership, General Partner, Guarantor's respective abilities to perform, etc. Tax opinions required by the Fund will be provided by its counsel.

K. Reporting

The Partnership shall furnish Enterprise with (i) quarterly unaudited financial statements (not later than fifteen days after the end of each quarter) and (ii) annual audited financial statements and tax returns (not later than sixty days after the end of each year) prepared by an independent firm of certified public accountants - approved by Enterprise - who are familiar with reporting requirements applicable to LIHTC properties.

L. Additional Requirements

In addition to the conditions set forth above, any investment by the Fund is contingent upon availability of capital at the time of closing and upon review and approval by Enterprise's Investment Committee, in its sole and absolute discretion, of all of the following:

- An award of Federal LIH Credits in the amount of at least $1,352,409 from the Illinois Housing Development Authority,
- Evidence of satisfactory market demand and appropriate rent and operating expense assumptions,
- Approval of the management agent and management plan,
- Acceptable commitments from all other sources of financing,
- Receipt of a satisfactory Phase I Environmental Assessment including radon, lead based paint and asbestos reports, as applicable,
- Satisfactory negotiation of the Partnership Agreement,
- Review and approval by the Limited Partner of all other required due diligence items,
- Investor approval,
- Review and approval of all financing documents,
- Receipt and approval of all opinions outlined herein, and
- All other items material to the underwriting of the Project.

Enterprise may elect, in its sole discretion, to waive any of the conditions to closing set forth in this letter, including without limitation, the conditions set forth in the preceding paragraph. The waiver of any one condition shall not operate or be construed to be a waiver of any remaining conditions.

Co-Sponsors acknowledge that upon execution of this letter, Enterprise shall commence its underwriting process and due diligence review and will have its outside counsel commence the preparation of the transaction documents. In consideration for Enterprise commencing such undertakings, General Partner agrees that Enterprise shall have exclusive right to syndicate the Federal LIH Credits. This exclusive right to syndicate shall terminate if the Fund has not become a limited partner in the Partnership on or before 90 days after the projected closing date of September 1, 2011. In addition, if Enterprise materially changes the terms contained herein without the agreement of the General Partner and the Co-Sponsors, then the exclusive right to syndicate shall terminate.

If the terms and conditions set forth above are acceptable to you, please countersign this letter where indicated below and send one fully executed copy to me. Upon receipt of a fully executed letter we will commence the due diligence and documentation process. The terms herein shall expire ten business days after the date of this letter if your executed copy is not received by Enterprise.

We look forward to working with you.

Sincerely,

ENTERPRISE COMMUNITY INVESTMENT, INC.

____

Title:

____

Agreed and accepted:

By:

Viceroy Housing Limited Partnership

By: Viceroy GP, LLC, its manager

____

Michael Goldberg
Executive Director

EXHIBIT A
PROJECT ASSUMPTIONS

The terms and conditions set forth in the Commitment Letter including pricing of the Federal LIH Credits are based on the following assumptions:

I. Operations

Rents will meet the restrictions imposed by the Federal LIH Credit Program in addition to any other applicable restrictions imposed on the project.

Based on the General Partner's projections, approximate annual operating expenses of $5,875 per unit net of Replacement Reserves and Investor Services Fee.

Vacancy rate of 5.00%.

Property management fee of approximately $38,347 per year.

II. Sources of Financing:

Financing Source	Interest Rate	Amort/Term	Amount	Comments
Heartland TIF Loan	0.10%	50/50	3,876,673	Cash flow contingent loan; pending counsel opinion, intended as non-recourse, non-related loan from HHI
Heartland Seller Financing Loan	4.25%	50/50	2,860,000	Cash flow contingent loan; pending counsel opinion, intended as non-recourse, non-related loan from HHI
Heartland IAHTC Proceeds Loan	0.10%	50/50	1,244,100	Cash flow contingent loan; pending counsel opinion, intended as non-recourse, non-related loan from HHI

This financing structure assumes that the Fund's counsel concludes that any accruing debt does not jeopardize the Partnership's tax ownership of the property or the treatment of the mortgage loans as debt at the stated interest rate.

III. Additional Assumptions

1. A 2010 allocation of Federal LIH Credits.
2. A tax credit percentage of 9.00%.
3. The Project contractor will provide a 15% letter of credit or 100% payment and performance bond.
4. We have assumed 27.5 year depreciation.
5. We have assumed that the financing and tax structure will be approved by our tax attorney.
6. The project will have rental subsidy in the form of project-based Section 8 allocation by at least a ten-year Housing Assistance Payment Contract for 72 Units.

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EXHIBIT B
NOTICE CERTIFICATIONS

As a condition of payment of the Additional Capital Contribution requested by the Additional Capital Contribution Notice, the General Partner hereby certifies that the following representations and warranties remain true, correct, and not misleading as of the date set forth below. The following certifications (i) - (xiii) in this Exhibit A-7 are hereinafter referred to as "***Notice Certifications***."

(i) *Occupancy.* After the occurrence of the Completion Date, each Credit Unit is either (A) occupied by Qualifying Tenants or (B) held available for occupancy by Qualifying Tenants, at the time of payment of each Additional Capital Contribution, and the operation of the Project and each Unit in all respects complies with the provisions of Section 42 of the Code.

(ii) *No Defaults; Documents in Force; No Jeopardizing Events.* No default (or event that, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under any Loan Document, Project Document, or the Partnership Agreement; the Loan Documents, the Project Documents, and the Partnership Agreement are in full force and effect; and to its knowledge, no event has occurred and is continuing that materially jeopardizes or is likely to materially jeopardize the ability of the Partnership to continue to operate the Project as housing eligible for the Credit.

(iii) *No Liens.* The Partnership owns the Partnership Property, the Project, and each of the Units free and clear of any liens (including mechanics' liens), charges, or encumbrances other than matters (a) set forth in the Title Policy.

(iv) *No Bankruptcies.* No Event of Bankruptcy has occurred and is continuing, and to its knowledge no event has occurred that, with the passage of time, could become an Event of Bankruptcy, with respect to the General Partner or any of its Members (Heartland and FBCC).

(v) *No Breach.* The General Partner is not in breach in any material respect of any provision of the Partnership Agreement to be observed or performed by it including, but not limited to, all representations, warranties, and covenants given by the General Partner, pursuant to this Partnership Agreement and all representations and warranties therein remain true and correct in all material respects.

(vi) *Advances Paid.* All Credit Adjuster Advances, Additional Advances, Development Advances, Operating Reserve deposits, Replacement Reserve deposits, Operating Deficit Contributions and any other deposits, advances, or contributions required to be made by the General Partner or its Affiliates pursuant to this Partnership Agreement (and any exhibits attached hereto) have been made.

(vii) *Environmental.* To the best knowledge of the General Partner after due inquiry, the Partnership Property contains no, and is not adversely affected by the presence of, any Environmental Hazard, nor is it in violation of any federal, state, or local law, regulation, rule, or ordinance, and no violation of any Environmental Law has occurred or is continuing. The General Partner has not received any notice from any source whatsoever of the existence of any Environmental Hazard or of a violation of any federal, state, or local law, regulation, rule or ordinance with respect to the Partnership Property. If any Environmental Hazard (including lead-based paint and asbestos) was found to exist or be present, it has been either removed from the Partnership Property and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, all in strict accordance with federal, state, and local statutes, laws, rules and regulations, any recommendations set forth in the Environmental Reports, and any requirements in the Loan Documents.

(viii) *Document Compliance.* All documents required by Section 13.03 of the Partnership Agreement to be provided to the Limited Partner as of such date have been delivered to the Limited Partner.

(ix) *No Audit.* There is no ongoing audit by the IRS in which the IRS is asserting, by means of a thirty day letter, that the Credit or Historic Investment Tax Credit available to the Partnership for any taxable year is less than ninety-five percent (95%) of the amount of Credit or Historic Investment Tax Credit claimed by the Partnership for that year or that all or a portion of the Credit or Historic Investment Tax Credit claimed with respect to any prior taxable year(s) must be recaptured pursuant to Section 42(j) or other relevant sections of the Code, or is unavailable to the Partnership.

(x) *Conformity with Laws.* The Project conforms in all material respects with applicable law.

(xi) *Prior Qualification.* The Partnership qualified for, and subject to adjustment as provided in the Partnership Agreement, has received all prior Additional Capital Contributions.

(xii) *All Prerequisites Satisfied.* The preconditions to payment of the Additional Capital Contribution described on Exhibit A-1 to the Partnership Agreement have occurred.

(xiii) *Tenant Services.* Heartland Health Care Services, as the primary lead support services provider for the Project, and St. Leonard Ministries, in connection with the 17 Units of permanent supportive housing, continues to provide the services to the tenants of the Project as set forth in the Tenant Services Agreement.

____
Date

Viceroy GP, LLC

By: Heartland Housing, Inc., its Manager

By:______________________
Name: Michael Goldberg
Title: Executive Director

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EXHIBIT C
DEFINED TERMS

Completion Date: The later of:

(i) The date on which the Partnership has completed the construction and/or rehabilitation of the buildings in accordance with the relevant Project Documents, approved by the Limited Partner and any construction consultant engaged by the Limited Partner and evidenced by a certificate prepared and executed by the Architect indicating that construction and/or rehabilitation of the buildings has been completed in accordance with the relevant Project Documents, except for punch list items that are not material and do not impede the rental of the space in the buildings on a full rent paying basis, provided the Partnership has furnished funds or cash equivalents in escrow to provide for the completion of such punch list items; and

(ii) The receipt of a temporary certificate of occupancy for the buildings comprising the Partnership Property including one hundred percent (100%) of the Units in the Project.

Cost Certification: Certification by the Accountants and approval by the Limited Partner, as soon as practicable after the Completion Date, of the costs of the Project, based on the Partnership's accounting records and any other documentation deemed appropriate by the Accountants.

Loan Conversion: The disbursement in full of all construction loans, the receipt of all consents from lenders or other parties that construction completion has occurred, conversion of all Loans to permanent status, the repayment of all Construction Loans and the closing and funding of all permanent Loans in accordance with the terms shown on the Projections.

Qualified Occupancy: The initial occupancy of a Credit Unit by a Qualifying Tenant or the state of being held for occupancy by a Qualifying Tenant after such Unit becomes vacant subsequent to its rental to a Qualifying Tenant.

Required Expense Coverage: As to any specified period of time, (the "Period"), the operation of the Project such that the Operating Revenue for the Period exceeds one hundred and ten percent (110%) of the greater of (i) the Project Expenses for the Period or (ii) the Project Expenses shown on the Projections (or the current approved Budget for the Project) (prorated for the Period), with Operating Revenue being computed on a cash basis and Project Expenses being calculated on an accrual basis.

Stabilization Date: The date on which the Project has satisfied the Required Expense Coverage for a period of three (3) consecutive months following the date on which (i) ninety-five percent (95%) of the residential Units are initially occupied and (ii) actual rental income received or accrued under the HAP Contract for the prior month is at least ninety-five percent (95%) of the estimated potential rent shown on the Projections or subsequent Budget approved by the Limited Partner.

Tenant Income Certification: A tenant's initial tax credit certification, including the tenant income certification/certificate of resident eligibility, all sources used in verifying income and assets (including, but not limited to, third party verification, checking and savings accounts, pay stubs, verification of assets, etc.), a copy of one completed lease signed and dated for each building, and a copy of the first and last page of each resident lease in each building showing the start date of the lease and signature of the resident(s) and owner.

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June 29, 2011

Mr. Michael Goldberg
Viceroy Hotel Limited Partnership
c/o Viceroy GP, LLC
208 S. LaSalle Street, Suite 1818
Chicago, IL 60604

Re: Viceroy Hotel Apartments
70-unit LIHTC Housing Project
Chicago, IL

Dear Mr. Goldberg:

Thank you for providing U.S. Bank National Association (the "Bank") with the opportunity to provide this proposal to extend construction financing for the Viceroy Hotel Apartments project (the "Project"). These terms and conditions are subject to complete due diligence and underwriting, including credit approval, satisfactory loan documentation, and other loan closing requirements. This letter summarizes the Bank's preliminary proposed financing structure.

BORROWER: Viceroy Hotel Limited Partnership

The Managing Member will be Viceroy GP, LLC (owned 75% by Heartland Housing, Inc. ("Heartland"), as Managing Member, and 25% by First Baptist Congregational Church). The developer will be Heartland.

GUARANTORS: Heartland will guaranty the construction loan.

LOAN AMOUNT: The Construction Loan Amount (the "Construction Loan") shall be the least of:

- ☒ $5,265,825 Note: this amount may change if there is a change to the equity pay-in schedules or pricing, or if the amount of owner equity is greater or less than projected.
- ☒ 80% of approved appraised project value (including the value of the Low Income Housing Tax Credits).
- ☒ 80% of total project cost

The construction loan will be combined with the following funds to provide sufficient funds to complete the project:

$ 3,676,872	Investment by Tax Credit Investor (the "Closing Equity Funds")
$ 5,265,825	U.S. Bank Construction Loan
$ 4,000,000	Enterprise Community Loan Fund Bridge Loan
$ 3.876,673	TIF Loan (lender: Heartland)
$ 2,860,000	Seller Financing Loan (lender: Heartland)
$ 1,425,227	Donation Tax Credit and DCEO Loan (lender: Heartland) funded by DCEO grant & USBCDC Donation Tax Credits
$ 1,221,445	Reserves – funded from future equity installments
$ 924,369	Delayed Development Fee
$23,093,756	Total Cost to Complete the Project

(Note: the future equity installments by the Limited Partner will be used to pay off the construction loan. It is anticipated that the third installment from Enterprise would retire the construction loan.)

EQUITY FUNDS: The difference between the total project costs and the Construction Loan is anticipated to be funded from the Closing Equity Funds, TIF Loan, Seller Financing Loan, Donation Tax Credit Loan (which will be funded with equity from the state donation tax credits to be purchased by USBCDC), and deferred development fees. Sufficient equity, in the amount of the Closing Equity Funds, must be committed to the project before closing on the construction loan. In this proposal, we have assumed that Enterprise Community Investment ("Enterprise") is the tax credit investor, and that its total equity contribution will be $14,707,486 per the executed letter of intent between Enterprise and the Partnership date June 22, 2011 (the "Enterprise LOI").

The specific source, conditions for funding, and timing of when the Closing Equity Funds will be spent relative to when loan advances will occur must be reviewed and approved by the Bank prior to construction loan closing.

PURPOSE OF LOAN: Proceeds of the Loan are to be used as construction financing for the project - a low/moderate-income rental project comprised of 89 apartments located in Chicago, IL (the "Property"). It is understood that 9 (10%) of the units will be affordable to households at or below 30% of the Cook County Median Income (CMI), and 80 (90%) of the units will be affordable to families at or below 60% of the Cook CMI.

The project will also contain approximately 2,000 square feet of commercial space that will be master leased to St. Leonard's Ministries.

TERM OF LOAN: Construction Loan Period: The construction loan maturity will be 18 months from the closing date, subject to a 6 month extension.

To qualify for the extension the borrower must pay a ¼ extension fee, the Certificate of Occupancy must have been issued for the building, and

	there must be no outstanding events of default under the U.S. Bank loan documents.
REPAYMENT TERMS:	<u>Construction Loan Period:</u> Monthly interest-only payments.
INTEREST RATE:	The loan will be priced at the One-Month LIBOR Rate, plus 250 basis points and the applicable liquidity charge for an 18 month loan term (as of 6/29/2011 this charge is 0 basis points as long as the term does not exceed 549 days). If a term of two years is preferred, based on the proposed equity pay-in schedule, the liquidity charge is 30 basis points. The One-Month LIBOR Rate as of June 29, 2011 was 0.1875%.
LOAN FEE:	1.00% of the Loan amount ($52,658).
DUE DILIGENCE FEE:	Borrower to deposit $2,000 with the Bank as an initial deposit to be used by Bank to pay due diligence fees. The Borrower will pay all out of pocket expenses (including reasonable legal fees, appraisal, environmental review fees, etc.), in connection with the proposed Loan and will deliver such additional amounts as the Bank may request from time to time as reimbursement for such expenses. If the Bank does not close a loan substantially in accordance with the terms and conditions set forth herein, the Bank shall refund the balance of the due diligence fee, net of out-of-pocket expenses actually incurred.
COLLATERAL:	Collateral will consist primarily of the following items; however, this checklist is not intended to be an all inclusive list: ☒ First mortgage on all real property and improvements existing or to be constructed on the Property; ☒ An assignment by the Borrower of the capital contributions to be made by the investor limited partner, and an assignment by the general partner of the general partner's partnership interest in the Borrower; ☒ Assignment of Leases, Rents and Other Income; ☒ Financing Statement to be filed on all personal property and project reserves; ☒ Assignment of Construction Contract(s); and ☒ Assignment of Architect's Contract(s). All collateral will be subject to the review and approval by the Bank.
OPERATING AND SECURITY DEPOSIT ACCOUNT:	Borrower shall maintain the Project's Operating and Security Deposit Accounts at U.S. Bank.

REPLACEMENT RESERVES:	Borrower shall budget for an annual replacement reserve of $31,150 ($350/unit/year), or such higher amount, as is required by Enterprise, as well as any initial amount that is required to be funded from equity ($35,600 per the Enterprise LOI). If acceptable to Enterprise, the replacement reserve will be held, but not controlled, by U.S. Bank.
RENT UP RESERVE, OPERATING RESERVE AND TRANSITION RESERVE:	Rent-up Reserve of $93,915 (to be held at U.S. Bank). Operating Reserve of $317,266 and Transition Reserve of $774,664 will be required as outlined in the June 22, 2011 LOI from Enterprise Community Investment. If acceptable to Enterprise, the Operating and Transition Reserves will be held, but not controlled, by U.S. Bank.
INSURANCE:	Fire and extended coverage as well as liability insurance (satisfactory to the Bank) shall be maintained throughout the term of the Loan.
PREPAYMENT PENALTY:	Borrower may prepay any portion of the note which is then subject to a floating interest rate in whole or in part at anytime without penalty or premium. No partial prepayment will relieve the Borrower of the obligation to pay future installments of principal or interest when due.
CLOSING DATE:	On or before 12/31/2011.
REQUIREMENTS PRIOR TO CLOSING:	Prior to closing, the Bank must be satisfied that the following requirements have been met: ☒ <u>Tax Credit Allocation:</u> IHDA has reserved Low Income Housing Tax Credits in the amount of approximately $1,352,409 for the Property. ☒ <u>Historic Tax Credits and Energy Credits</u>: Evidence that Part I and II Historic Credit documents have been submitted and approved by the National Park Service and support total FHTC of approximately $2,954,597. Evidence that Energy Credits of $163,500 are supportable. ☒ <u>Limited Partner</u>: Evidence of a) a tax credit investor's commitment to be the 99.99% limited partner in Borrowing entity and commitment to invest the approximate $14,707,486 equity investment (reflects LIHTC, FHTC and Energy credit equity), which condition is satisfied by the Enterprise LOI; b) the Bank and Borrower's acceptance of Enterprise as the limited partner; c) the Bank's review and approval of the partnership agreement. ☒ <u>Evidence of Rental Subsidy</u>: Documentation outlining commitment of Chicago Housing Authority to provide project-based Section 8 vouchers for 72 units.

☒ Permanent Loan Commitment: Evidence of ordinance approval from the City of Chicago to provide approximately $3,876,673 in TIF Funds, which Heartland will then loan to the Partnership. The TIF Loan will be a soft loan with a balloon payment at maturity. Closing of the TIF Loan will occur prior to or simultaneously with the construction loan closing, but the loan proceeds will be disbursed as benchmarks are achieved during the construction loan term.

☒ Seller Financing: Closing of the Heartland Seller Financing Loan in the amount of $2,860,000 will occur prior to or simultaneously with the construction loan closing. The Seller Financing Loan will be a soft loan with a balloon payment at maturity.

☒ State Donation Tax Credits and DCEO Loan: Evidence that the U.S. Bancorp has committed to purchase the state donation credits and evidence that the Heartland has secured a DCEO grant with a combined total of approximately $1,425,227. Closing on this transaction will occur prior to or simultaneously with the construction loan closing. This will be a soft loan payable from cash flow with a balloon at maturity.

☒ Subordinate Bridge Loan: Evidence that Enterprise Community Loan Fund has committed to $4,000,000 of subordinate construction bridge financing to the transaction. Closing on this transaction will occur prior to or simultaneously with the construction loan closing. This debt, including the mortgage securing same, will be subordinate to any construction financing provided by U.S. Bank and only limited funding of this loan will take place before all U.S. Bank loan funds are deployed.

☒ Delayed Developer Fees: The borrower will defer $624,369 (51%) of the Development Fee until the loan is repaid in full, which presumes that our construction debt is fully repaid at completion as outlined in the Enterprise LOI. The Borrower will be paid the deferred development fee under the terms of the partnership agreement with the limited partner/tax credit purchaser. The Borrower may pay the Developer up to $600,000 of cash development fee during the construction period, including $300,000 concurrently with the construction loan closing and $300,000 upon construction completion.

ADDITIONAL REQUIREMENTS PRIOR TO LOAN CLOSING:

Loan Closing is also subject to receipt, analysis and acceptance by the Bank of the following items, all of which shall be in form and substance acceptable to the Bank:

☒ Appraisal commissioned and acceptable to Bank;
☒ Phase I environmental site assessment acceptable to Bank;
☒ Commitment for Title Insurance and such endorsements as the Bank may require;

- ☒ ALTA survey certified to Bank, Borrower and title company;
- ☒ Evidence of property insurance naming Bank as mortgagee;
- ☒ Borrower's entity organizational documents, Borrower's counsel's opinion letter, evidence of the due authorization and proper execution of the Permanent Loan documentation, evidence of the Borrower's legal status and good standing, and such other documentation as the Bank might deem appropriate for this transaction and transactions of this type, all to be in form and substance satisfactory to U.S. Bank and its counsel;
- ☒ Copies of Plans and Specifications;
- ☒ Final detailed budget of all construction costs;
- ☒ Final pro forma of the income and expenses for the Property;
- ☒ Building Permit;
- ☒ Copy of the guaranteed maximum price construction contract;
- ☒ Copies of contracts with major subcontractors let to date;
- ☒ List of all subcontractors let to date, remainder post-closing;
- ☒ Evidence of availability of water, sewer, gas, electric;
- ☒ Confirmation by the Bank that all material information provided by the Borrower to the Bank is accurate in all respects and the Bank is fully satisfied with the results of its due diligence;
- ☒ Confirmation by the Bank that the Borrower is not in violation or breach of any other agreement with the Bank of any type or amount or of any third party obligation in excess of $10,000.

The above listing is not all inclusive and additional information may be required by the Bank.

CREDIT ENHANCEMENT DURING CONSTRUCTION: The contractor must provide a guaranteed maximum price contract and payment and performance bonds equal to 100% of the construction contract. Alternately, a letter of credit totaling at least 15% of the construction contract from an acceptable financial institution may be substituted for the payment and performance bond.

COST REVIEW/ REGULAR INSPECTIONS: Bank will engage an outside construction inspector (the "Inspector") for:

- ☒ An up-front review of the plans, specs and budget to determine adequacy of the construction loan budget. Based on the Inspector's recommendation, the construction loan budget may be adjusted.

- ☒ Monthly inspections to review status of construction, compare construction draws to construction progress, review invoices, and make recommendation for payment.

Any fees charged by the Inspector will be paid by the Borrower and will be in addition to the above Loan Fee.

COVENANTS: Borrower is to insure that the following requirements are complied with:

☒ Secondary Financing: The Borrower shall not incur any additional debt beyond the Loan, other than the TIF Loan, Seller Financing Loan, the Donation Tax Credit Loan, and the Enterprise Community Loan Bridge financing mentioned previously, secured by the Property without prior written Bank approval.

☒ Maintenance of Property: At all times, the Borrower is to maintain the Property in good working order.

ONGOING REPORTING REQUIREMENTS: Borrower will be required to supply the following information to Bank.

☒ Annual audited financial statements on the Borrower;
☒ Annual financial statements and tax returns on all guarantors;
☒ Quarterly rent roll and operating statements on the Property;
☒ Annual verification that property insurance coverage is in place;
☒ Semi-annual verification that all real estate taxes have been paid;
☒ Annual evidence of compliance with LIHTC/IRS regulation.

CLOSING COSTS: All costs associated with closing the proposed transaction will be paid by the Borrower, including, but not limited to, the cost of the appraisal, Phase I environmental site assessment, the up-front and monthly construction inspection fee charged by the inspector, survey, title insurance, any outside Bank legal fees, recording fees, etc.

These terms and conditions are subject to satisfactory negotiations between the Borrower and the Bank. They are also subject to complete due diligence and underwriting, including credit approval, satisfactory loan documentation, and other loan closing requirements. These would include, but are not limited to, a satisfactory review of the project's forecast of operations, a satisfactory financial review of the proposed limited liability company which is to own the project, the guarantors and the proposed managing members. All costs related to the proposed financing, including but not limited to the appraisal, environmental reports, legal costs, survey, and title insurance will be the responsibility of the Borrower, whether or not the loan actually closes.

If the above proposed loan terms are acceptable to you, please indicate your acceptance of these terms by signing in the space provided below. This signed letter and the due diligence fee should be returned to U.S. Bank's Community Lending Group on or before July 8, 2011. If the letter is not returned by July 8, 2011, the proposed terms and conditions for the proposed loans will automatically expire. We look forward to working with you on this transaction.

Sincerely,

Karyn Knaak

Karyn Knaak
Vice President

Karyn Knaak for Craig Mizushima

Craig Mizushima
Senior Vice President

AGREED AND ACCEPTED:

Viceroy Hotel Limited Partnership

By: Viceroy GP, LLC, its general partner

By: Heartland Housing, Inc., its manager

By:______________________________________ Date:________________________
Michael Goldberg, Executive Director

- **Equal Credit Opportunity Disclosures**

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Office of the Comptroller of the Currency, Customer Assistance Unit, 1301 McKinney Avenue, Suite 3710, Houston, TX 77010.

If the Applicant's application for credit is denied, Applicant has the right to a statement of the specific reasons for denial. To obtain the statement, the Applicant must write to:

**U.S. Bank
1 S. Pinckney Street
Madison, WI 53703
Attn: Karyn Knaak**

or call (608) 252 - 4202 within 60 days from the day that Applicant is notified of U.S. Bank's decision. U.S. Bank will provide the Applicant with the written statement of reasons within 30 days of receiving Applicant's request. Please retain a copy of this application and disclosures for your records.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each legal entity that opens an account. What this means for you: When you open an account, we will ask for your company's legal documents, or your name, address, date of birth, and other information that will allow us to identify you.

111205

usbank

All of us serving you™

Community Development Corporation
1307 Washington Avenue, Suite 300
St. Louis, MO 63103

December 7, 2010

Mr. Michael Goldberg
Executive Director
Heartland Housing, Inc.
208 S. LaSalle Street, Suite 1818
Chicago, Illinois 60604

Re: Revised Letter of Intent to Purchase Illinois Affordable Housing Credits **(Viceroy Apartments)**

Dear Michael:

Please accept this Letter of Intent (the "**Letter**") as evidence of the terms and conditions under which U.S. Bank National Association (the "**Bank**") would presently intend to purchase from the City of Chicago ("**Donor**") up to one million four hundred thirty thousand dollars ($1,430,000) of Illinois affordable housing tax credits (the "**Credits**") to be issued by the Illinois Housing Development Authority (the "**IHDA**") in connection with a donation to be made by the Donor for the benefit of the development of the Viceroy Apartments (the "**Project**") located at 1519 W. Warren Boulevard in the City of Chicago. This Letter does not purport to summarize all the terms, conditions, covenants, representations, warranties or other provisions which would be contained in definitive legal documentation of the final purchase and sale of the Credits contemplated herein. The actual terms and conditions upon which the Donor will sell the Credits to the Bank and the Bank will purchase the Credits from the Donor are subject to satisfactory review of the final documentation and such other terms and conditions as may be determined by the Bank and its counsel. Subject to the foregoing and to the satisfaction of the conditions precedent described herein, the Bank currently anticipates that the Bank will purchase the Credits under the terms outlined below:

Maximum Credit Amount:	$1,430,000
Type of Credit:	Illinois Affordable Housing Credits
Required Bank Donation to Project:	$10,000.00
Purchase Price:	$0.87 per $1.00 of Credits issued up to the maximum amount of $1,430,000.
Closing:	Upon execution of the definitive documentation containing the terms and conditions governing the purchase and sale of the Credits of all conditions precedent, presently expected by approximately August 31, 2011.

HEARTLAND
HOUSING INC.

May 24, 2011

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

BY CERTIFIED MAIL

Re: 1519 W. Warren Blvd. (Viceroy Apartments)
Chicago, IL 60660

Dear Mr. Nackachi,

Heartland Housing, Inc. (HHI) is pleased to announce the rehabilitation of an 89-unit building located at 1519 W. Warren Blvd., Chicago, Illinois. The Viceroy is a full historic rehabilitation, and its scope of work includes replacing original mechanical, electrical and plumbing systems, performing exterior work to U.S. Department of Interior historic tax credit standards, installing life/safety systems, replacing elevators, and modernizing residential units. After rehab is completed, all of the 89 units will be in service.

HHI has chose Humboldt Construction to be the general contractor for the project. The project will require participation of trades such as carpentry, electrical, mechanical, plumbing, paving, roofing, and others. 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.

Hume An, Associate Director of Real Estate Development

cc: Mr. Mike Roane
Dept. of Housing and Economic Development

Viceroy Apartments (1519 W. Warren Blvd.)

Project Budget: $10.48 million (net construction costs)

Project Budget Subject to MBE (24%): $2,515,200

Project Budget Subject to WBE (4%): $419,200

Project Schedule: October 2011 – November 2012

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Restricted Delivery Fee (Endorsement Required)		$0.00
Total Postage & Fees	$	$3.29

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06/15/2011

Sent To Mr. Paul Cerpa - Hispanic American Construction Industry
Street, Apt. No.; or PO Box No. 901 W. Jackson Blvd., Suite 205
City, State, ZIP+4 Chicago, IL 60607

PS Form 3800, August 2006 See Reverse for Instructions

7011 0110 0001 4415 8408

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CHICAGO IL 60620

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Restricted Delivery Fee (Endorsement Required)		$0.00
Total Postage & Fees	$	$3.29

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LOOP STATION CHICAGO, IL JUN 15 2011 USPS
06/15/2011

Sent To Mr. Edward T. McKinnie - Black Contractors United
Street, Apt. No.; or PO Box No. 400 W. 76th St.
City, State, ZIP+4 Chicago, IL 60620

PS Form 3800, August 2006 See Reverse for Instructions

U.S. Postal Service™
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CHICAGO IL 60602

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Return Receipt Fee (Endorsement Required)		$0.00
Restricted Delivery Fee (Endorsement Required)		$0.00
Total Postage & Fees	$	$3.29

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LOOP STATION CHICAGO, IL JUN 15 2011 USPS
06/15/2011

Sent To Mr. Juan Ochoa - Mexican American Chamber of Commerce
Street, Apt. No.; or PO Box No. 111 W. Washington St.
City, State, ZIP+4 Chicago, IL 60602

PS Form 3800, August 2006 See Reverse for Instructions

7011 0110 0001 4415 8385

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Restricted Delivery Fee (Endorsement Required)		$0.00
Total Postage & Fees	$	$3.29

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06/15/2011

Sent To Mr. Omar Shareef - African American Contractors Association
Street, Apt. No.; or PO Box No. 3901 S. State St. Suite 103
City, State, ZIP+4 Chicago, IL 60609

PS Form 3800, August 2006 See Reverse for Instructions

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CHICAGO IL 60607

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Return Receipt Fee (Endorsement Required)		$0.00
Restricted Delivery Fee (Endorsement Required)		$0.00
Total Postage & Fees	$	$3.29

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LOOP STATION CHICAGO, IL JUN 15 2011 USPS
06/15/2011

Sent To Mr. Perry Nackachi - Assn. of Asian Construction Enterprises
Street, Apt. No.; or PO Box No. 333 N. Ogden Avenue
City, State, ZIP+4 Chicago, IL 60607

PS Form 3800, August 2006 See Reverse for Instructions

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Restricted Delivery Fee (Endorsement Required)		$0.00
Total Postage & Fees	$	$3.29

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LOOP STATION CHICAGO, IL JUN 15 2011 USPS
06/15/2011

Sent To Ms. Hedy Ratner - Women Business Dev Ctr.
Street, Apt. No.; or PO Box No. 8 S. Michigan Ave, Suite 400
City, State, ZIP+4 Chicago, IL 60603

PS Form 3800, August 2006 See Reverse for Instructions

7011 0110 0001 4415 8392

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CHICAGO IL 60638 OFFICIAL USE

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Restricted Delivery Fee (Endorsement Required)		$0.00
Total Postage & Fees	$	$3.29

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CHICAGO, IL JUN 15 2011 LOOP STATION USPS

06/15/2011

Sent To Ms. Beth Doria - Federation of Women Contractors

Street, Apt. No.; or PO Box No. 5650 S. Archer Avenue

City, State, ZIP+4 Chicago, IL 60638

PS Form 3800, August 2006 See Reverse for Instructions

cti
Collection Services

March 27, 2009

Matt Weis
Associate Director of Workforce Development Programs
Heartland Human Care Services
1230 N. Larrabee Street 1st Floor
Chicago, Il 60610

Dear Mr. Weis:

Collectors Training Institute of Illinois, Inc. (CTI, inc.) is a full service collection and collection training agency located in Chicago's North Lawndale community. For many years, we have been partnering with Heartland Human Care Services to hire quality participam that reside within our immediate demographic area.

In the past, CTI have had projects that required us to hire people living only in 60623 or 60624 zip code areas. This project also expended to neighboring zip code areas such as 60612, etc. however we found it very difficult to meet this quota without the assistance of Heartland Human Care Services.

CTI is facing many issues with the attendance of employees that live and travel a distance to work and believe it would be ideal to hire qualified people closer to our office however we have become aware of the problems these candidates are facing with finding affordable housing within our area which leaves us to train and hire a large amount of people that travel quite some distance to get to work.

CTI believes that if there were more supportive housing in the area, we would have a more diverse pool of applicants and have a better retention rate. We support Heartland whole heartly in their efforts to increase the amount of affordable/supportive housing.

Sincerely,

Dana Williams
HR/Recruiting Manager

Terry Peterson
Vice President
Government Affairs

1725 West Harrison Street
Suite 364
Chicago, Illinois 60612-3824

Tel 312.942.7020
Fax 312.942.6561
Terry_Peterson@rush.edu
www.rush.edu

RUSH UNIVERSITY
COLLEGE OF NURSING
RUSH MEDICAL COLLEGE
COLLEGE OF HEALTH SCIENCES
THE GRADUATE COLLEGE

RUSH UNIVERSITY MEDICAL CENTER

March 25, 2009

Michael Goldberg
Director of Real Estate Development
Heartland Housing, Inc.
208 S. LaSalle Street
Suite 1818
Chicago, IL 60604

Re: Viceroy Hotel

Dear Mr. Goldberg:

Rush University Medical Center understands that Heartland Housing is partnering with First Baptist Congregational Church in applying for financial assistance from the Illinois Housing Development Authority in order to redevelop the Viceroy Hotel located at 1519 W. Warren for permanent supportive housing.

Please be advised that Rush University Medical Center employs over 3,500 employees earning incomes below 60% of area median income. Rush University Medical Center believes that affordable housing close to its campus is essential to attracting a quality workforce. Thank you for supporting the redevelopment of this area. For questions or further discussion, I can be reached at 312-942-7020.

Sincerely,

Terry Peterson

April 1, 2009

The First Baptist Congregational Church
1613 W. Washington Blvd
Chicago, IL 60612

To Whom It May Concern,

I am writing in support of The First Congregational Church and Heartland Housing Inc. in their proposal to obtain funding for the development of the Viceroy Hotel affordable housing project. Supportive housing programs allow Chicago's underprivileged residents to safely transition from a dire set of circumstances to a more stable life.

With funding the Viceroy Hotel will provide shelter to economically and socially disadvantaged tenants, enabling them to become more self-sufficient. In addition to stable housing, the Viceroy Hotel will implement variety of community programs and services. Tenants will have access to the Angelic Organics Learning Center, a community urban farm offering healthy food items and hands-on learning opportunities. Some other notable services include the constructive community building program as well as the transitional learning experience for ex-offenders.

Once again, I support The First Baptist Congregational Church's and Heartland Housing Inc.'s request for funding. The Viceroy Hotel housing development project will greatly benefit my constituents.

Sincerely,

Roland W. Burris

Roland W. Burris
United States Senator

"Let All Guests Be Received As Christ"

St. Leonard's Ministries

2100 West Warren Boulevard, Chicago, Illinois 60612

312-738-1414 • Fax: 312-738-1417 • www.slministries.org

March 2, 2009

DeShana Forney, Executive Director
Illinois Housing Development Authority
401 North Michigan Avenue (#700)
Chicago, IL 60611

Dear Ms. Forney,

With this letter I am pleased to share some thoughts concerning St. Leonard's Ministries collaboration with Heartland Housing on the Viceroy Hotel project. We are pleased to be a partner in this venture and, as a community member, are equally pleased to see additional housing coming into the area. The staff of St. Leonard's Ministries has great respect for Heartland Housing; social service providers in the Chicago area recognize Heartland Housing for the quality and consumer sensitivity of its projects.

St. Leonard's Ministries has provided housing and accompanying services for formerly incarcerated men and women in the Near West Community of Chicago for fifty five years. We are proud of our recidivism rate of 20% which stands in stark contrast to the Illinois Department of Corrections rate of 50% plus. We are able to bring about the good that we do through a number of community and broader based collaborations – entities that run the gamut from the Greater Chicago Food Depository to the Adler School of Professional Psychology. Partnering with Heartland makes good sense to us.

St. Leonard's Ministries and Heartland Housing have drawn up a letter of agreement that will provide a master lease for apartment units for women completing our Grace House women's program and space for a social enterprise venture, a coffee shop that will provide transitional employment for those who complete our Michael Barlow Center's Food Service Class. The location of the project, the development work with Heartland Housing and – eventually – the final product hold great promise for the formerly incarcerated men and women who come to us for help after prison.

Sincerely,

Bob Dougherty

Robert Dougherty,
Executive Director

Surambala Real Estate Corp.

DeShana Forney
Executive Director
Illinois Housing Development Authority
401 North Michigan Ave. Suite 700
Chicago, Illinois 60611

Re: Redevelopment of the Viceroy Apartments
1519 W. Warren Boulevard, Chicago

Dear Ms. Forney,

We have been made aware of the redevelopment of the old Viceroy Hotel into 89 permanent supportive housing units serving individuals. We are anxious to see the development move forward, as it would provide a necessary and important resource to the individuals we employ. We understand that the building will serve individuals making up to 60% of the Area Median Income ($31,680). Our stores are currently looking to fill entry level positions at the locations listed below that will have pay ranges from $7.75 to $8.25 per hour, with annual incomes being less than the aforementioned figure. We have facilities at the following locations: 201 W. Madison, 406 S. Michigan and 439 S. Dearborn. Given the lack of decent, safe, affordable housing within reasonable proximity to our facilities (five miles), we have experienced difficulty attracting a quality workforce.

We look forward to working with Heartland to assure this important housing resource becomes a reality in our community. Please accept this letter as our overwhelming support for Heartland's redevelopment of the Viceroy.

Sincerely,

Ken Baldree
Multi-Unit Manager For Vipul Patel's Network
[illegible]
Cell: (312) 823-7215

Corporate Office - 5615 S. Harlem Ave. Chicago, Il. 60638 - Tel (773) 788-9084
Fax (630) 455-9478

DISTRICT OFFICE:
259 N. PULASKI RD.
CHICAGO, ILLINOIS 60624
PHONE: 773/533-0010
FAX: 773/533-1971

CAPITOL OFFICE:
262-W STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
PHONE: 217/782-8077
FAX: 217/557-7643

ANNAZETTE R. COLLINS
STATE REPRESENTATIVE • 10TH DISTRICT

COMMITTEES:

- PUBLIC UTILITIES CHAIR
- JUDICIARY II - CRIMINAL LAW
- HUMAN SERVICES
- APPROPRIATIONS - PUBLIC SAFETY
- STATE GOVERNMENT ADMINISTRATION
- COMMITTEE OF THE WHOLE
- METHAMPHETAMINE - JUDICIARY II SUBCOMMITTEE

March 30, 2009

Reverend George W. Daniels
First Baptist Congregational Church
1613 W. Washington Blvd.
Chicago, IL. 60612

Dear Rev. George W. Daniels,

I am writing this letter in support of acquiring funding for Heartland Housing, Inc. (HHI) and First Baptist Congregational Church (FBCC). Heartland Housing Inc. and First Baptist Congregational Church are in partnership to seek funding and develop The Viceroy Hotel. Funding will afford Ex-offenders, persons who are formerly homeless, CHA waiting list clients through the Housing for Chicagoans Everywhere program and the general low-income population the opportunity to live in a supportive and affordable environment.

The rehabilitation and reconfiguration of the Viceroy Hotel is an excellent approach to community empowerment and enlightenment. I am convinced that access to affordable and supportive housing combined with substantive instruction can improve the quality of life for all residents in the community. I commend the intention of Heartland Housing Inc and First Baptist Congregational Church to create 90 studio units of affordable housing with a ground floor to be used as a common space, social and health services office space, conference space, laundry facilities, and a social enterprise coffee shop.

Thank you for your consideration.

Sincerely,

Annazette R Collins

Annazette Collins
Representative, 10th District

DISTRICT OFFICE:
259 N. PULASKI RD.
CHICAGO, ILLINOIS 60624
PHONE: 773/533-0010
FAX: 773/533-1971

CAPITOL OFFICE:
262-W STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
PHONE: 217/782-8077
FAX: 217/557-7643

ANNAZETTE R. COLLINS
STATE REPRESENTATIVE • 10TH DISTRICT

COMMITTEES:

- PUBLIC UTILITIES CHAIR
- JUDICIARY II - CRIMINAL LAW
- HUMAN SERVICES
- APPROPRIATIONS - PUBLIC SAFETY
- STATE GOVERNMENT ADMINISTRATION
- COMMITTEE OF THE WHOLE
- METHAMPHETAMINE - JUDICIARY II SUBCOMMITTEE

March 30, 2009

To Whom It May Concern:

I am writing this letter in support of acquiring funding for Heartland Housing, Inc. (HHI) and First Baptist Congregational Church (FBCC). Heartland Housing Inc. and First Baptist Congregational Church are in partnership to seek funding and develop The Viceroy Hotel. Funding will afford Ex-offenders, persons who are formerly homeless, CHA waiting list clients through the Housing for Chicagoans Everywhere program and the general low-income population the opportunity to live in a supportive and affordable environment.

The rehabilitation and reconfiguration of the Viceroy Hotel is an excellent approach to community empowerment and enlightenment. I am convinced that access to affordable and supportive housing combined with substantive instruction can improve the quality of life for all residents in the community. I commend the intention of Heartland Housing Inc and First Baptist Congregational Church to create 90 studio units of affordable housing with a ground floor to be used as a common space, social and health services office space, conference space, laundry facilities, and a social enterprise coffee shop.

Thank you for your consideration.

Sincerely,

Annazette R. Collins

Annazette Collins
Representative, 10th District

DISTRICT OFFICE:
2928 W. MADISON
CHICAGO, ILLINOIS 60612
(773) 265-8611
FAX (773) 265-8617

CAPITOL ADDRESS:
627 1 STATE CAPITOL
SPRINGFIELD, ILLINOIS 62706
(217) 782-6252
FAX (217) 782-1631

COMMITTEES:
EXECUTIVE APPOINTMENTS, CO-CHAIRPERSON
ENVIRONMENT & ENERGY
LABOR
HOUSING & COMMUNITY AFFAIRS
RULES
EXECUTIVE

Rickey R. Hendon
ASSISTANT MAJORITY LEADER

March 25, 2009

Rev. George W. Daniels
First Baptist Congregational Church
1613 W. Washington
Chicago, Illinois 60612

Re: Letter of Support Viceroy Hotel

The Heartland Housing (HHI) and First Baptist Congregational Church (FBCC) is working in conjunction to create jobs and housing for:

- Ex-offender who have completed transitional housing programs
- Persons who are formerly homeless or at risk of homelessness
- CHA waiting list clients through the Housing for Chicagoans Everywhere
- General low income populations

The Viceroy Hotel will be a phenomenal development because it will provide 90 units that will give my constituents the opportunity for better living conditions, as well as having a feeling of wealth and community.

I happily support the collaborative work of First Baptist Congregational Church and Heartland Housing as they seek to develop this important property into affordable, supportive housing.

Sincerely,

Rickey Hendon

Senator Rickey R. Hendon
Assistant Majority Leader

DANNY K. DAVIS
7TH DISTRICT, ILLINOIS

Congress of the United States
House of Representatives
Washington, DC 20515–1307

March 30, 2009

The Revered George W. Daniels
First Baptist Congregational Church
1613 W. Washington Blvd.
Chicago, IL 60612

RE: Letter of Support: First Baptist Congregational Church

Dear Rev Daniels:

I am writing to express my full support of the First Baptist Congregational Church's (FBCC) collaboration with Hartland Housing, Inc (HHI) to acquire and rehabilitate the old Viceroy Hotel as a major new source and addition to the critically short housing stock in our community for highly vaurnable populations.

As we all know, the old Viceroy Hotel was formerly a transient hotel consisting of 160+ units. As the intended developers, FBCC and HHI anticipate a major rehabilitation and reconfiguration of the building which will have multiple community benefits. The end result of this work would be the creation of 90 studio units of affordable, supportive housing. We are pleased to learn that a number of units will be extended to:

1. Ex-offenders who have completed transitional housing programs
2. Persons who are formerly homeless or at risk of homelessness (SHP/McKinney-Vento)
3. CHA waiting list clients through the Housing for Chicagoans Everywhere program
4. General low-income populations

Also, I was especially pleased to learn that St. Leonard's Ministry (SLM) plans to acquire a master lease for 18 units of the building. These units will be for female ex-offenders who have graduated from SLM's transitional housing program. SLM will provide on-site ongoing services to their clients using office and community space located on the first floor. Additionally, SLM plans to lease 2000 sq. ft. of space on the

March 30, 2009

ground floor to operate a coffee shop. The coffee shop will serve as a food service training program for their clientele and have a positive economic impact on the larger community by creating jobs and increasing local opportunities.

Additionally, I was also especially pleased to learn of Hartland Housing participation as a key collaboration partner in the development. They are leaders in developing and managing affordable housing in the Midwest.

I look forward to working with you and your collaborator's on this very important community project. My office will be available to assist you in any way we can to help make this a project a success.

Sincerely,

Danny K. Davis

Danny K Davis
Member of Congress
DKD/fdc

RICHARD J. DURBIN
ILLINOIS

COMMITTEE ON APPROPRIATIONS

COMMITTEE ON THE JUDICIARY

COMMITTEE ON RULES
AND ADMINISTRATION

ASSISTANT MAJORITY
LEADER

United States Senate

Washington, DC 20510–1304

309 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510–1304
(202) 224–2152
TTY (202) 224–8180

230 SOUTH DEARBORN, 38TH FLOOR
CHICAGO, IL 60604
(312) 353–4952

525 SOUTH EIGHTH STREET
SPRINGFIELD, IL 62703
(217) 492–4062

701 NORTH COURT STREET
MARION, IL 62959
(618) 998–8812

durbin.senate.gov

March 30, 2009

To Whom It May Concern:

I am writing in support of The First Baptist Congregational Church's plan for the development of The Viceroy Hotel. Funding for this program will enable the church and Heartland Housing Inc. to convert a transient hotel into affordable housing for those in need.

The Viceroy Hotel will be converted into housing for ex-offenders, people on the Chicago Housing Authority's waiting list, low-income populations, as well as people that have been homeless or are at-risk of homelessness. The housing complex will enable the church to better serve these at-risk populations by providing social and health services as well as employment and training at an on-site social enterprise coffee shop. In addition to work experience and housing, the new building will include a community farm that will be a sustainable source of healthy food, teach the residents valuable skills, and imbue them with a sense of community. This project will not only help to revitalize the community, but it will also promote permanent solutions and self-sufficiency for the most vulnerable populations in our society.

Again, I would like to express my support for the First Congressional Church's request for funding. If you require additional information, please contact my Chicago Director, Clarisol Duque, at (312) 353-4952.

Very truly yours,

Dick Durbin

Richard J. Durbin
United States Senator

WALTER BURNETT, JR.
ALDERMAN, 27TH WARD
1463 W. CHICAGO AVENUE
CHICAGO, ILLINOIS 60622
TELEPHONE: 312-432-1995
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CITY COUNCIL
CITY OF CHICAGO

COUNCIL CHAMBER

CITY HALL, ROOM 300
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE: 312-744-6124
FAX: 312-742-8489

COMMITTEE MEMBERSHIPS

SPECIAL EVENTS AND CULTURAL AFFAIRS (CHAIRMAN)

BUDGET AND GOVERNMENT OPERATIONS

BUILDINGS

COMMITTEES, RULES AND ETHICS

EDUCATION

FINANCE

HEALTH

POLICE AND FIRE

June 10, 2011

Andrew Mooney, Commissioner
Department of Housing & Economic Development
City Hall
121 N. LaSalle Street Room 1000
Chicago, IL 60602

RE: Viceroy Apartments
1519 West Warren Boulevard

Dear Commissioner Mooney,

Heartland Housing, Inc. ("Heartland") and First Baptist Congregational Church ("FBCC") plan to acquire from the City of Chicago and subsequently redevelop that certain building commonly referred to as the "Viceroy Apartments" into 89 units of supportive housing. I understand that Heartland and FBCC have submitted an application to your Department for tax increment financing assistance. Please accept this letter as indicative of my support for this project, which upon completion, will provide much needed quality affordable housing in this neighborhood.

Please do not hesitate to contact me if you have any questions concerning this project.

Sincerely,

Walter Burnett, Jr.
Alderman, 27th Ward

WBJ/tlt

burnett

COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO

RESOLUTION NO. __ - CDC -

AUTHORIZATION TO NEGOTIATE A REDEVELOPMENT AGREEMENT WITH VICEROY HOTEL L.P., THE DESIGNATED SUCCESSFUL RFP RESPONDENT, FOR THE PURCHASE OF THE PROPERTY LOCATED AT 1517-21 WEST WARREN BOULEVARD AND 28 NORTH OGDEN WITHIN THE CENTRAL WEST REDEVELOPMENT PROJECT AREA

AND

RECOMMENDATION TO THE CITY COUNCIL OF THE CITY OF CHICAGO FOR THE DESIGNATION OF THE SUCCESSFUL RESPONDENT 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 99-CDC-255 and pursuant to the Act, enacted three ordinances on February 16, 2000 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Central West 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, on September 9, 2008 the Community Development Commission ("CDC") authorized the advertisement and issuance of a Request for Proposals ("RFP") for the purchase and redevelopment of the property located at 1519 W. Warren Boulevard 17-08-332-005, 17-08-332-006, and 17-08-332-007 (the "Property") for Development of supportive housing units in an existing historically significant building and the redevelopment of the adjacent surface parking lots for mixed-use development; and

WHEREAS, Heartland Housing, Inc. (or affiliates thereof) and First Baptist Congregational Church submitted a proposal for development of up to 89 permanent studio supportive housing, which was found by the Department of Housing and Economic Development (the "Department") to be the proposal that best satisfied the goals and objectives of the RFP and the Plan; and

WHEREAS, on April 14, 2009 the Commission designated Heartland Housing, Inc. (or affiliates thereof) and First Baptist Congregational Church the successful respondent to the RFP and rejected all other responses and authorized the Department to negotiate with the successful respondent the terms of the development proposal; and

WHEREAS, the Department has concluded these negotiations and has found that the proposed project, the project budget, and financial capacity of the developer are satisfactory; 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 the City Council Viceroy Hotel, LP be designated as 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. The proposal to purchase the Property is approved as follows:

Address	P.I.N	Size-sf	Price
	17-08-332-005	13,707	
	17-08-332-006	10,647	
	17-08-332-007	9,360	
Total		33,714	$1

Section 4. A certified copy of this resolution shall be delivered to the City Council of the City to request approval of said sale.

Section 5. 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 6. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 7. This resolution shall be effective as of the date of its adoption.

ADOPTED: ____________________, 2011

Attachment: Exhibit A, Street Boundary Description

EXHIBIT A

Street Boundary Description of the
Central West Tax Increment Financing
Redevelopment Project Area

The Area is generally bounded by W. Madison and W. Lake Streets on the north; S. Peoria Street an N. Ogden Avenue on the east; W. Van Buren Street on the south; and Western Avenue on the west and the amended area generally bounded by W. Van Buren Street on the north, Ashland Avenue on the west, W. Polk Street on the south, and S. Hoyne Avenue on the east.