

STATE OF ILLINOIS)  
  )SS  
COUNTY OF COOK )

**CERTIFICATE**

I, Jennifer Rampke, the duly authorized, qualified and Executive Secretary of the **Community Development Commission of the City of Chicago**, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a Resolution adopted by the **Community Development Commission of the City of Chicago** at a Regular Meeting Held on the 11th Day of February 2003 with the original resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said Resolution.

**Dated this 11<sup>th</sup> Day of February 2003**

  
**EXECUTIVE SECRETARY**  
**Jennifer Rampke**

03-CDC-06

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

**RESOLUTION NO. 03 - CDC - 06**

**AUTHORITY TO PUBLISH NOTICE  
OF THE INTENTION OF THE CITY OF CHICAGO (THE "CITY")  
TO NEGOTIATE A  
REDEVELOPMENT AGREEMENT WITH  
STATEWAY ASSOCIATES L.P.  
FOR THE USE OF INCREMENTAL TAXES  
AND/OR TAX INCREMENT FINANCING BOND PROCEEDS FOR THE  
REDEVELOPMENT OF PROPERTY LOCATED WITHIN THE  
BRONZEVILLE REDEVELOPMENT PROJECT AREA (THE "AREA")**

**AND**

**AUTHORITY TO PUBLISH A NOTICE OF THE INTENTION OF THE CITY  
TO ENTER INTO A NEGOTIATED SALE  
OF FIVE PARCELS (THE "DISPOSITION PARCELS"),  
LOCATED WITHIN THE AREA**

**AND**

**TO REQUEST ALTERNATIVE PROPOSALS  
FOR THE DISPOSITION PARCELS,**

**AND**

**TO RECOMMEND TO  
THE CITY COUNCIL OF THE CITY OF CHICAGO  
THE DESIGNATION OF  
STATEWAY ASSOCIATES L.P.  
FOR THE SALE OF THE DISPOSITION PARCELS AND  
AS THE DEVELOPER IF NO OTHER  
RESPONSIVE ALTERNATIVE PROPOSALS ARE RECEIVED**

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 98-CDC-94 and pursuant to the Act, enacted three ordinances on November 4, 1998 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Bronzeville 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, Stateway Associates Limited Partnership (the "Developer") has presented to the City's Department of Planning & Development ("DPD") and the Department of Housing ("DOH") a proposal for the redevelopment of the site generally located on the northeast corner of South State Street and Pershing Road (the "Project") that is in compliance with the Plan, which redevelopment consists of the construction of a six-story, 80 unit residential building for CHA replacement and affordable housing; and

WHEREAS, DPD has entered into discussions with the Developer concerning the sale and development of certain City-owned parcels (the "Disposition Parcels") located within the Area and as described in Exhibit A; and

WHEREAS, the Developer has submitted a project budget and evidence of having financial ability to complete the Project and DPD has reviewed these and found them to be satisfactory; and

WHEREAS, the Developer has proposed to pay \$1.00 per parcel as consideration for the purchase of the Disposition Parcels; and

WHEREAS, DPD has review this proposal and has found it to be satisfactory and in conformance with 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 notice substantially in the form set forth as Exhibit B hereto (the "Notice") in the Chicago Sun-Times or the Chicago Tribune, being newspapers of general circulation within the Area; 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; 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.
- 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 Alicia Mazur Berg, Commissioner, Department of Planning and Development, Attn: Arnold Randall, 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 alternative proposals to acquire and redevelop the Disposition Parcels are received, DPD may request the City Council to approve the sale of such City-owned parcels, subject to survey, to the Developer 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: February 11, 2003

Attachments: Exhibit A, PINs and Street Addresses of Disposition Parcels and TIF Area  
Street Boundary Description  
Exhibit B, Form of Notice Requesting Alternative Proposals

**CITY OF CHICAGO  
COMMUNITY DEVELOPMENT COMMISSION**

February 11, 2003

SUMMARY SHEET

- Action Requested:**
- 1) Authorize the City of Chicago, through the Department of Planning & Development (“DPD”), to publish a notice of its intention to negotiate a redevelopment agreement with Stateway Associates L.L.C. (the “Developer”) for the use of incremental tax revenues for the development of the Pershing Courts Development, an 80-unit residential development (the “Project”) that provides part of the mixed-income housing replacement for the CHA Stateway Gardens, on 7 (seven) real estate parcels on the northeast corner of Pershing Road and South State Street (the “Site”), which are within the boundaries of the Bronzeville TIF Redevelopment Project Area (the “Area”) and;
  - 2) Authorize the City of Chicago through the Department of Planning and Development to advertise its intention to enter into a negotiated sale with Stateway Associates L.L.C. for the sale of 5 (five) City-owned tax parcels, subject to survey (the “Disposition Parcels”), which comprise part of the development Site;
  - 3) Authorize the City of Chicago to request alternative proposals for the sale and redevelopment of the Disposition Parcels; and
  - 4) Recommend to the City Council of the City of Chicago the designation of Stateway Associates L.L.C. as the developer of the Project, and the sale of the Disposition Parcels to the Developer, if no responsive alternative proposals are received.

**Project :** The proposed Pershing Courts development will be an 80-unit, new construction, multi-family rental building to be developed in the Bronzeville community, consisting of a single 6-story building. Two-thirds (53) of the units will be affordable to households earning no more than 60% of the Chicago PMSA median income, and one-third (27) of the units are reserved as CHA-replacement units.

**Type of Development:** Residential

**Location:** 3831-57 South State Street

**Developer:** Stateway Associates, L.L.C. Principals are Allison Davis, Jared Davis, Patrick Johnson, Robert Koerner and Howard Stanback.

**Assistance:** Financial Assistance:

The Developer has requested \$734,378 in TIF assistance over the remaining life of the TIF District (expiring in 2022). This amount represents the portion of the interest on the FHA first mortgage that would be paid using increment generated by the project, which will be pledged to support the mortgage financing. This is equivalent to a mortgage amount of \$436,764 at 6.5% for 17 years, with annual payments of \$43,199 (from the first revenue anticipated in 2006 to the final receipt of increment in the 24th year of the TIF District, in 2022). The total amount of TIF required to support such a loan is approximable \$734,378, which is less than the increment that will be generated by the development.

The TIF District will reimburse the developer for TIF-eligible interest expense. In addition to the interest expense category, the developer has other TIF-eligible costs for the project, including acquisition, site preparation and the construction of low-income housing..

Negotiated Sale:

The City intends to sell 5 vacant City-owned tax parcels to the Developer for \$1.00 per parcel. The parcels total 27,289 square feet and were acquired in the past for tax delinquencies; they were appraised in August 2002, and a price of \$7.50 / square foot assigned, for a value of \$204,667.50. The City-owned parcels were exempt at the time of the designation of the Bronzeville TIF District, and have remained exempt; the parcels acquired by the Developer are currently generating just under \$600 annually in increment. (List of PIN's and addresses is attached to the Resolution)

HOME Loan:

The Developer will receive a HOME loan from the Department of Housing of approximately \$4,369,970. The Department of Housing is also coordinating financing from a number of sources (FHA, CHA Capital, IHDA, and Tax Credits) to support the project, which is part of the larger Stateway Gardens redevelopment, although not within the footprint of the CHA site.

**Direct Project**

**Assistance:**

The City, through the Department of Planning and Development (DPD), is planning to provide the increment generated by the parcels of the Project to the Developer, in an amount not to exceed that interest to support a mortgage of \$436,764.

The City, through the Department of Planning (DPD), intends to sell 5 vacant City-owned tax parcels to the Developer for \$1.00 per parcel. The estimated value of the parcels is approximately \$204,667. This transaction is supported by the Alderman.

Total assistance to the developer including TIF and land disposition is approximately 4.1% of total project costs.

**Alderman/Ward:**

Alderman Dorothy Tillman, 3rd Ward

**Public Benefits:**

- Long-term affordable housing and CHA replacement housing.
- Site improvement on underutilized property
- 30 to 40 full-time construction jobs during build-out.

**MBE/WBE:**

The Developer will comply with all requirements regarding the use of minority and women-owned business contractors for the construction of the Project. Compliance monitoring requirements and procedures for the City and CHA will be finalized as a condition of closing. The developer is in compliance on previous DOH projects.

## STAFF REPORT

### **MR. CHAIRMAN AND MEMBERS OF THE COMMISSION:**

The resolution before the Commission requests the following actions:

- 1) Authorize the City of Chicago, through the Department of Planning & Development (“DPD”), to publish a notice of its intention to negotiate a redevelopment agreement with Stateway Associates L.L.C. (the “Developer”) for the use of incremental tax revenues for the development of the Pershing Courts Development, an 80-unit residential development (the “Project”) that provides part of the mixed-income housing replacement for the CHA Stateway Gardens, on 7 (seven) real estate parcels on the northeast corner of Pershing Road and South State Street (the “Site”), which is within the boundaries of the Bronzeville TIF Redevelopment Project Area (the “Area”) and;
- 2) Authorize the City of Chicago through the Department of Planning and Development to advertise its intention to enter into a negotiated sale with Stateway Associates L.L.C. for the sale of 5 (five) City-owned tax parcels which comprise part of the Project’s site, subject to survey (the “Disposition Parcels”), located within the Area;
- 3) Authorize the City of Chicago to request alternative proposals for the sale and redevelopment of the Disposition Parcels; and
- 4) Recommend to the City Council of the City of Chicago the designation of Stateway Associates L.L.C. as the developer of the Project, if no responsive alternative proposals are received.

### **PURPOSE OF THE RESOLUTION:**

The purpose of this resolution is to provide Tax Increment Financing and the sale of City-owned land in order to redevelop and improve underutilized property to revitalize the Area.

### **BACKGROUND:**

The project site is located in the Bronzeville TIF District, and adjacent to the proposed Stateway Gardens TIF District (in the process of designation.). The Site is presently vacant, while the neighborhood is a mixture of commercial and residential uses along State Street to the north and south. Despite its proximity to gentrifying areas to the east, this neighborhood has been left substantially underdeveloped due to overwhelming presence of Stateway Gardens on the west side of State Street. Despite these challenges, the community has several amenities that make it a viable area for development: excellent transportation access by CTA rail, bus, and expressway,

and redeveloping areas to the north, east and south.

## **PROJECT SUMMARY:**

### **Developer and Ownership Structure:**

The Developer is Stateway Associates, L.L.C. composed of:

- Neighborhood Rejuvenation Fund (25%);
- MESA Stateway Associates L.L.C. (25%);
- Walsh Construction (25%); and
- Kimball Hill Stateway, Inc. (25%)

The tax credit syndicator is to be determined.. A development entity to be formed will take responsibility for the day to day construction activities of the development, and Urban Property Advisory will assume the responsibility for on-going maintenance of the completed project.

### **Project Scope:**

The proposed development will consist of a six-story, 80 unit masonry building on the northeast corner of Pershing Road and State Street. The building will be entirely rental residential (no retail component), of masonry construction (renderings are attached) with management offices, mechanical, building services, building utilities, and 28 parking spaces on the ground level. Twenty-seven units, approximately 1/3 of the total, are to be leased as CHA set-aside units for residents eligible for public housing. The remaining units will be leased at rates affordable to households earning 60% or less than the area median income. The majority of units (57) will be one-bedroom units, with 23 two-bedroom units; the target population of renters is primarily small families. The development will include 4 (5% of total) accessible units, 2 units for visually impaired tenants (2 1/2% of total) and 76 adaptable (95% of total) units to accommodate people with disabilities.

There will be a total of 80 off-street parking spaces, one parking space for each unit in the development. The parking spaces for the building will be provided within the ground floor of the structure, with 52 parking spaces provided to the east of the building, beneath the elevated tracks of the CTA Red Line. The Developer is negotiating a long-term landlease with the Chicago Transit Authority, to provide the necessary parking spaces and access for maintenance and repair of the elevated structure.

Rent and Unit makeup will be:

CHA Replacement Units	Sq. Ft.	Units	Rent
One-Bedroom	721	6	\$340
One-Bedroom	668	10	\$340
Two-Bedroom	912	7	\$340
Two-Bedroom	923	4	\$340
Affordable Rental Units			
One-Bedroom	721	14	\$600
One-Bedroom	668	20	\$650
Two-Bedroom	912	13	\$750
Two-Bedroom	923	6	\$775

The developer estimates a 4% annual increase in rents/payments over the 40 years and a 4% annual increase in operating expenses.

All of the land for the development is currently vacant and much of it is city-owned. The city-owned land will be conveyed to the partnership at closing. There are two parcels that were privately-owned and successfully acquired by the developer.

**DEAL STRUCTURE:**

**Project Cost and Financing (see attached Budget)**

TIF Assistance

To the extent that increment is generated by the parcels of the project, the Department of Planning and Development will provide the increment generated to the Developer, in an amount not to exceed the lesser of the 75% limit on interest payments for low-income housing provided in the TIF Act, or \$43,199 annually, as payment on interest on a FHA-insured first mortgage. The Developer has requested \$734,378 in TIF increment, to be generated by the PIN's of the development over the remaining life of the TIF District (expiring in 2022). This is equivalent to a

mortgage amount of \$436,764 at 6.5% for 17 years (from the first revenue anticipated in 2006 to the final receipt if increment in the 24th year of the TIF District, in 2022), with annual payments of \$43,199.

DPD estimates that the increment generated by the P.I.N.s of the Project, with a 2% annual inflation factor, will amount to \$940,875 over the 15 years between first tax increment received (2006) and last tax collection received in 2022, which is in excess of the amount needed by the development. If increment collections do in fact exceed the \$43,199 annual interest payment, the additional TIF revenues will be retained by the City. Any shortfall in increment will be met from the developer's net operating income, which contains a proforma payment of \$48,000 annually for real estate taxes. Disbursement is subject to the developer's meeting all applicable conditions and requirements of the redevelopment agreement including, but not limited to, MBE/WBE, prevailing wage, and City residency.

Negotiated Sale

The Project will be built on 7 individual tax parcels, 5 of which are owned by the City. Two privately owned parcels have been successfully acquired by the Developer. The City, through the Department of Planning, intends to sell the 5 City-owned tax parcels to the Developer for \$1.00 per parcel. The estimated value of these parcels is approximately \$204,667. Total DPD assistance to the developer including TIF and land disposition is approximately \$939,045 or 4.1% of total project costs.

HOME Loan

The Department of Housing will be providing the developer with a HOME Loan in the amount of approximately \$4,369,670, (with additional funding from CHA, IDHA, and tax credits).

**Sources and Uses of Funds**

**TOTAL PROJECT COSTS**

<b>PROJECT COSTS</b>	<b>AMOUNT</b>	<b>PER UNIT</b>	<b>PERCENT</b>
Acquisition	\$ 157,000	\$ 1,963	1%
Construction	13,400,032*	167,500	81%
Soft Costs	1,428,170	19,802	10%
Developer's Fee	982,310	16,993	8%
<b>TOTAL</b>	<b>\$15,967,512</b>	<b>\$206,258</b>	<b>100%</b>

\* Includes 5% contingency

**PROJECT FINANCING (DEVELOPMENT AND PERMANENT)**

SOURCE	AMOUNT	RATE	TERM/ AMORT	PER UNIT	%	STATUS
Developers Mortgage	\$ 1,160,000	6.5%	40	\$14,500	7	TBD
DOH Loan	\$ 4,369,670	-	40	54,621	26	approved
TIF	\$ 436,764	6.5%	18	5,460	3	TBD
CHA Capital funds	\$ 2,978,100	-	40	37,226	18	approved
Equity / Synd. - tax credits	\$6,272,978	-	40	75,000	36	
IHDA	\$ 750,000	-	40	9,375	5	pending
<b>TOTAL</b>	<b>\$ 15,967,512</b>			<b>\$206,258</b>	<b>100%</b>	

(See attached Development Budget for Detail).

**CONFORMANCE WITH THE REDEVELOPMENT PLAN:**

The Project conforms to the plan and goals of the Bronzeville TIF District. It contributes to the goals of the plan by providing sound economic development in the project area, eliminating conditions which qualify as blighted in the Redevelopment Project Area and strengthening the economic well being of the project area as well as the City by increasing business activity and taxable values.

**COMMUNITY OUTREACH:**

Alderman Dorothy Tillman, 3rd Ward, supports this project and has held community meetings to inform the community of this development.

**PUBLIC BENEFITS:**

**Long-term Affordability:** The requirements of the DOH funding for the development require long-term (40 years) affordability of the units be maintained.

**Site improvement on underutilized property**

**30 to 40 full-time construction jobs during build-out.**

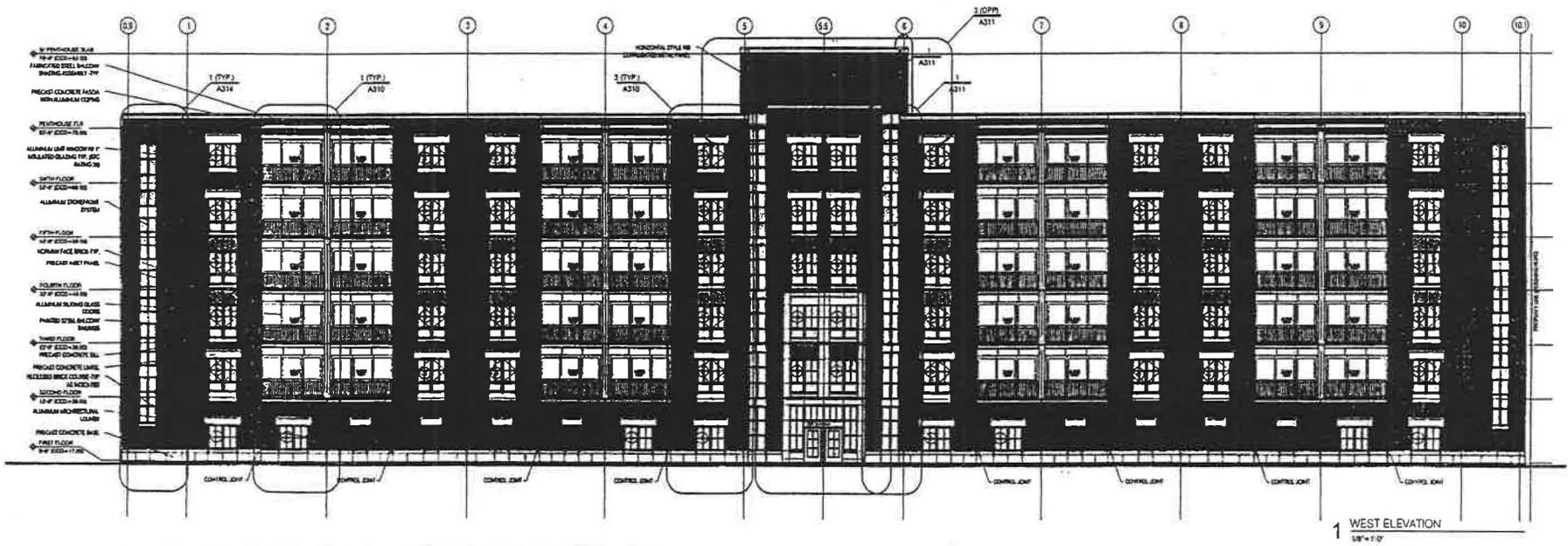
**MBE / WBE**

The Developer will comply with all requirements regarding the use of minority and women-owned business contractors for the construction/build-out of the Project. In December, 2002 the Developer notified eight minority and women-owned business associations, by certified mail, of their intent to develop this project. Copies of the certified receipts are attached to this report.

**RECOMMENDATION:**

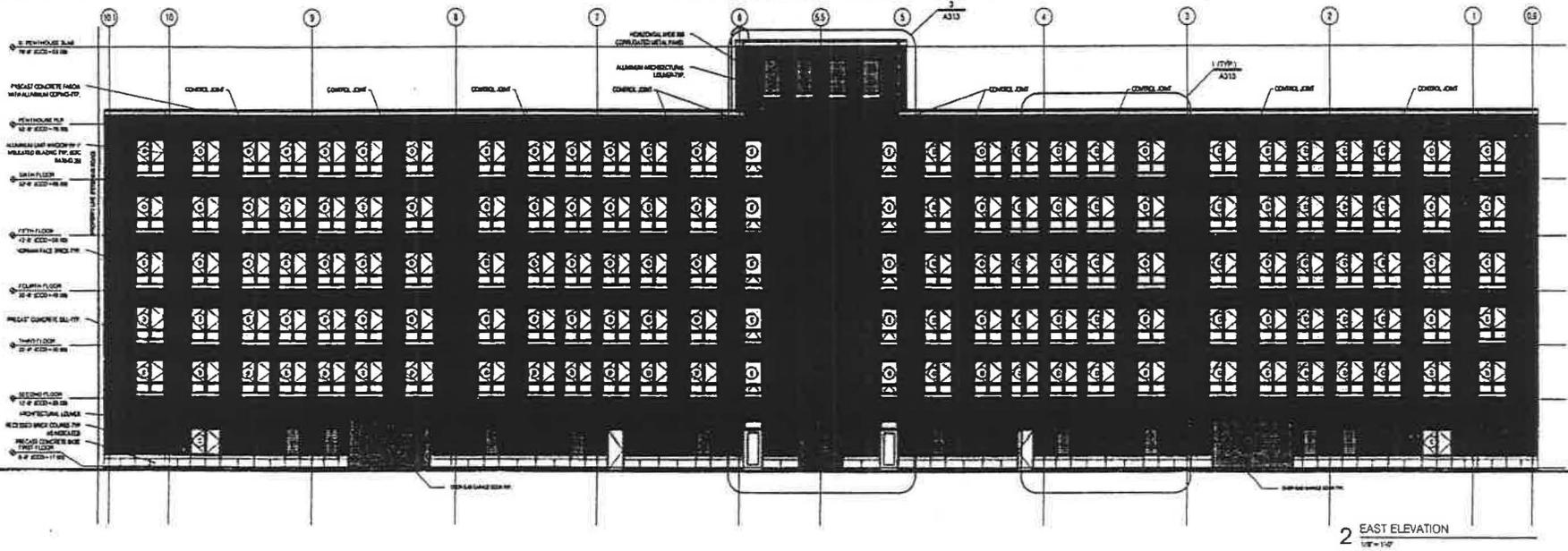
The resolution before the Commission requests the following actions:

- 1) Authorize the City of Chicago, through the Department of Planning & Development (“DPD”), to publish a notice of its intention to negotiate a redevelopment agreement with Stateway Associates L.L.C. (the “Developer”) for the use of incremental tax revenues for the development of the Pershing Courts Development, an 80-unit residential development (the “Project”) that provides part of the mixed-income housing replacement for the CHA Stateway Gardens, on the 7 (seven) real estate parcels on the northeast corner of Pershing Road and South State Street (the “Site”), within the boundaries of the Bronzeville TIF Redevelopment Project Area (the “Area”) and;
- 2) Authorize the City of Chicago through the Department of Planning and Development to advertise its intention to enter into a negotiated sale with Stateway Associates L.L.C. for the sale of 5 (five) City-owned tax parcels, subject to survey (the “Disposition Parcels”), located within the Area;
- 3) Authorize the City of Chicago to request alternative proposals for the sale and redevelopment of the City-owned land; and
- 4) Recommend to the City Council of the City of Chicago the designation of Stateway Associates L.L.C. as the developer of the Project, if no responsive alternative proposals are received.



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

<b>VOA</b> VOA ASSOCIATES, INC. Architecture/Planning/Interior Design 224 South Michigan Avenue # 400 Chicago, Illinois 60604 PH: (312)554-1400 FAX: (312)554-1412	PERSHING COURTS 3845 SOUTH STATE STREET CHICAGO, IL	DRAWN BY: JFW	SCALE: 1/20" = 1'-0"
	CURRENT WEST ELEVATION	CHECKED BY: JFW	DATE: 01/07/03



**VOA** ASSOCIATES, INC.  
 Architecture/Planning/Interior Design  
 724 South Michigan Avenue #1400  
 Chicago, Illinois 60604  
 Tel: (312)554-1400 FAX: (312)554-1412

**PERSHING COURTS**  
 3845 SOUTH STATE STREET  
 CHICAGO, IL

**CURRENT EAST ELEVATION**

DRAWN BY:  
 JFW

CHECKED BY:  
 JFW

SCALE:  
 1/20" = 1'-0"

DATE:  
 01/07/03



The Neighborhood Rejuvenation Partners' (NRP) mission is to be a major participant in the redevelopment of Chicago's urban neighborhoods where access to opportunity and investment has been absent for many years. We seek to rejuvenate neighborhoods with investments that promote opportunities for existing residents, attract economically and racially diverse households, and are sustainable for many years to come. Consequently our products are of high quality, provide a variety of price options, and promote long term mobility opportunities for families.

In 2001 NRP raised a capital pool of **\$17 million** to invest in the following activities:

- Development of mixed income housing (both multi and single family) in areas, which have been impacted by public housing or disinvestment.
- Development of commercial centers in undeserved urban areas.
- The redevelopment and reinvention of Chicago's public housing stock.

Investors in NRP represent a number of Chicago's largest educational, corporate, and financial institutions and foundations.

NRP is one of the most well funded, capable and experienced organizations of its kind. With \$17 million of available capital, we are uniquely positioned, even in current market conditions, to leverage the public and private funding that will drive this development forward and insure its success. NRP and its principals have a wealth of experience in the public/private financing structures that make these types of developments.

Currently, NRP is a lead member of Stateway Associates LP that was recently selected by the Chicago housing Authority as master developer for the Stateway Gardens redevelopment effort. This project represents a potential of 1315 units of new multi-family rental and for-sale housing divided between 33% public housing, 33%affordable, and 33%market rate units. Financing for this development represents an innovative mixture of tax exempt bond financing, low-income housing tax credits, TIF financing, Federal Home Funds, public housing capital funds, and large emphasis on conventional financing driven by the for-sale component of this development. Our innovative approach to the use of all of these funding sources result is a significant reduction in required CHA/HUD subsidy for this development. We plan to apply a modified version of this financial model to the



development of the Larrabee and Clybourn parcel. In addition to planned mixed income community of Stateway Gardens, NRP has been the leader developer and financial planner behind a number of other mixed income and affordable developments throughout Chicago.

ALLISON S. DAVIS

Principal

The senior member of the team, Allison S. Davis practiced law in Chicago for 30 years specializing in real estate and community development. During this time Mr. Davis, representing clients and for his own account was involved in the development of more than 2000 units of housing. In early 1996, Mr. Davis left the practice of law to establish The Davis Group L.L.C. to devote full time as a developer of neighborhood revitalization. Subsequently, the growth and success of The Davis Group led the development of a \$17 million capital pool to fuel it's growing pipeline of project. This ultimately resulted in the creation of the Neighborhood Rejuvenation Partners. Mr. Davis had previously served as General Counsel and Coordinator of The Chicago LISC program. He is currently an appointee of The Mayor of Chicago to The Chicago Plan Commission on which he has served for eight years, a former Treasurer of The Public Building Commission of Chicago, The Blue Ribbon Committee to Reform the Office of The Recorder of Deeds of Cook County, and the Committee on Character and Fitness of the Supreme Court of Illinois. He has also held numerous posts as an appointee of a past governor of Illinois and the current and past Mayor(s) of Chicago. The Mayor of Chicago and Governor of Illinois have recently and jointly appointed Mr. Davis as Vice Chairman of The Pullman Site Task force which will recommend future usage of the historic Pullman Palace Car Factory and the entire Pullman Landmark district. Mr. Davis is a Trustee of The University of Chicago Hospitals & Health Systems, The Art Institute of Chicago and New York Museum of African Art. Mr. Davis is also a former Director of The NAACP Legal Defense & Educational Fund. He holds a B.A. from Grinnell College and a Juris Doctor from Northwestern University School of Law. He is also a resident of the 4<sup>th</sup> Ward

JARED A. DAVIS

Principal

Jared A. Davis joined The Davis Group in early 1998 as a Senior Development Manager responsible for project development and management activities. Mr. Davis currently oversees the development and financing of over 200 single-family homes, 200 multifamily units, and the development of several commercial properties. He is also responsible for new project development. Mr. Davis has previously worked at The White House Office for Legislative Affairs, as an at the Haymarket Group, a Project Management Associate at The Egan Urban Center at DePaul University and as a Project Administrator of The Public



Building Commission of Chicago. He holds a Bachelor of Arts degree from DePaul University and attended Williams College. He is a member of Phi Beta Kappa and a director of The Franciscan Outreach Association, AIDS Care, Inc, and the Near North Health Service Corporation.

**PATRICK JOHNSON**

Principal

Patrick Johnson is President of American Housing, LLC, a syndicator of low income housing tax credits and Chief Financial Officer of The Davis Group. He was the founding president of the National Equity Fund, the nation's largest syndicator of Low Income Housing Tax Credit investments, and the founding president of the nation's first LIH Tax Credit syndication company and predecessor to NEF, the Chicago Equity Fund, which together have generated and managed corporate LIH Tax Credit investments of more than \$2 billion, representing low income housing developments valued at nearly \$5 billion. Mr. Johnson began his career in low income housing development/ syndication in 1979, directing housing development for the nation's largest Neighborhood Housing Services program in eight Chicago communities. There, he helped to pioneer non-profit syndications of low income housing, and originated the investment structure and terms, which have evolved as the national and federal model for LIH Tax Credit syndications. Mr. Johnson was active in the drafting and passage of the 1986 Tax Reform Act's provision of LIH Tax Credits.

**ROBERT E. KOERNER**

Principal

Robert Koerner joined The Davis Group in May of 2002. Prior to that, Mr. Koerner was Director of Public Housing Investments for the National Equity Fund (NEF), the nation's oldest and largest syndicator of Low Income Housing Tax Credits. During his five years at NEF, Mr. Koerner was responsible for underwriting and closing over \$80 million in investments involving partnerships with local housing authorities. Previously, he managed \$8 million in capital improvement projects for the Chicago Housing Authority, including coordination of activities between contractors, residents, property managers, and architectural/engineering consultants. Mr. Koerner is a magna cum laude graduate of Brown University, and holds a Master in Public Policy degree from Harvard University. Mr. Koerner lives approximately one mile from the Clybourn and Larrabee site, and he will serve as the primary point of contact for the Davis Group for this development.



## HOWARD STANBACK

Principal

Howard J. Stanback joined The Davis Group in January 1998 as Managing Director of its affiliate New Kenwood, L.L.C. Dr. Stanback was formerly Vice President of Shorebank Corporation, a nationally respected Chicago bank specializing in community development lending. Dr. Stanback was also President of Shorebank's Detroit Development Corporation. Dr. Stanback was previously Executive V.P. of Aviation Resource Partners, a firm providing facility development and consulting services to airlines and airports. From 1988 to 1989, Dr. Stanback was Commissioner of The Department of Aviation of The City of Chicago, which managed, maintained, operated and planned for the future of Chicago-O'Hare International Airport, Midway Airport and Meigs Field. He is a former City Manager of Hartford, Connecticut, an administrative assistant to and a Deputy Director of Strategic Planning for The Mayor of Chicago. He has taught at the University of Chicago and New School of Social Research of New York, the University of Connecticut and Atlanta University. He is currently a member of the Committee on Policy for Racial Justice, Joint Center for Political Studies, Washington, D.C., the Board of Governors of the Chicago Metropolitan Planning Council, Vice President Board of Directors Woods Fund of Chicago, the Board of Visitors of Wake Forest University in Winston-Salem, N.C., the Board of Directors of Metropolitan Chicago Information Center and Co-chairman, Board of Directors of the Parental Involvement Program. He is the author of numerous papers on community development and airport issues. Dr. Stanback holds a B.A. degree from Wake Forest University, an M.A. from Case Western University and a Ph.D. from the University of Massachusetts. Mr. Stanback currently resides within the 4<sup>th</sup> Ward.

**CITY OF CHICAGO, DEPARTMENT OF HOUSING-REAL ESTATE ANALYSIS  
PROJECT DESCRIPTION**

Report date: 03-Dec-02

**PROJECT SUMMARY:**

Developer:	LP #BB	Team/DO:	South/Shears
Project Name:	Pershing Court	Program:	Multi-Family
Address:	39th and State Street	Funding Src:	HOME-TIF
Code:	80853	Building Type:	Multi-Family
Ward/Community Area:	37-Douglas	Units:	RESIDENTIAL 80 TOTAL 80
Alderman:	Dorothy Hillman	Square Footage:	100,151

**SOURCES OF FUNDS:**

Source	Amount	Percentage	Per Unit	Rate	Amort Per.	Term	Ad/Fix
1st Mortgage	\$1,160,000	7.3%	\$14,500			30	Fixed
1st Mortgage	\$56,784	2.7%	\$5,460			30	Fixed
2nd Mortgage	\$1,882,620	27.4%	\$54,621			30	Fixed
3rd Mortgage	\$2,675,100	18.7%	\$37,226			30	Fixed
4th Mortgage	\$767,100	4.7%	\$9,375			30	Fixed
Equity-Synd(Net):	\$7,412,000	39.3%	\$78,412				
Equity-Owner:	GAP*	0.0%	NA				
<b>SOURCES OF FUNDS: TOTAL</b>	<b>\$15,967,512</b>	<b>100.0%</b>	<b>\$199,594</b>	<b>* RATE, AMORT PER., &amp; TERM ARE NOT USED IN 2ND, 3RD AND OTHER DEBT SVC CALCULATIONS</b>			

**USES OF FUNDS:**

Category	Amount	Percentage
<b>ACQUISITION COSTS:</b>		
Land/Building	157,000	1.0%
Other Expenses		0.0%
<b>TOTAL ACQUISITION COSTS</b>	<b>157,000</b>	<b>1.0%</b>
<b>HARD COSTS:</b>		
Site Work/Demolition		0.9%
Rehab/Construction		69.0%
General Requirements		4.2%
Contractor Overhead/Profit		5.5%
Other Hard Costs/Bond Prem		0.4%
Contingency @ 5.00%	630,954	4.0%
<b>TOTAL HARD COSTS</b>	<b>13,400,032</b>	<b>83.9%</b>
<b>SOFT COSTS:</b>		
Professional Services		
Architect		
Design		2.8%
Supervision		0.4%
Legal Fees		0.9%
Consultant		0.1%
Engineering		0.0%
Accounting		0.1%
Market Study		0.1%
Environmental Report		0.1%
Taxes and Insurance		
Real Estate Tax Escrow		0.1%
Insurance Escrow		0.2%
Title & Recording		0.1%
Const. Period Taxes		0.2%
Const. Period Insurance		0.2%
Financing Costs		
Loan Orig. Fees		0.2%
Tax Credit Fees		0.0%
Credit Enhancement		0.1%
Appraisal & Survey		0.1%
Construction Interest		0.4%
Leasing Fees / Marketing Costs		0.3%
Replacement Reserve - FHA		0.5%
Other Soft Costs		0.2%
Contingency		0.0%
Developer's Fee <i>DOH formula</i>		6.2%
Rent Up Reserve <i>amount</i>		
Operating Reserve	252,270	1.6%
<b>TOTAL SOFT COSTS</b>	<b>2,410,480</b>	<b>15.1%</b>
<b>SOURCES OF FUNDS: TOTAL</b>	<b>\$15,967,512</b>	<b>100.0%</b>

**ASSUMPTIONS:**

Hard Cost Contingency	
Class 9 RE application?	
Rent Inflation Rate	2.00%
Expense Inflation Rate	3.00%
Residential Vacancy Rate	5.00%
Commercial Vacancy Rate	
Replacement Reserve	3.96%
Anticipated Loan Closing	
Construction Period	
Rent-Up Period	
Date of First Payment	
(2nd & 3rd Mortgages)	Apr-03
Adj. Mortgage Info:	
1st Adj. Period	
Adjustment Rate	
Subsqrt Adj. Period	
Adjustment Rate Cap	

**ANALYTICAL DATA:**

Appraised Value (After Rehab):	
Total Loan-To-Value Ratio:	NA
1st Mortgage Loan-To-Value Ratio:	NA
Developer Fee	6.56%
Per Square Ft Construction Cost:	\$134
Per Unit Construction Cost:	\$167,500
Per Unit Total Development Cost:	\$199,594
Per Unit Operating Cost:	\$5,180
1st Full Yr (2004) Debt Svc Ratio	0.85

**TAX CREDIT ANALYSIS:**

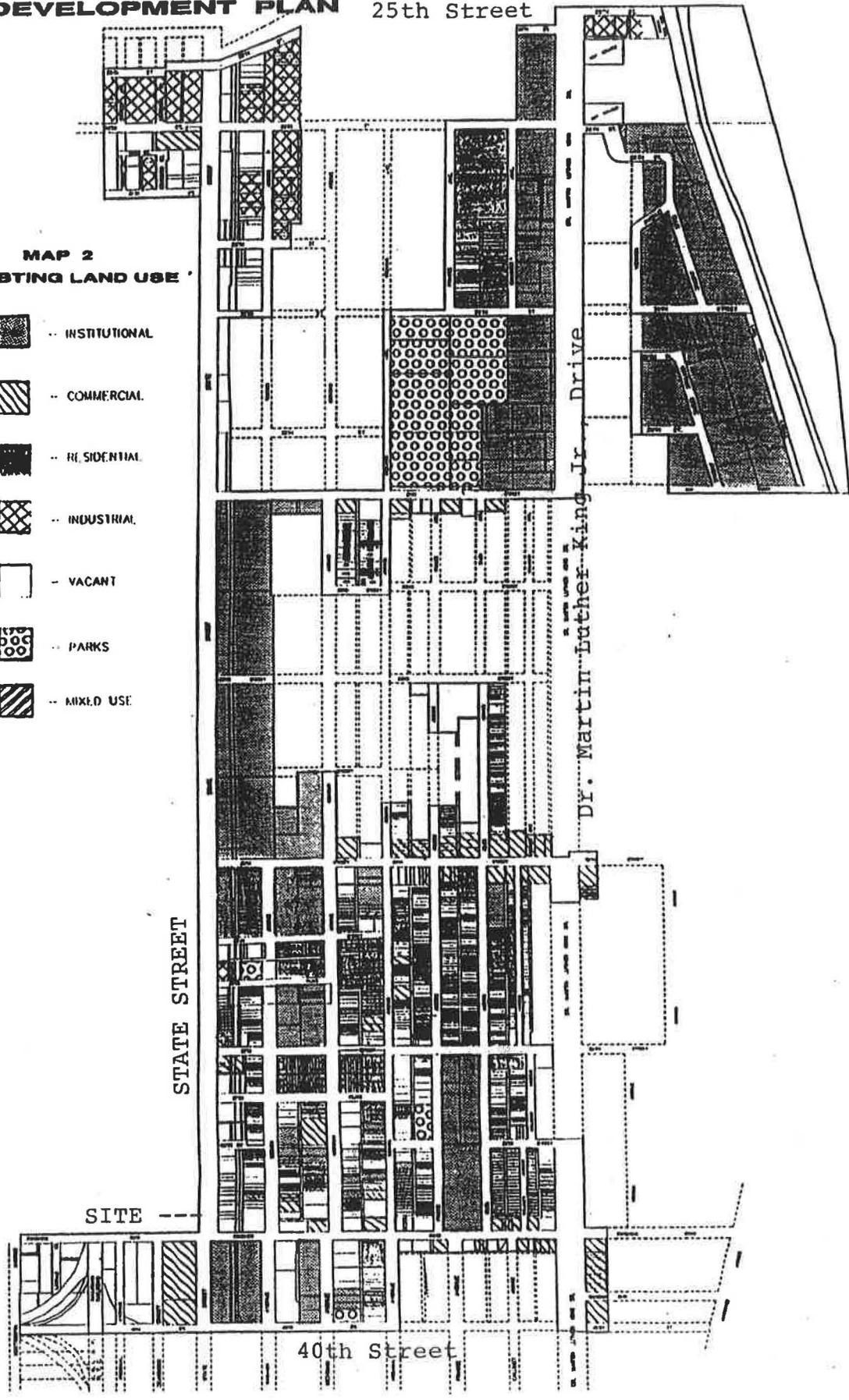
Tax Credit Reservation	\$836,397
Premium? (Y/N)	Y
Source of Credits	DOH
Net Equity Amount	\$6,272,978
Source of Equity	Related Capit
Pricing	\$0.75
Historic Tax Credit Amount	
Historic Tax Credit Equity	
Historic Pricing	
Internal Rate of Return	ERR
Net Sale Proceeds Scenarios:	
Mortgages Plus \$1	ERR
Cap Rate	ERR

**CITY OF CHICAGO  
BRONZEVILLE  
REDEVELOPMENT PLAN** 25th Street



**MAP 2  
EXISTING LAND USE**

-  -- INSTITUTIONAL
-  -- COMMERCIAL
-  -- RESIDENTIAL
-  -- INDUSTRIAL
-  -- VACANT
-  -- PARKS
-  -- MIXED USE



SITE

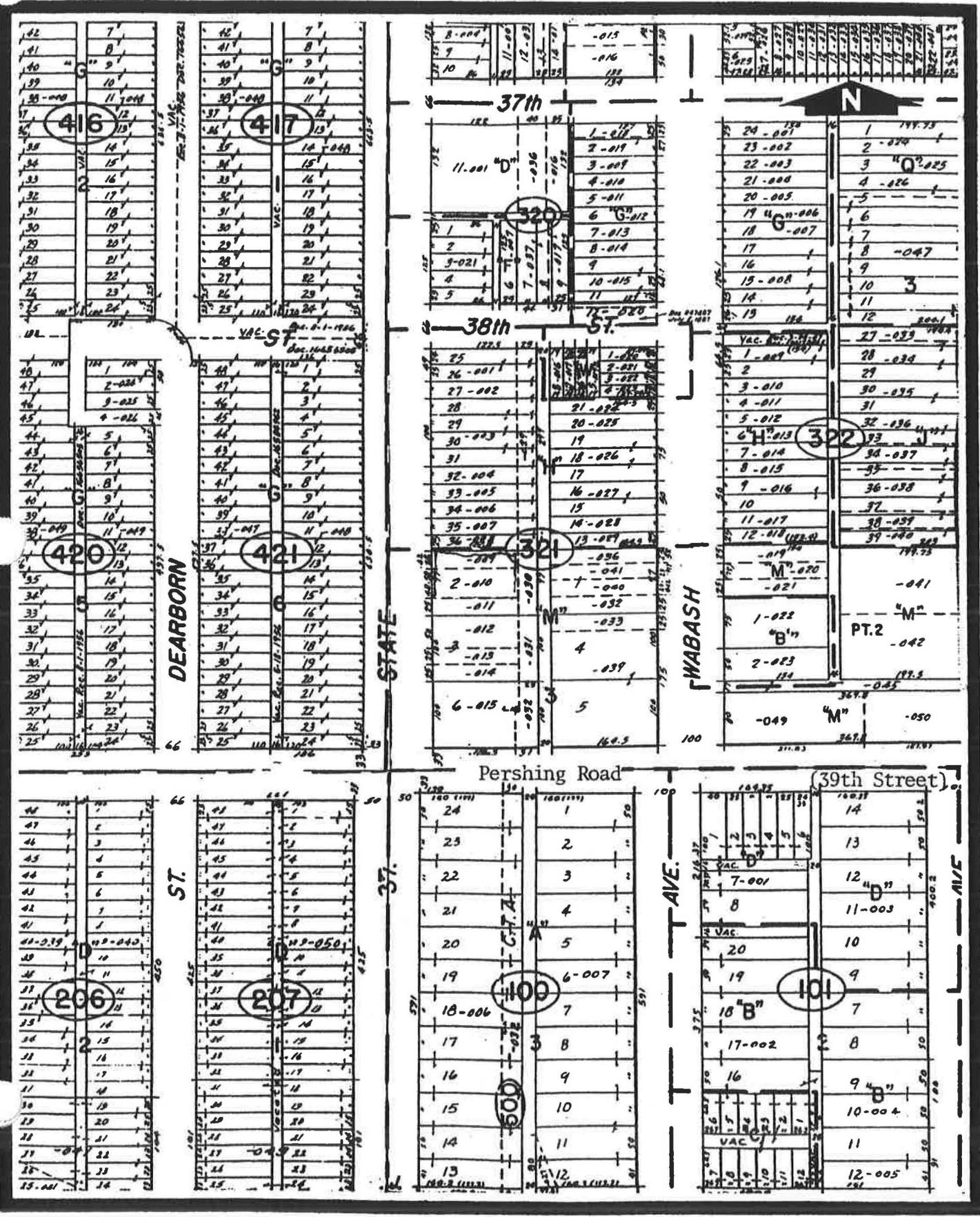
40th Street

DR. MARTIN LUTHER KING JR. DRIVE

STATE STREET

# Plat Map

17-34



City of Developer CTA



CITY COUNCIL  
CITY OF CHICAGO  
121 N. LASALLE STREET  
ROOM 300  
CHICAGO, ILLINOIS 60602  
TELEPHONE 312 744-8734

**DOROTHY TILLMAN  
ALDERMAN, 3RD WARD**

**PUBLIC SERVICE OFFICE  
4645 SOUTH KING DRIVE  
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FAX: 773-373-8293  
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**COMMITTEE MEMBERSHIPS**  
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HOUSING AND REAL ESTATE  
TRANSPORTATION AND PUBLIC WAY

November 27, 2002

**Arnold Randall  
Deputy Commissioner  
Department of Planning and Development  
121 North LaSalle Street, 10<sup>th</sup> Floor  
Chicago, Illinois 60602**

Dear Commissioner:

This correspondence is to provide my support for the development of Pershing Court, an 80 unit family development at the Northwest corner of Pershing Road and State Street. Stateway Associates will be development this project as a leading and integral project for the redevelopment of Stateway Gardens. Tax credit allocation and HOME funds from the Department of Housing are vital to the completion of Pershing Court in 2003.

To Move this project forward I am providing support for the following three essential actions.

1. Transfer of City-owned land for the project from the Department of Planning and Development to the Department of Housing. The City-owned parcels requiring transfer are PIN's:

- 17-34-321-015 )
- 17-34-321-014
- 17-34-321-013
- 17-34-321-012
- 17-34-321-011
- 17-34-321-007

2. Appropriate rezoning for the site. This will require a zoning amendment change from the current C1-3 Restricted Commercial District to a B4-4 Restricted Service District, this allowing for the building's height.

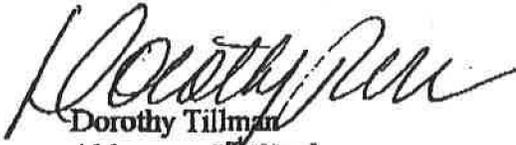
3. A special use permit to allow ground parking on the first floor of the building. The rezoning change is needed to make the application for the special use permit allowing first floor parking.

4. Bronzeville TIF funding for the project.

If the zoning amendment is introduced at the City Council meeting on December 4, 2002, and no delays occur in the rezoning or special use permitting process, the B4-4 zoning and special use permits can be obtained by the end of April 2003.

I appreciate the help from DOH and DPD in committing to this project and moving it along expeditiously.

Sincerely,



Dorothy Tillman  
Alderman, 3<sup>rd</sup> Ward

Cc: Allison Davis