

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

CERTIFICATE

I, Robert Wolf, the duly authorized and qualified Assistant Secretary of the **Community Development Commission of the City of Chicago**, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a Resolution adopted by the **Community Development Commission of the City of Chicago** at a Regular Meeting held on the 14th Day of October 2008 with the original resolution adopted at said meeting and noted in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said Resolution.

Dated this 14th Day of October 2008



**ASSISTANT SECRETARY
Robert Wolf**

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

RESOLUTION NO. 08 - CDC - 66

**AUTHORIZATION TO ENTER INTO A NEGOTIATED SALE WITH 901 W. 63rd
LIMITED PARTNERSHIP FOR DISPOSITION OF THE PROPERTY LOCATED AT
901 - 923 W. 63rd STREET WITHIN THE ENGLEWOOD MALL TIF
REDEVELOPMENT PROJECT AREA**

AND

**AUTHORIZATION TO NEGOTIATE A REDEVELOPMENT AGREEMENT WITH
901 W. 63rd LIMITED PARTNERSHIP**

AND

**RECOMMENDATION TO THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF 901 W. 63rd LIMITED PARTNERSHIP AS DEVELOPER**

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

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

WHEREAS, the City Council, upon the Commission's recommendation pursuant to Resolution 89-CDDC-013 and pursuant to the Act, enacted three ordinances on November, 29, 1989 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Englewood Mall TIF Redevelopment Project Area (the "Area"), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area. The street boundaries of the Area are described on Exhibit A hereto; and

WHEREAS, the City is in the process of acquiring the property located at 901 - 923 W. 63rd Street having the Property Identification Number(s) (PINs) 20-20-205-001, 20-20-205-002, 20-20-205-003, 20-20-205-004 (the "Property") and desires that it be redeveloped for affordable housing; and

WHEREAS, staff of the Department of Planning and Development of the City of Chicago (the "Department") have entered into discussions with 901 W. 63rd Limited Partnership (the "Developer") concerning the sale of the Property for the development of a new construction of a

six-story, 99-unit permanent supportive housing apartment building; and

WHEREAS, the Developer has submitted a project budget and evidence of having the financial capacity to complete the project, and the staff of the Department have reviewed these and found them to be satisfactory; and

WHEREAS, the Developer has proposed to pay \$1.00 as consideration for the purchase of the Property, which is \$699,999 less than the appraised fair market value of \$700,000; and

WHEREAS, staff of the Department have determined that the Developer's proposal conforms to the Plan; and

WHEREAS, pursuant to Section 5/11-74.4-4(c) of the Act, the City may not enter into any agreement relating to the development of City-owned property within the Area without first making public disclosure of the terms of such agreement and all bids and proposals related thereto and providing reasonable opportunity for any person to submit an alternative proposal or bid; and

WHEREAS, DPD requests the authority of the Commission to make the required disclosure by publishing a public notice substantially in the form set forth as **Exhibit B** hereto (the "Notice") be published at least once for three consecutive weeks in at least one Chicago metropolitan newspaper, inviting alternative proposals from other developers who will have a period of not less than thirty (30) days after the first publication of the public notice in which to submit a responsive proposal; and

WHEREAS, DPD requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project, if no responsive alternative proposals are received by DPD within thirty (30) days after publication of the first Notice or, if alternative proposals are received and DPD in its sole discretion determines that the Developer's Project is the best proposal; 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 authorizes DPD to publish the Notice.
- Section 3. The Commission hereby recommends to City Council that the Developer be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Developer for the Project, so long as no responsive alternative proposals are received by DPD within the time recited above or, if alternative proposals are received and DPD in its sole discretion determines that the Developer's Project is the best proposal.
- Section 4. DPD is hereby authorized to advertise the City's intent to negotiate the

sale and redevelopment of the Disposition Parcels and to request responsive alternative proposals.

Section 5. Said proposals must be submitted in writing to Arnold Randall Commissioner, Department of Planning and Development, Attn: Will Malone, City Hall- Room 1006, 121 North LaSalle Street, Chicago, Illinois 60602 within 30 days of the date of the first publication of the Notice and shall contain names of parties, offer prices for the Disposition Parcels, evidence of financial qualifications, and a timetable for redevelopment before said proposal will be considered.

Section 6. In the event that no responsive proposals are received at the conclusion of the advertising period, or if alternative proposals are received and DPD in its sole discretion determines that the Developer's Project is the best proposal, then the sale of the land described in Exhibit A shall be recommended to the City Council without further Commission action.

Section 7. 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 8. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 9. This resolution shall be effective as of the date of its adoption.

Section 10. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: October 14, 2008

Attachments: Exhibit A, PINs and Street Addresses of Disposition Parcels and TIF Area Street Boundary Description

Exhibit B, Form of Notice Requesting Alternative Proposals

EXHIBIT A

Street Address and P.I.N.s of Disposition Parcels
and
Street Boundaries of the
Englewood Mall Tax Increment Financing
Redevelopment Project Area

Street Addresses:

923 W. 63rd
917 W. 63rd
907 W. 63rd
901 W. 63rd

P.I.N.s:

20-20-205-001
20-20-205-002
20-20-205-003
20-20-205-004

Tax Increment Financing Redevelopment Project Area:

The Englewood Mall Redevelopment Project Area is generally bounded by the corner of 63rd Street Parkway and South Morgan Street, and following northeasterly along the 63rd Street Parkway to South Halsted Street; heading southeasterly along Halsted Parkway to West Englewood Avenue; heading easterly along West Englewood Avenue to South Wallace Street; heading southerly to West 63rd Street; heading westerly along West 63rd Street to South Green Street; heading southerly to the right-of-way of the Chicago Transit Authority elevated train line; and heading westerly to South Morgan Street to the point of beginning.

EXHIBIT B

PUBLIC NOTICE is hereby given by the Community Development Commission of the City of Chicago (the "City") pursuant to section 5/11-74.4-4 (c) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 *et seq.*) (the "Act"), that the City's Department of Planning and Development ("DPD") intends to negotiate a redevelopment agreement with 901 W. 63rd Limited Partnership (the "Developer") pursuant to which the City intends to provide financial assistance to the Developer in the amount of \$2,000,000 or 11.9% of the total project budget from tax increment financing bond proceeds and/or incremental tax revenues pursuant to the Act for eligible costs associated with Englewood Apartments development project (the "Project") to be located at 901 - 923 W. 63rd Street (the "Property"), located in the Englewood Mall TIF Redevelopment Project Area (the "Area"). The Project will consist of the new construction of a six-story, 99-unit permanent supportive housing apartment building. The City also intends to negotiate a redevelopment agreement with the Developer for the sale of four individual tax parcels, described in Schedule 1 attached hereto (the "Disposition Parcels"), for \$1.00. The Property and Disposition Parcels are located within the Area established pursuant to the Act, and the Project is in compliance with the Englewood Mall TIF Redevelopment Plan. The Area is generally bounded as follows: the corner of 63rd Street Parkway and South Morgan Street, and following northeasterly along the 63rd Street Parkway to South Halsted Street; heading southeasterly along Halsted Parkway to West Englewood Avenue; heading easterly along West Englewood Avenue to South Wallace Street; heading southerly to West 63rd Street; heading westerly along West 63rd Street to South Green Street; heading southerly to the right-of-way of the Chicago Transit Authority elevated train line; and heading westerly to South Morgan Street to the point of beginning.

THE CITY HEREBY INVITES ALTERNATIVE PROPOSALS FOR THE REDEVELOPMENT OF THE DISPOSITION PARCELS FOR CONSIDERATION BY THE CITY.

The documents listed below related to the Area, the Project and the Disposition Parcels are available for public inspection on or before October 16, 2008 at the offices of DPD, Room 1006, 121 N. LaSalle, Chicago, Illinois between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday:

- (i) "Englewood Mall Tax Increment Financing Redevelopment Project and Plan," which constitutes the City's redevelopment plan for the Area;
- (ii) a terms sheet showing all proposed material terms of the redevelopment agreements as of the date hereof, including but not limited to an estimated Project budget setting forth the amount of financial assistance the City intends to provide to the Developer for the Project; and
- (iii) the terms of all bids and proposals received, if any, by the City related to the Project and the redevelopment agreements.

Please contact Will Malone at DPD at (312) 744-6434 to review these materials and for information regarding the form required, if any, for proposals submitted to the City. Proposals shall include the general plan for the redevelopment of the Disposition Parcels, the names of the party or parties making the proposal, the price offered, evidence of financial qualifications and capacity to complete said redevelopment, and the timetable for implementation. The City reserves the right to reject any and all proposals. Proposals will be received by the City at DPD's offices, Room 1000, City Hall, 121 N. LaSalle, Chicago, Illinois 60602, until November 17, 2008 at 10:00 a.m., at which time all alternative proposals will be opened and reviewed.

Mary Richardson-Lowry, Chairman
COMMUNITY DEVELOPMENT COMMISSION

Attach Schedule 1 - Disposition Parcels

Schedule 1 – Disposition of Parcels

Street Addresses:

923 W. 63rd

917 W. 63rd

907 W. 63rd

901 W. 63rd

P.I.N.s:

20-20-205-001

20-20-205-002

20-20-205-003

20-20-205-004

**City of Chicago
Departments of Housing & Planning and Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REGARDING
A PROPOSED NEGOTIATED SALE OF CITY-OWNED PROPERTY
AND DEVELOPER DESIGNATION
October 14, 2008**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	Englewood Apartments
Applicant Name:	901 W. 63 rd Limited Partnership
Project Address:	901 - 923 W. 63 rd Street
Ward and Alderman:	16 th Ward – Jo Ann Thompson
Community Area:	Englewood
Redevelopment Project Area:	Englewood Mall TIF
Requested Action:	Negotiated Sale and TIF Developer Designation
Proposed Project:	New construction of a six-story, 99-unit permanent supportive housing apartment building. Located on West 63 rd Street between Sangamon and Peoria Streets, the project will provide studio units to the homeless, the disabled and very low-income persons from CHA waiting lists. Gross rents will be at or below 60% area median income, but all units will receive rent subsidies from either the HUD Shelter + Care program or will have CHA issued project-based vouchers.
Appraised Market Value:	\$700,000
Sales Price:	\$1.00
Land Write-down:	\$699,999
TIF Assistance:	\$2,000,000

II. PROPERTY DESCRIPTION

Address:	901 - 923 W. 63 rd Street
Location:	The project site is on the south side of 63 rd Street, bounded by 63 rd Street on the north, Sangamon Street on the west, the right-of-way of the CTA Green Line train tracks on the south, and Peoria Street on the east.
Tax Parcel Numbers:	20-20-205-001 20-20-205-002 20-20-205-003 20-20-205-004
Land Area:	33,184 square feet
Current Use:	Three of four parcels are vacant. The fourth has a vacant, boarded-up, one-story commercial building. The building is dilapidated and will be demolished by the City.
Current Zoning:	C1-2 Neighborhood Commercial District
Proposed Zoning:	RM-6 to Planned Development
Environmental Condition:	<p>Hygienetics Environmental Services, Inc. conducted a Phase I Environmental Site Assessment of the site on April 11, 2008.</p> <p>An inspection of the vacant commercial building revealed the potential for asbestos containing materials (ACM) to be present.</p> <p>The assessment revealed no other evidence of recognized environmental conditions (REC's) in connection with the site, except for the historical location of a dry cleaner facility at the subject site.</p> <p>Based on the conclusions of the Phase I report, the City will likely require submission of a Phase II analysis. The Department of Environment will review the reports and recommend appropriate action, which may require enrolling the site in the Illinois Environmental Protection Agency's Site Remediation Program (SRP). Since the development</p>

proposal includes residential uses, DOE will likely require that the site be enrolled in SRP and receive a Comprehensive No Further Remediation letter prior to occupancy.

The land will be sold “as-is” with no warranties or representations as to its environmental condition, and it will be the responsibility of the developer to complete any remediation required under the SRP. The redevelopment agreement with the developer will include release and indemnification language protecting the City from any liability.

Inventory Profile:

In January of 2008, the City of Chicago acquired PIN# 20-20-205-001 by a Warranty deed. In 1991 the City of Chicago acquired PIN# 20-20-205-003 through a tax deed. In 1987 the City acquired PIN# 20-20-205-004 through a Sheriff's deed.

The City is in the final process of acquiring PIN# 20-20-205-002 through condemnation proceeding. A judgment order was entered September 17, 2008 and the City is waiting on funds from DPD to deposit with Cook County Treasurer to complete the process.

III. BACKGROUND

In 2003, Lakefront Supportive Housing submitted an application for the construction of buildings that would provide appropriate housing for the City's homeless population. The application was submitted in connection with the City's supportive housing agenda and the 10-year Plan to End Homelessness.

Lakefront Supportive Housing was awarded two sites: the first was a site at the corner of Division and Clybourn and the second is the proposed site on West 63rd Street. The Division and Clybourn site is now the home of the Margo and Harold Schiff Residences. The construction for the Margo and Harold Schiff Residences was completed in February, 2007 and the building was fully leased by April, 2007.

While the Margo and Harold Schiff Residences were being constructed, Lakefront Supportive Housing merged with Mercy Housing Midwest to form Mercy Housing Lakefront. The merger was completed in 2006.

In February 2007, Mercy Housing Lakefront submitted an application to the Department of Housing (DOH) for the 2007 Affordable Housing Assistance Funding Round. In September of that year, the Englewood SRO project was awarded an allocation of Low Income Housing Tax Credits by DOH. At the same time, the Law Department, in

conjunction with the Department of Planning and Development, had been assembling the two remaining parcels on which the project would eventually be built.

Due to the lack of grants and public loan funds available to complete the development of the Englewood Apartments, Mercy Housing Lakefront approached the City in 2007 for Tax Increment Financing Assistance. In September 2008, an application was submitted by Mercy Housing Lakefront to the City for \$2,000,000 in Tax Increment Financing Assistance.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity: 901 W 63rd Limited Partnership is an Illinois limited partnership (Owner and to whom the low income housing tax credits and TIF funds will be allocated.)

Mercy Housing Lakefront (MHL, the “Developer”), will be the sole member and managing member of the general partner, Englewood Apartments NFP. At the time of closing on the construction financing, 99.99% of the Owner’s investor member interest will be sold to an entity formed by U.S. Bancorp Community Investment Corporation to purchase the Low Income Housing Tax Credits.

Mercy Services Corp. (MSC), who manages all of MHL’s Chicago units, will be the property manager for the Englewood project. MSC is an affiliate of MHL parent company, Mercy Housing, Inc. (MHI) a national non-profit organization based in Denver, CO. MHL’s own case services team will provide all case management services to the residents of the project.

Nationally, MHI has developed, preserved and/or financed more than 38,500 affordable homes, both rental and single family, serving more than 109,000 people.

Both MHL’s and MHI’s mission statement is to create stable, vibrant and healthy communities by developing, financing and operating affordable, program-enriched housing for families, seniors and people with special needs who lack the economic resources to access quality, safe housing opportunities.

Consultants: Mercy Housing Lakefront has assembled a qualified team of professionals to plan and carry out the proposed development. This team includes:

- Johnson & Lee, Ltd. is the architectural firm that has collaborated with MHL on the design of the Englewood Permanent Supportive Housing development. The design team led by Chris Lee of Johnson & Lee includes Dan Fagan, OWPP; Ray Watson, Prism Engineering, Inc.; Eugene Mojekwu, Matrix Engineering Corp.; and Ted Wolff, Wolff Landscape Architecture. This building will be LEED certified gold with Rand Ekman and Anthony Corso acting as the LEED consultants. Both are employed by OWPP and have extensive experience with LEED construction. Mr. Ekman and Mr. Corso worked with the City on the writing and implementation of the City’s Green Communities Program. Chris Lee

was the architect of the Kennedy-King City College located two blocks east of the site.

- Jenkins Construction, Inc. has been selected as the General Contractors. Founded in 1989 in Detroit, MI. the company opened the Chicago office two years ago. It is staffed by Chicago natives with over 25 years in construction with such companies as Turner. Since its inception, Jenkins Construction has been involved as a construction manager or general contractor in more than \$1 billion worth of construction projects.
- Applegate & Thorne-Thomsen, Ben Applegate heads the legal team. Caleb Jewell from his firm will lead the closing process. Neal & Leroy, Carol Stubblefield is the TIF and PD attorney. Ernest Sawyer Enterprises is the TIF consultant handling the TIF applications and amendment. Mishaune Sawyer and Ralph Kinser are the ERS staff working with MHL.
- U.S. Bancorp Community Investment Corporation (USB CIC) will be the limited partner equity investor. USB CIC has a 15-year relationship with Mercy Housing Inc. and has been the purchaser of tax credits on several past affordable housing projects in which Mercy Housing Inc. was the development entity.

V. PROPOSED PROJECT

Project Overview: The proposed building will be six-story, 99-unit, pre-cast concrete structure with pre-cast concrete façade. All units will be 354 sq. ft. studios and each will contain a kitchenette and a private bathroom. The kitchens will include full sized Energy Star appliances. All units will be furnished with a single bed, night stand and table and two chairs and will be adaptable.

The first floor of the proposed building will have offices for a full-time site manager, as well as offices for the on-site case workers. There will be an employment training and education center consisting of a computer laboratory/library, a class room and offices. The first floor will also include a large community room, bicycle storage, a laundry room and private storage bins for each resident. An outdoor terrace and small community room has been planned for the sixth floor. Twenty (20%) percent of the units will be fully accessible and the remaining 80% are fully adaptable.

Site amenities will include 10 parking spaces and an open space on the south portion of the site for resident use.

The project will provide studio units to the homeless, the disabled and very low-income persons from CHA waiting lists. Social services and case management will be integrated into the property operations and case managers will assist residents with daily tasks including finding jobs, taking care of children and addressing health and addiction problems.

The developer wishes to start construction in the January of 2009 with completion in approximately 15 months. A site plan, floor plan and elevations are provided as exhibits to this report.

Unit profile: The following table provides a detailed description of the units in the proposed project. The project will provide a total of 99 rental units of which 100 percent will be affordable for households earning no more than 60 percent of the area median income. All units will have project-based rental assistance; 50% of residents will come from CHA waiting lists and will have CHA project-based vouchers. The other 50% of residents will have HUD Shelter plus Care vouchers. It is anticipated that residents of the building will have incomes at or below 30% or below the area median income. All utilities are included in the monthly rent.

All units for the project satisfy the Chicago affordable housing ordinance, which requires that either 10 percent of the units be affordable in a project receiving City assistance in the form of a land write-down or that 20 percent of the units be affordable in a project receiving TIF assistance

The Department of Housing has reviewed and approved the affordable unit rents.

Unit Profile

Unit Type	Number	Market/ Affordable	Size-sf	Monthly Rent/sf*	Monthly Rent*
Studio w/ bath	99	Affordable	354	\$2.05	\$727

* The monthly rent listed is the gross monthly rent that includes both the rent subsidy and the tenant portion of the rent.

Environmental Features: The Englewood project is currently designed to attain a LEED's gold standard and may be able to attain a platinum standard.

One hundred percent of the roof will be a green designed roof with Sedum covering with a portion of the roof in the southwest corner of the building being a small visitable area for the residents. In addition to the green roof, there will be solar thermal panels on the roof for heating the domestic hot water. Cisterns will collect rain water and can be used to either water the green roof during the development stage or be allowed to drain slowly onto the site and into the rain gardens. The roof will have an insulation value of R-49 and be Energy Star rated; the walls will be R-25. The windows systems are comprise of Low-E, solar band 70XL, double glazed PPG windows.

With the minimal on site parking, a large patio of permeable pavers will be located behind the building and to the east of the western rain garden. Appropriate seating and landscaping will be provided to make this an inviting area for the residents to enjoy. There are rain gardens at the eastern and western edges of the site as well as a bio-swale along the north side of the building that will allow for on-site storage of rain water either through

absorption or slow release into the heavy storms into the City sewer system.

All appliances in the studio apartments will be Energy Star rated. The kitchens and bathrooms will have low flow fixtures. Kitchen cabinets and counter tops will not contain urea formaldehyde. Paints used will be low VOC.

The heating and ventilation system will be a modified geo-thermal system with a back up boiler and chiller. Each unit will have a heat pump that each resident will be able to control. In addition there will be an energy recovery system. Importantly, there is fresh air supply ducting in every room. Electrical features include CFL lighting and motion sensitive switches for turning on and off the lights in the common and office areas. Lastly, an additional bonus space for the residents will be a sixth floor visitable garden with a meeting room overlooking the garden.

VI. FINANCIAL STRUCTURE

This development will be funded with various sources of public financing as well as public and private grants.

The largest source of funding for the project will be equity generated by the issuance of approximately \$1,234,476 in Low Income Housing Tax Credits (LIHTC's) by the Department of Housing to the project owner. The LIHTC's will generate approximately \$11,233,732 in equity which represents approximately 66.9% of total project costs. It is anticipated that U.S. Bancorp Community Investment Corporation will be the limited partner investor in the project. They have committed to a LIHTC pay-in rate of \$.91.

The first mortgage will be a \$2,000,000 HOME loan issued to the project owner by the Illinois Housing Development Authority (IHDA). The HOME program is a federally funded program whereby federal dollars are administered by IHDA to aid and assist in the funding of low-income housing developments.

DPD proposes providing TIF assistance in the amount of \$2,000,000 for TIF-eligible expenses. The funding will be in the form of three cash payments--made at closing, during construction, and at project completion--from area wide increment in the Englewood Mall TIF. TIF assistance is needed to off-set the cost of developing an entirely affordable project. In addition, the City has agreed to sell the land to the Developer for \$1.00 which represents a \$699,999 write-down. The proposed TIF funding and land write-down together represent 15.4% of public subsidy.

The developer is also seeking the issuance of Illinois Affordable Housing Tax Credits (IAHTC's) or "Donation Tax Credits" issued through IHDA. The Donation Tax Credits are based on 50% of the difference between the sales price and the appraised value of the property, less site preparation costs. It is anticipated that U.S. Bancorp Community Investment Corporation will be the equity investor in the Donation Tax Credits. They have committed to a pay-in rate of \$.85 which will generate approximately \$267,750 in equity for the project.

Other funding sources for this project will be comprised of donations and grants through various agencies or developers. The City of Chicago Department of Environment has expressed interest in the issuance of a \$750,000 grant to cover a portion of "green" project expenses. USG, a nationwide maker of drywall products with active membership on the Mercy Housing Lakefront board, has expressed interest in the donation of building materials to the project.

The following table identifies the sources and uses of funds:

Uses and Sources of Funds:

USE OF FUNDS	AMOUNT	PER UNIT	PER SQ. FT.*	% OF PROJECT
Acquisition	\$0	\$0	\$0	0%
Hard Costs	\$13,534,649	\$136,714	\$215.52	80.7%
Soft Costs	\$1,649,736	\$16,664	\$26.28	9.8%
Developer's Fee	\$700,000	\$7,070	\$11.14	4.2%
Def. Dev. Fee	\$300,000	\$3,030	\$4.78	1.8%
Reserves	\$596,201	6,022	\$9.49	3.5%
Total	\$16,780,586	\$169,500	\$267.21	100%

*Gross building square footage: 62,800 square feet

SOURCES OF FUNDS	AMOUNT	RATE	TERM/ AMORT	PER UNIT	% OF PROJECT
IHDA HOME	\$2,000,000	0%	30/40	\$20,202	11.9%
TIF	\$2,000,000			\$20,202	11.9%
IAHTC	\$267,750			\$2,705	1.6%
DOE Green Grant	\$750,000			\$5,050	3.0%
Donations	\$229,104			\$4,839	2.8%
Deferred Developer Fee	\$300,000			\$3,030	1.8%
US Bank CIC Equity	\$11,233,732			\$113,472	66.9%
TOTAL	\$16,780,586			\$169,500	100%

VII. PUBLIC BENEFITS

The proposed project will provide the following benefits:

A Permanent Solution to Homelessness: The Project will create 99 units of permanent supportive housing for homeless, the disabled and very low-income people from CHA waiting lists.

Positive Effect on Nearby Properties: A newly constructed building on vacant property will add increased activity, vibrancy and attractiveness to the neighborhood thereby having a positive effect on surrounding businesses and properties.

Sales Tax Generation: The approximately \$13.5 million in construction hard costs will generate significant taxes during the construction period.

Affirmative Action: The developer plans to adhere to the City of Chicago MBE/WBE Guidelines, which requires contract participation of 24% by minority-owned business enterprises (MBE's) and 4% by woman-owned business enterprises (WBE's). 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.

Job Creation: The Project will create approximately 30-40 full-time-equivalent construction jobs during the construction of the 99-unit development. After the construction, ten permanent full-time equivalent jobs will be created through the staffing and security of the property.

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.

Environmental Features: The developer intends to achieve LEED's gold standard and may be able to attain a platinum standard. The project will have a green roof, along with high efficiency roof and wall insulation, high performance windows, energy star appliances and fixtures, permeable paving in the parking lots, low VOC paint and caulking as well as low VOC tile in the kitchen and bathrooms, and environmentally green carpet in the bedrooms. The building will also feature a geo-thermal HVAC system, on site-rain gardens and bio-swales, and native landscape plantings.

VIII. COMMUNITY SUPPORT

Alderman Jo Ann Thompson endorses the project and has provided a letter of support. A copy of that letter is presented as an exhibit to this report.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the Englewood Mall Tax Increment Financing Redevelopment Project Area (RPA). The following are the goals for the RPA:

- “....stimulate revitalization in the surrounding residential areas;
- remove obsolete and substandard structures which exert a blighting influence on the community;
- improve the physical environment of the RPA in order to make the area more attractive for new business location and expansion;
- develop anchor projects that encourage retail, commercial, and related mixed use (including institutional) development along the 63rd Street and Halstead arterials.”

X. CONDITIONS OF ASSISTANCE

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

It is City policy that no business will be conducted with a development entity whose principal has outstanding municipal debts (such as unpaid parking tickets, unpaid water bills, unpaid business licenses, and others), is in arrears of child support payments, or who is a debtor in bankruptcy, a defendant in a legal action for deficient performance, a respondent in an administrative action for deficient performance, or a defendant in any criminal action. Before today's action is presented to the City Council for approval, the department will conduct a thorough background check of all principals having an ownership interest of 7.5 percent or greater, and of the boards of directors and trustees of non-profit organizations. Similar background checks will be conducted on the development entity itself.

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

XI. RECOMMENDATION

The Department of Housing (DOH) and the Department of Planning and Development (DPD) have thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, its need for public assistance, its public benefits, and the project's conformance with the redevelopment area plan, and DOH and DPD recommends that the CDC approve the sale of the city-owned lots to 901 W. 63rd Limited Partnership for the development of affordable housing and recommend to the City Council the designation of 901 W. 63rd Limited Partnership as developer for the development of the Englewood Apartments located at 901 - 923 W. 63rd Street.

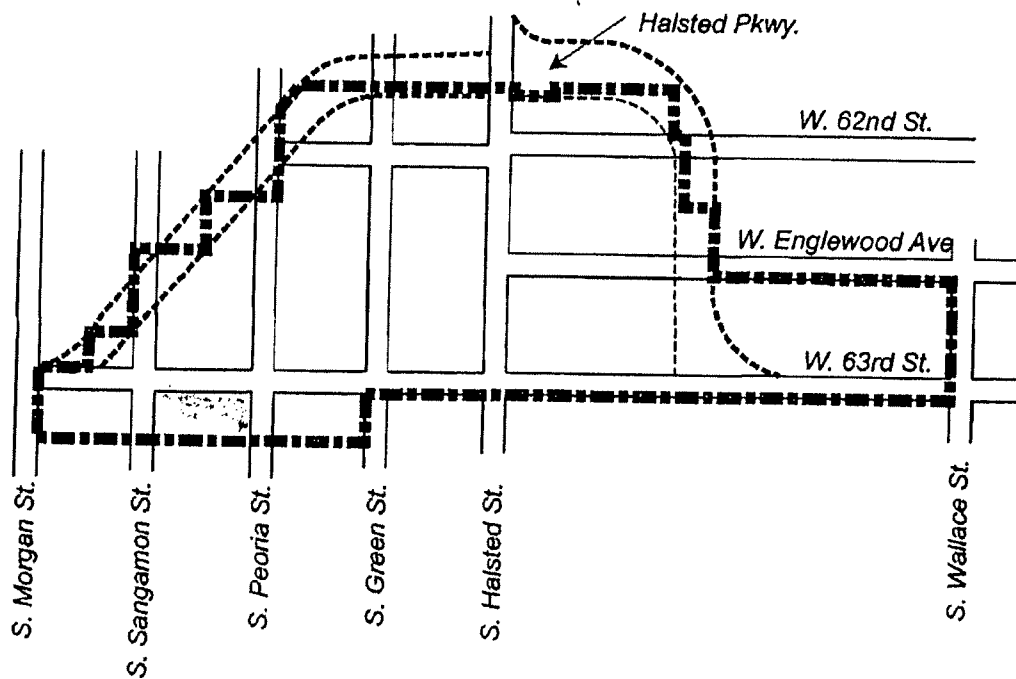
EXHIBITS

Redevelopment Area Map
Neighborhood Map or Aerial
Survey or Plat
Site Plan
Typical Floor Plan
Front Elevation or Rendering
Sample M/WBE Letter
Copies of M/WBE Certified Letter Receipts
Letter of Interest from Lender
Alderman's Letter of Support

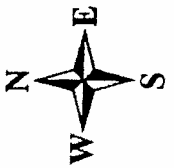
Englewood Mall Redevelopment Project Area 2006 Annual Report

(11) GENERAL DESCRIPTION AND MAP

The Englewood Mall Redevelopment Project Area is generally bounded by the corner of 63rd Street Parkway and South Morgan Street, and following northeasterly along the 63rd Street Parkway to South Halsted Street; heading southeasterly along Halsted Parkway to West Englewood Avenue; heading easterly along West Englewood Avenue to South Wallace Street; heading southerly to West 63rd Street; heading westerly along West 63rd Street to South Green Street; heading southerly to the right-of-way of the Chicago Transit Authority elevated train line; and heading westerly to South Morgan Street to the point of beginning. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan.



COMMUNITY AREA 68 - ENGLEWOOD



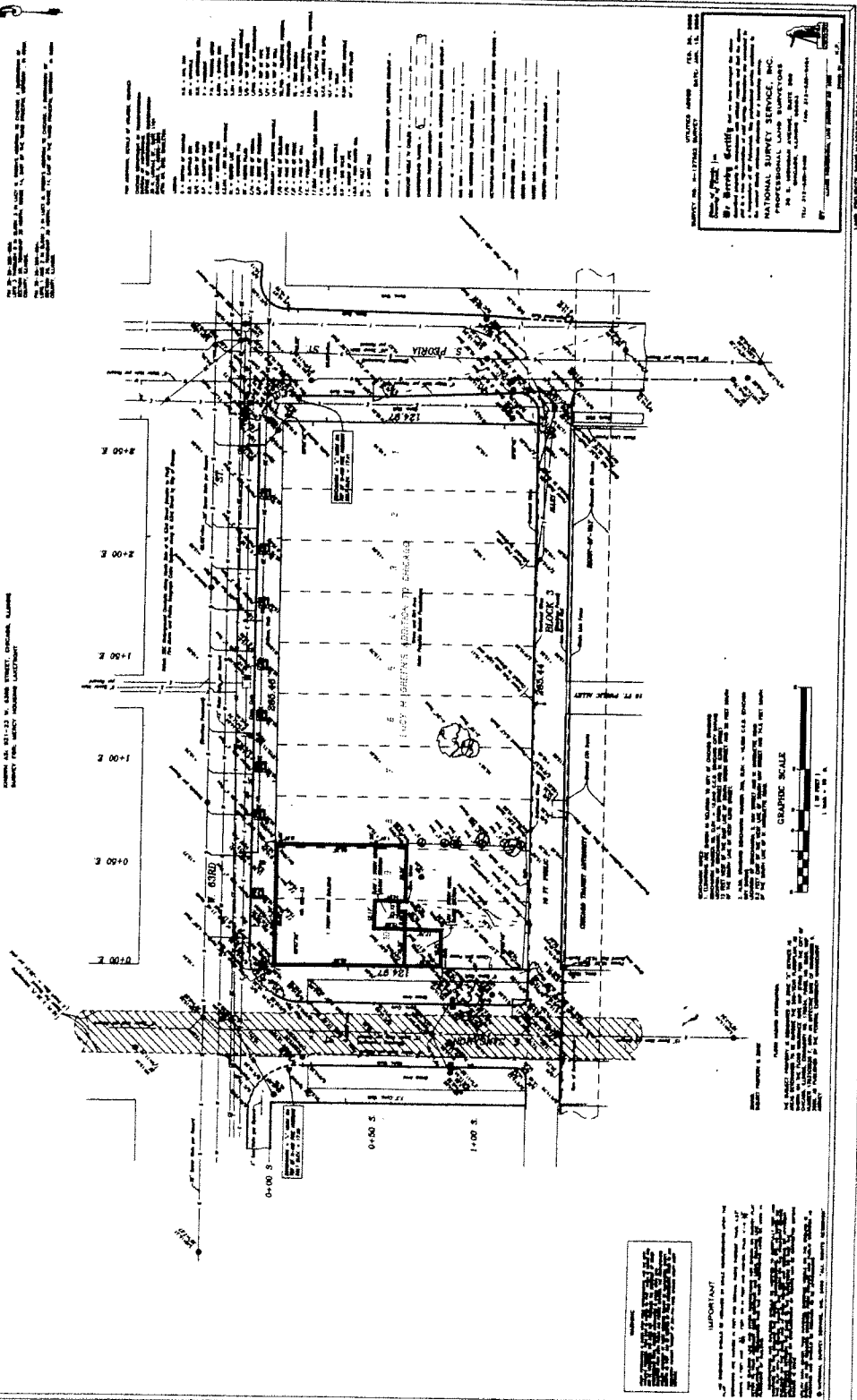
Prism
Engineering, Inc.
10000
10000
10000



SITE SURVEY	
PROJECT NO.	0419
DATE	00.01
CLIENT	ENLWOOD PERMANENT SUPPORTIVE HOUSING
LOCATION	10000
SCALE	1" = 40'
DRAWN BY	
CHECKED BY	
DATE	
PROJECT NO.	
DATE	
CLIENT	
LOCATION	
SCALE	
DRAWN BY	
CHECKED BY	
DATE	

NATIONAL SURVEY SERVICE, INC.
 Plat of Survey

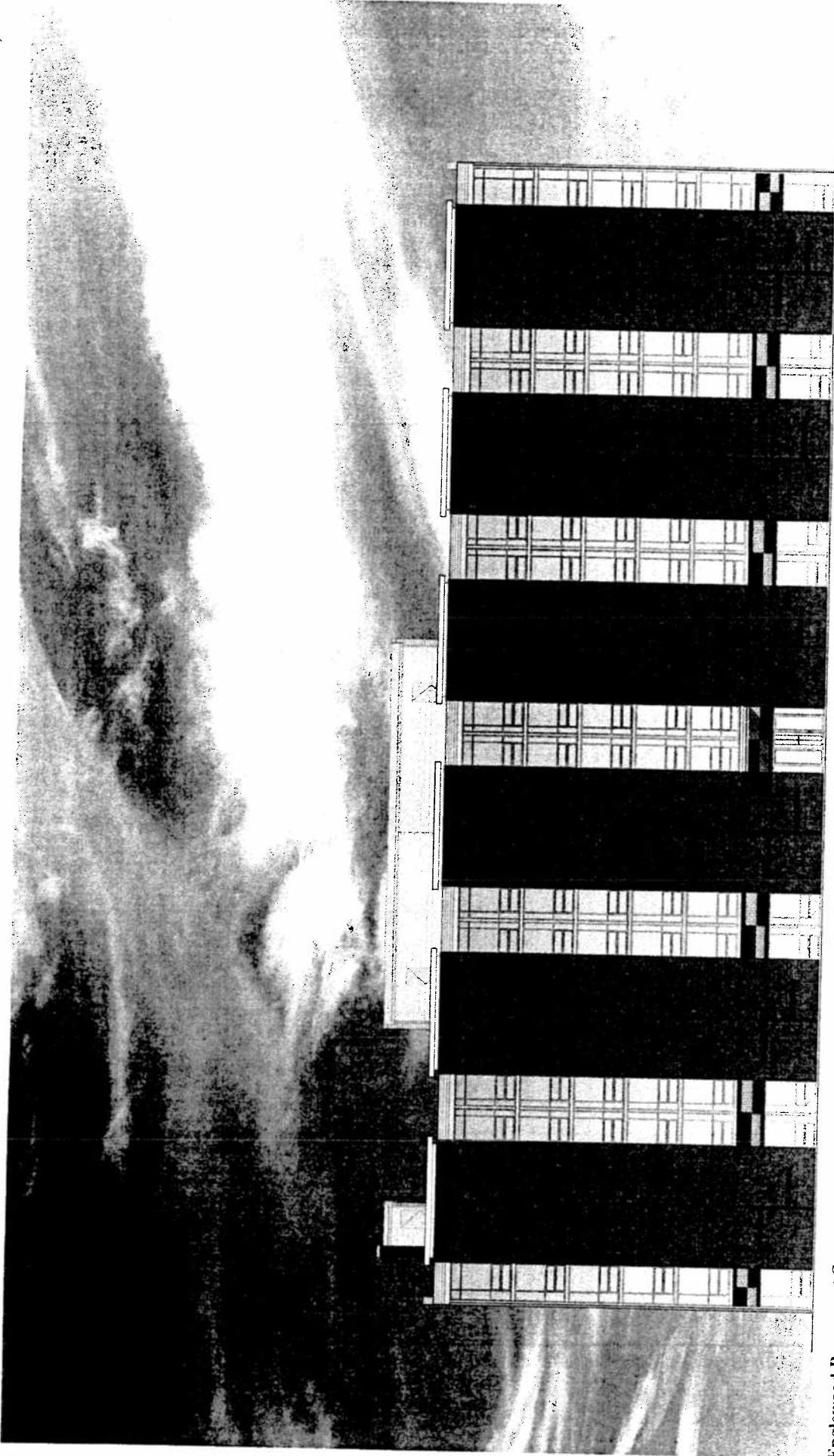
PROJECT NO. 0419
 DATE: AUG. 15, 2000
 SCALE: 1" = 40'



NOTE:
 NATIONAL SURVEY SERVICE, INC. IS NOT RESPONSIBLE FOR THE ACCURACY OF THE SURVEY DATA SHOWN ON THIS SURVEY AND THE SURVEY SERVICE, INC. SHALL NOT BE HELD RESPONSIBLE FOR THE ACCURACY OR COMPLETION OF THE DEVELOPMENT.

IMPORTANT:
 This plat is a true and correct copy of the original survey data as shown on the survey and the survey service, inc. shall not be held responsible for the accuracy or completion of the development.

IMPORTANT:
 This plat is a true and correct copy of the original survey data as shown on the survey and the survey service, inc. shall not be held responsible for the accuracy or completion of the development.



Englewood Permanent Supportive Housing

901 West 63rd Street, Chicago, Illinois
Developer: Mercy Housing Lakefront

111 SOUTH WABLER AVENUE, SUITE 210 CHICAGO, IL 60607 PH: 312 633 7332 FAX: 312 633 4491

North Elevation

Johnson & Lee

ARCHITECTS PLANNERS



Mercy Housing Lakefront

more than a roof

September 25, 2008

Mr. Omar Shareef
African American Contractors Association
3706 South Indiana Avenue, First Floor
Chicago, IL 60653

BY CERTIFIED MAIL

Re: Englewood Permanent Supportive Housing

Dear Mr. Shareef:

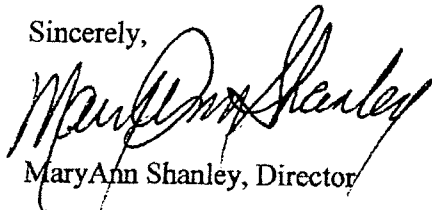
Mercy Housing Lakefront is pleased to announce the development of the property located at 901 West 63rd Street, Chicago, Illinois. The property is currently a series of four lots on the south side of 63rd Street on which will be constructed a six story multi-family building consisting of 99 studio apartments for the homeless and very low income single people. The building will be a LEED certified silver construction with extensive landscaping and on-site parking. The heating system will be a modified geo-thermal system with a back up boiler.

Mercy Housing Lakefront has chosen Jenkins 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).

Mercy Housing Lakefront 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 contact Shawn Perkins at Jenkins Construction. (312-408-2000)

Sincerely,



MaryAnn Shanley, Director

www.mercyhousing.org

247 South State Street, Suite 810 • Chicago, Illinois 60604 • 312.447.4500 • Fax: 312.447.4750

Mercy Housing Lakefront is a merger of Lakefront Supportive Housing and Mercy Housing Midwest.

Mercy Housing is sponsored by communities of Catholic Sisters.

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

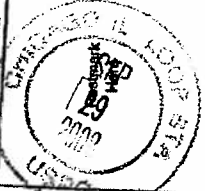
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 0.59
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.49

Sent to Hedy Ratter Women Business Devel.
 Street, Apt. No. or PO Box No. 8 South Michigan Ave, Ste. 400
 City, State, ZIP+4[®] Chicago, IL 60604

PS Form 3800, August 2006 See Reverse for Instructions



7008 1140 0002 1623 6388

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

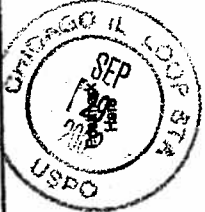
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 0.59
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.49

Sent to Beth Doria Federation of Women
 Street, Apt. No. or PO Box No. Contractors 5650 S. Archer
 City, State, ZIP+4[®] Chicago IL 60638

PS Form 3800, August 2006 See Reverse for Instructions



7008 1140 0002 1623 6388

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

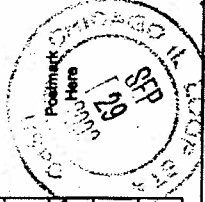
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 0.59
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.49

Sent to Babette Payton IL. Assoc. of
 Street, Apt. No. or PO Box No. Minority Contractors
 City, State, ZIP+4[®] Chicago, IL 60649

PS Form 3800, June 2002 See Reverse for Instructions



7008 1680 0005 0973 8476

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

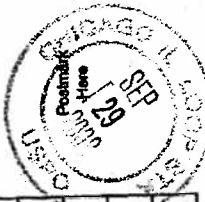
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 0.59
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.49

Sent to Edward T. McKinnie Back 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



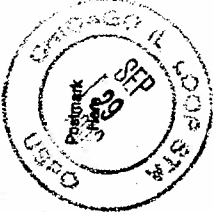
7008 1140 0002 1623 6388

**U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

OFFICIAL USE

Postage	\$ 0.59
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.49



Sent To
Cesar Santoy Hispanic American Construction
Street, Apt. No., or PO Box No. **401 W. Jackson, Suite 205**
City, State, ZIP+4 **Chicago, IL 60607**

PS Form 3800, August 2006 See Reverse for Instructions

2008 1240 0002 1523 6295

**U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

OFFICIAL USE

Postage	\$ 0.59
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.49



Sent To
Perry Nockachi Assoc of Asian Construction
Street, Apt. No., or PO Box No. **Enterprise**
City, State, ZIP+4 **Chicago, IL 60607**

PS Form 3800, August 2006 See Reverse for Instructions

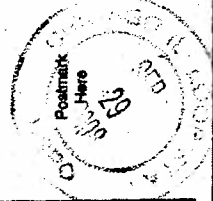
2008 1240 0002 1523 6295

**U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

OFFICIAL USE

Postage	\$ 0.59
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.49



Sent To
Juan Ochoa Mexican American Chamber
Street, Apt. No., or PO Box No. **of Commerce**
City, State, ZIP+4 **33 N. LaSalle, Suite 1720 Chicago, IL 60602**

PS Form 3800, August 2006 See Reverse for Instructions

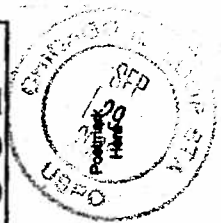
2008 1240 0002 1523 6295

**U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

OFFICIAL USE

Postage	\$ 0.59
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.49



Sent To
Omar Shareef African American
Street, Apt. No., or PO Box No. **Contractors Assoc**
City, State, ZIP+4 **3706 S. Indiana Ave, 1st Fl. Chicago, IL 60653**

PS Form 3800, August 2006 See Reverse for Instructions

2008 1240 0002 1523 6295

Community Development Corporation
120 W. 12th Street, Suite 510
Kansas City, MO 64105-1919
816.871.2120
816.871.2672 fax

May 23, 2008 REVISED JUNE 24, 2008 and June 27, 2008

Ms. MaryAnn Shanley
Mercy Housing Lakefront
247 South State Street, Suite 810
Chicago, Illinois 60604

Re: U.S. Bancorp CDC Equity Proposal Letter for 901 W 63rd. Limited Partnership

Dear MaryAnn;

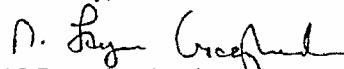
US Bancorp Community Development Corporation ("USB CDC") is pleased to present this Proposal Letter to become an equity investor in Englewood Apartments. This memo provides a summary of the proposed investment terms and conditions by which U.S. Bancorp Community Development Corporation ("USB CDC") would participate as a limited partner in the limited partnership to be formed by Englewood Apartments NFP.

It is understood that this letter reflects an agreement in principle only and is subject to underwriting of all proposed terms and approval of USB CDC's Investment Committee. Unless and until the transaction is evidenced by a partnership agreement executed by the parties, no party will have any legal obligation hereunder and no party will be estopped from withdrawing from the actions herein contemplated. The general terms and conditions outlined in this letter are subject to change if not accepted, in writing, on or before June 30, 2008. USB CDC also reserves the right to modify its investment terms if the closing date is changed to later than December 31, 2008. No term or provision of this Proposal Letter shall be modified unless such modification is agreed to by all parties in writing.

Acceptance

If the general terms and conditions outlined in this letter are acceptable, please execute this document below on or before June 30, 2008 and return it to our office. Thank you for the opportunity to present this Proposal Letter on behalf of USB CDC. We look forward to working with you.

Sincerely,


N. Lynn Craghead, Senior Vice President
817.871.2120

AGREED AND ACCEPTED BY: 901 W 63rd. Limited Partnership

BY: Englewood Apartments NFP, General Partner

By: Mercy Housing Lakefront (its sole member)

By:  Title: SVP Date: 7/9/08





**ILLINOIS
HOUSING
DEVELOPMENT
AUTHORITY**

401 N. Michigan Ave
Chicago, IL 60611

312-836-5200 Main
312-836-5222 TDD

www.ihda.org

September 25, 2008

Mr. Scott Fergus
Senior Vice President
Mercy Housing Lakefront
247 S. State Street, Ste. 810
Chicago, IL 60604

RE: Englewood Supportive Housing

Dear Mr. Fergus:

This is to confirm the Illinois Housing Development Authority (IHDA) is reviewing an application ("Application") submitted by Mercy Housing Lakefront for the development of the Englewood Supportive Housing apartments.

This project will be located in Chicago, Ill. and will provide permanent affordable housing for 100 low-income, homeless persons. The project is consistent with the Comprehensive Plan and will improve and preserve affordable housing that would otherwise convert into market rate units.

The sponsor has requested \$2,000,000 of IHDA HOME funds. This request is contingent on IHDA's review process including the IHDA Loan Committee and the IHDA Board of Directors.

Based on our current underwriting and review, we are prepared to continue our review of the aforementioned project and present a request to the IHDA Loan Committee, which may reject, modify or approve the Application in its sole and absolute discretion. If approved by Loan Committee, it will be presented to the Board, which may reject, modify or approve the Application in its sole and absolute discretion. If approved by the Board, a formal commitment ("Commitment") to the borrower will be issued and IHDA will be obligated to fund only upon full acceptance of the Commitment and satisfaction of the terms and conditions contained therein. We anticipate this project being brought before the IHDA Board no later than December 2008.

If you have any questions, please do not hesitate to contact me at (312) 836-5292.

Sincerely,

Linda Thurmond
Managing Director of
Multifamily Programs



Mercy Housing Lakefront
more than a roof

September 29, 2008

Commissioner Ellen Sahli
City of Chicago Department of Housing
33 N. LaSalle
Chicago, IL 60602

Dear Commissioner Sahli:

As Mercy Housing Lakefront prepares to close and begin construction on our newest project, the Englewood Permanent Supportive Housing, we are considering how we can lower our costs.

For several years we have had a relationship with USG through a member of our board of directors. Through this relationship we have been able to leverage in kind contributions of building materials for our last several development projects.

To that end, Mercy Housing Lakefront is committed to raising up to \$229,104 worth of in kind contributions of dry wall or financial contributions to purchase these materials for use in the Englewood Permanent Supportive Housing building. I am confident that we will realize this goal.

Thank you once again to the City of Chicago for awarding us this project. I know that it will be a step in the right direction in serving the people in the Englewood community.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Cindy M. Holler'.

Cindy M. Holler
President



**JO ANN THOMPSON
ALDERMAN — 16TH WARD**

16TH WARD SERVICE CENTER
5335 SOUTH WESTERN BOULEVARD
CHICAGO, ILLINOIS 60609
TELEPHONE 773-737-4426
FAX: 773-737-4871

COMMITTEE MEMBERSHIPS
COMMITTEES, RULES AND ETHICS
ENERGY, ENVIRONMENTAL PROTECTION
AND PUBLIC UTILITIES
HEALTH
HISTORICAL LANDMARK PRESERVATION
PARKS AND RECREATION

JO ANN THOMPSON

CITY HALL, ROOM 300
121 NORTH LASALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE 312-744-3184

October 3, 2008

Ellen Sahli
Commissioner
City of Chicago
Department of Housing
33 N. LaSalle Street
Chicago, Illinois

Re: Englewood Permanent Supportive Housing

Dear Ms. Sahli:

Be advised that I support Mercy Housing Lakefront applications to the City of Chicago Department of Planning for \$2,000,000 in TIF funding; to the Department of Housing for low-income housing tax credits; and to the Illinois Housing Development Authority for \$2,000,000 in HOME funds for Englewood Apartments, a development at 63rd and Peoria. I also support the Department of Planning application for re-zoning. To this end, I will attend the CDC Hearing to be held on Tuesday, October 14th at 1:00 p.m.

The proposed six story, 99 unit, new construction will bring a premiere supportive housing program to the residents of the 16th Ward and will become an important component of the City of Chicago's initiative to end homelessness. By providing housing and wrap-around services, the Englewood Apartments program will assist in improving the quality of life for the homeless and homeless/disabled populations. This development will be an asset to the revitalization of the Englewood community.

MHL has committed to community-based hiring throughout both construction of the facility and its long-term operation. Therefore, this project will afford the members of our community the opportunity to become important contributors to ongoing neighborhood efforts. It also will afford the residents the opportunity to become contributing members of our community and ongoing neighborhood efforts.

The Englewood Apartments building demonstrates the commitment of MHL to create permanent affordable supportive housing in Englewood and the City of Chicago. I look forward to working with the Mercy Housing Lakefront on this exciting development.

Sincerely,

Alderman JoAnn Thompson
16th Ward

2008 OCT 7 PM 2 05

