City of Chicago  
Department of Planning and Development  

STAFF REPORT  
TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
REQUESTING DEVELOPER DESIGNATION  
APRIL 8, 2014

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: Milwaukee Apartments  
Applicant Name: Full Circle Communities, Inc.  
Project Address: 3060 N. Milwaukee Avenue  
Ward and Alderman: 30th/Reboyras  
Community Area: 21. Avondale  
Redevelopment Project Area: Fullerton/ Milwaukee  
Requested Action: TIF Developer Designation  

Proposed Project: New construction of 32 units of affordable, accessible, supportive housing designed to allow residents with mobility and sensory impairments to live as independently as possible. 4-story brick-veneer building will consist of 25 one- and 7 two-bedroom units. 20% of the units will be available for tenants at 30% AMI and 25 units for tenants at 60% AMI.

Goal of Project: Fill a need for accessible, supportive housing.

TIF Assistance: $1,000,000
II. PROPERTY DESCRIPTION

Address: 3060 N. Milwaukee Avenue

Location: Southeast corner of Hamlin and Milwaukee

Tax Parcel Numbers: 13-26-115-001
13-26-115-002
13-26-115-003
13-26-115-004

Land Area: 35,520 sq. ft.

Current Use: The parcels are currently vacant and partially surrounded by temporary wire fencing.

Current Zoning: B2-3, Neighborhood Mixed-Use District

Environmental Condition: The Developer had both a Phase I and Phase II study conducted. The Phase I had indicated a possible REC (recognized environmental condition) but the Subsurface Investigation did not indicate any soil contamination. Therefore the Phase II did not recommend any further action.

III. BACKGROUND

The Avondale Community Area is two square miles and is located on the Northwest Side of Chicago. Its main borders are the North Branch of the Chicago River, Diversey Avenue, Addison Street, Pulaski Road and the Union Pacific/Northwest rail line; bisecting the community are Belmont and Milwaukee Avenues along with the Kennedy Expressway.

As of 2010, the population in 2010 was 39,262, an 8.9% decrease from the year 2000. The median household income (2010) was $47,502 and 18.3% of the population lives below the poverty level. 9.3% of the residents are unemployed which is slightly less than Chicago as a whole where the unemployment rate averages 11.1%. 25.7% do not have a high school diploma as compared to 20.6% in Chicago as a whole. In 2009, 33.7% of the population was foreign born compared to 21.4% Chicago-wide.

Avondale has a number of strong and also diverse cultural centers. St. Hyacinth Basilica continues to be a strong cultural and civic institution for Chicago's Polish Community. Avondale is also home to the new second location of the Puerto Rican Arts Alliance in a former firehouse. The Hairpin Arts Center is located in Avondale near its border with Logan Square at the gateway
to Chicago's Polish Village and serves all of the diverse communities in this community area.

The Fullerton/Milwaukee TIF in which this proposed project is located was designated in February 2000. Since that time, TIF funding was used for several major projects in the TIF area. In 2006, the City Council approved $8.5M for The Footwear Factory in the 3900 block of W. Belmont and involved the rehabilitation of a 6-story building into 175 condominiums (35 affordable units, 80-100% AMI) with up to 8500 sq. ft. commercial space and 191 parking spaces. The project also included the construction of two new buildings: a 28,000 sq. ft. commercial building including 140 parking spaces and a 1400 sq. ft. commercial building with a 50% green roof.

In 2010, City Council approved $5,941,770 in TIF for Hairpin Lofts. The developer, Hairpin Lofts, LLC and Brinshore 2800 Corp., rehabilitated a 6-story building into 28 residential rental units including 25 affordable units (60% AMI), common areas and a partial Green Roof. Historic work on this local landmark also included masonry parapet and masonry façade repairs. Work in the building also included the development of 7000 sq. ft. of retail and an 8,000 sq. ft. art center for which the project received an additional $1,210,000.

In 2011, City Council approved $4,612,967 in TIF for Zapata Apartments, sixty-one newly constructed one- two- and three-bedroom rental apartments on four sites in the Logan Square neighborhood. Bickerdike Redevelopment Corporation and Zapata Apartments, LP were the developers. All the apartments are affordable to households at or below 60% of area median income (AMI).

A maximum of $3,600,000 in TIF funds was committed in 2012 for ADA and other improvements to the Salmon P. Chase Elementary School at 2021 N. Point Street. Additional improvements to address educational and exterior enhancements were planned, including a play lot, artificial turf field, an improved drainage system, an ADA curb cut and new concrete path of travel, a marquee sign, a science room upgrade, improvements to the gym/auditorium, and web-based DOC HVAC temperature controls in the main building.

The neighborhood surrounding the site is a mix of single-family detached homes and some small multi-family buildings on the side streets. The immediate neighborhood for the proposed project is a mix of primarily commercial uses on Milwaukee Avenue and single-family homes and small multi-family buildings on side streets. The Avondale community area has started to see gentrification expanding outward from Logan Square, the neighborhood directly to the south.

The property on which the developer proposes to build was the site of a funeral home from 1948 until it was torn down in 2006. The parcel has been vacant since then. The proposed building will provide much needed housing for those with physical or sensory disabilities. The amenities and services (described later in this report) which will be available to residents are unique in this area. Access to the building will be from Milwaukee Avenue. The site is close to shopping and public transportation, two factors that are extremely important to the targeted disable population.
There are currently no properties offering affordable housing with supportive services for severely disabled people in the market area. Access Living, a nationally recognized advocacy group for the disabled, receives thousands of calls a year from Chicagoans with disabilities in severe need of housing. According to their website: “Despite existing legislation that gives people with disabilities the right to fair housing, the state of housing for people with disabilities is inadequate and unacceptable.” Their website cites that over 60% of people with disabilities in Cook County rely on SSI. Because rents for one-bedroom and studio apartments in Chicago exceed the amount of SSI monthly benefits, most people with disabilities are unable to afford market rate housing. Also, over a third of apartments in Cook County are inaccessible for people who use wheelchairs. The proposed project will begin to address this overwhelming need.

V. PROPOSED DEVELOPMENT TEAM

Development Entity:

Full Circle Communities, Inc. is a philanthropic, non-profit, 501(c)(3) organization dedicated to eliminating barriers to housing. Their core objective is to acquire, develop, own and manage high-quality, service-rich affordable housing. Full Circle commits at least 75% of any cash flow and developer fee from a property towards targeted services for residents of that property.

Full Circle Communities, Inc. was formed in 1999 by Milton Pinsky, Martin Pinsky, and David Gottlieb, partners in a for-profit multifamily acquisition, development, and management concern. David Gottlieb is the Executive Director and Milton Pinsky is the Associate Director of Full Circle Communities, Inc. (see attached exhibits for a list of board members with brief bios). The company’s mission is to become a leading provider and manager of decent, safe and affordable rental housing and an array of supportive services that will enable low and moderate-income individuals and families to move themselves and help others move toward increasing independence and success.

Key staff members:
Brian E. Smith has an extensive history working with non-profit organizations in community development. Mr. Smith has managed numerous projects over the course of his career focusing upon family enrichment, housing development, public health and community education. In his capacity as Associate Director of Community Partnerships, Brian is responsible for identifying community needs, and generating support from community politicians, stakeholders and key constituents. Prior to his work with Full Circle, Mr. Smith was a part of the development team assigned to two Hope IV projects in Chicago. Brian served with the Brinshore-Michaels development team leading the community and supportive service planning effort for the redevelopment of the Henry Horner and Robert Taylor Homes. Brian Smith launched his community development career at Lakefront SRO supervising operations for a housing complex serving individuals faced with homelessness.
Joshua Wilmoth is the Associate Director of Development, Finance and Property Management for Full Circle Communities, Inc. He joined Full Circle in January 2008 to supervise the management of existing developments and to establish new construction activities. Joshua began his real estate career in Los Angeles, California, in 1999, and has subsequently been involved in all aspects of affordable rental housing development and management, from acquisition and initial underwriting to property operations and compliance.

Corina Pitsenbarger is Full Circle’s Area Manager. In this capacity, she maintains a close working relationship with each property to ensure that they are performing optimally. She is a Certified Occupancy Specialist, Tax Credit Specialist and a Site Based Budget Specialist. In addition, she works in conjunction with outside agencies to develop the social, educational and recreational programs targeted for residents at each property.

Lindsey Haines is Full Circle’s Development Associate, working to identify new development opportunities and assist with current deals. Prior to Lindsey’s position at Full Circle, she worked with several non-profit organizations on housing and community development issues.

Full Circle Management LLC has five corporate employees and 13 site staff. Full Circle Communities, Inc. had revenues totaling $4,127,647 in 2012, with total operating expenses of $3,122,758 equaling a net income of $1,004,889. There are three offices including the corporate office in Northbrook, IL.

This project is the first new construction project undertaken by Full Circle Communities, Inc. Its previous three projects involved acquisition and rehabilitation of multi-family buildings. Their projects include a 250-unit building for senior citizens, Goodlette Arms Apartments, in Naples, FL; an 189-unit affordable housing project, Villagebrook Apartments in Carol Stream, IL; and Autumn Ridge Apartments, a 210-unit affordable building for families also in Carol Stream.

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

Project Consultants

Architect: Cordogan & Clark Architects (CCA)
The firm was founded in Chicago in 1951 by Louis C. Cordogan. He added a second office in Aurora Illinois in 1968. Lou Cordogan apprenticed with the regional pioneer modernists Keck + Keck Architects and with Paul Schweiker. The firm has designed a wide range of projects from single and multi-family housing, commercial, educational, municipal and recreational buildings. CCA designed a nine-story high-rise for the Westhaven Park development.

General Contractor: Joseph J. Duffy Co.
Founded in 1923 in Chicago, Joseph J. Duffy Company is a long term management-owned commercial construction company that focuses primarily on the greater Chicago land area. Their
specialties include Senior Living, Market Rate Multi-Family, Affordable Housing, Commercial / Retail and Skilled Nursing Facilities.

V. PROPOSED PROJECT

Project Overview: Planned is the new construction of 32 barrier-free units of affordable, supportive housing designed to allow residents with mobility and sensory impairments to live as independently as possible. The developer currently has the site under contract with a private seller. The four-story elevator served building will consist of 25 one- and seven two-bedroom units. 20% of the units will be available for tenants at 30% AMI and 25 units for tenants at 60% AMI. Unit amenities include an Energy Star stove, refrigerator and dishwasher, wall to wall carpet, ceramic tile in the bathroom and kitchen, and central air conditioning and heating. Units will have wheel-in shower areas, cabinets that move up and down on tracks, optional lifts in the bedrooms and bathroom, and appliances at wheelchair heights.

The building will be masonry with a brick-veneer and 14 parking spaces will be provided at the rear of the site, with access via the alley. The first floor consists of management offices, service space, a library, computer room, community room, laundry room and mechanical rooms, and two units. Floors two through four have ten units each. Services and amenities for the residents include: On site management and service coordination; fully accessible units including features designed to enhance livability for persons with severe physical or sensory impairments; accessible community garden, barbecue and sitting area.

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

Residential Unit Profile: The following table provides a detailed description of the proposed project. The subject property will provide a total of 32 rental units of which 32 units or 100 percent will be affordable for households earning no more than 60 percent of the area median income. These units will satisfy the Chicago affordable housing ordinance, which requires 10 percent affordable units in projects developed on land sold by the City or 20 percent affordable units in projects receiving TIF assistance. All units are universally designed and 100 percent accessible for persons with disabilities and supportive services will be provided on-site.
## Unit Profile for New Construction

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Number</th>
<th>Market/Affordable</th>
<th>Size-sf</th>
<th>Monthly Tenant Paid Rent</th>
<th>Monthly Contract Rent*</th>
<th>Estimated Market Rate Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bed/1 bath</td>
<td>8</td>
<td>Affordable at 30% AMI</td>
<td>600</td>
<td>$393</td>
<td>$393</td>
<td>$924</td>
</tr>
<tr>
<td>2 bed/1 bath</td>
<td>3</td>
<td>Affordable at 30% AMI</td>
<td>800</td>
<td>$472</td>
<td>$472</td>
<td>$1256</td>
</tr>
<tr>
<td>1 bed/1 bath</td>
<td>9</td>
<td>Affordable at 60% AMI and covered with CHA Project Based Voucher**</td>
<td>600</td>
<td>30% of income</td>
<td>$924</td>
<td>$924</td>
</tr>
<tr>
<td>2 bed/1 bath</td>
<td>2</td>
<td>Affordable at 60% AMI and covered with CHA Project Based Voucher**</td>
<td>800</td>
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<tr>
<td>1 bed/1 bath</td>
<td>8</td>
<td>Affordable at 60% AMI</td>
<td>600</td>
<td>$787</td>
<td>$787</td>
<td>$924</td>
</tr>
<tr>
<td>2 bed/1 bath</td>
<td>2</td>
<td>Affordable at 60% AMI</td>
<td>800</td>
<td>$944</td>
<td>$944</td>
<td>$1256</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* All utilities are included in rent. 14 parking spaces are available free of charge on a first-come, first-serve basis.

** Project based rental assistance insures that a household pays no more than 30% of their income in rent.

The affordable rent paid by the tenant is based on the tenant’s income and not on market comparables. The maximum rent for each defined “affordable” income level is published annually by the US Department of Housing and Urban Development and listed according to building construction type (i.e. apartment, townhouse, house), number of bedrooms and household size. Rent per square foot is not considered except that HUD housing quality standards and Chicago zoning and building codes set minimum room and unit sizes. Different federal funding development and operating support sources may have different maximum income and rent restrictions.

When developers determine the rent to charge for a project that is using HUD program subsidies through one of the City of Chicago’s Multifamily Financing programs, the developer is required to establish market-area rents by commissioning a market study of the targeted market area. The developer is allowed to charge the lesser of HUD-estimated Fair Market Rent or the rent cap by income group (i.e., the 60% rent), but must also take into consideration the localized rent for the
development’s targeted market area, which is often much lower than the HUD FMR, and may be the same as, or even lower than, the “affordable” rent levels.

**Environmental Features:**

The project will meet the standards as part of the Illinois DCEO’s EEAHCP program and will be Enterprise Green Communities certified and ENERGY STAR certified. The project will also be certified under the Chicago Green Homes guidelines, receiving two stars. Design features that will contribute to these certifications include:

- Parking tucked under the building to minimize new impervious area
- 100% native/adaptive and drought-tolerant plants
- Continuous and total insulation values that exceed current energy codes
- Vinyl windows with lower U-factor and SHGC than current energy code requirements
- Furnaces and condensing units with higher efficiency ratings than required
- Energy recovery units on all make-up air equipment
- Continuous mechanical ventilation in all units
- Plumbing fixtures which use less water than current energy code limits
- Energy Star rated light fixtures and appliances
- Low- or no-VOC content finishes, sealants, and coatings throughout
- FloorScore and Green Label certified flooring materials

The project will also include an on-site resident garden designed by the Chicago Botanical Garden, a national leader in horticultural therapy and garden planning for persons with disabilities. The garden will be an accessible ‘enabling garden.’ The garden’s raised beds and shallow pans, vertical elements, and paving for accessibility will make gardening wheelchair accessible.

**VI. FINANCIAL STRUCTURE**

The project is rental affordable housing. Full Circle will finance the project using a variety of funding sources. These include $1,350,000 in IHDA Permanent Supportive Housing Grant funds, a grant from DCEO for $90,036 and IHDA tax credits which will generate $6,642,595 in tax credit equity. National Equity Fund has provided a letter (attached as an exhibit to this report) expressing their interest in providing the tax credit equity and Bank of America has provided a preliminary term sheet for a construction loan in the amount of $4,733,290. In addition, the Developer has requested $1,000,000 which will be paid out at completion construction using increment generated by area-wide PINS. The TIF funds represent 10.7% of the total project costs.

The following table identifies the sources and uses of funds.

**Sources and Uses of Funds**
Sources Amount % of total
Equity $7,009,356 72.40%
TIF $1,000,000 10.30%
DCEO $90,036 0.90%
IHDA PSH Grant $1,350,000 13.90%
Deferred Developer Fee $235,029 2.40%
Total Sources $9,685,122 100%

Uses Amount $/sf of Building*
Land Acquisition ($28.58 per sf of land) $385,000 $12.80 psf
Site Clearance and Preparation $210,724 $7.01 psf
Hard Costs $6,411,336 $213.22 psf
Soft Costs
  Architect and Eng. Fees (7% of hard costs) $347,721
  Legal (1.03% of total costs) $100,000
  Accounting (0.36% of total costs) $35,000
  Survey, Appraisal, Title (0.64% of total costs) $62,000
  Environmental Costs (0.86% of total costs) $83,000
  Lender’s Estimate/Review (0.25% of total costs) $24,000
  Marketing and Leasing (0.50% of total costs) $48,500
  Financing Costs(4% of total costs) $410,421
  Interim Fees (1% of total costs) $118,158
  Total Reserves (4 % of total costs) $391,138
  Other soft costs (0.77% of total costs) $75,000
Total Soft Costs (17.5% of total costs) $1,694,938 $56.37 psf
Developer Fee (~12% of total costs) $983,124
Total Uses $9,685,122 $322.01 psf

*Gross building area is 30,069 square feet

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits.

Affordable Housing: The project will provide 32 new affordable housing units.

Property Taxes: The project will expand the tax base because the investment in the property will result in an increase in its assessed value.

Environmental Features: The project will meet Energy Star and Enterprise Green Communities
standards, provide community garden space, and native or adaptive landscaping.

**Permanent Jobs:** The project is estimated to generate 4 to 5 permanent jobs. These include an on-site maintenance person, a property manager and a service provider. In addition, Full Circle will hire one to two additional corporate staff for development, acquisitions and management.

**Construction Jobs:** The project will produce 50 temporary construction jobs.

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

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

**VIII. COMMUNITY SUPPORT**

Alderman Reboyras endorses the project and has provided a letter of support (see exhibits for copy). The project was presented to the Avondale Neighborhood Association the week of March 17th, 2014 and was well-received. A meeting in the near future is planned with the Logan Square Neighborhood Association and Alderman Reboyras is planning to discuss the development at a community meeting in May. The Avondale Neighbors Association has endorsed the project. Support letters have also been received from State Representative Jaime M Andrade, Jr. (40th District) and State Senator Iris Y. Martinez. (See exhibits for copies of support letters).

**IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN**

The proposed project is located in the Fullerton/ Milwaukee Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area’s redevelopment plan:

- Improvement of the quality of life in the City by reducing incidences of both physical and economic deterioration and obsolescence within the Project Area.

- Creation of additional affordable housing units, as consistent with City policies.
The implementation strategy for achieving the plan’s goals envisions the need to provide TIF financial assistance for the development of affordable housing. The proposed project also conforms to the plan’s land use map, which calls for mixed-use development at the subject site.

**X. CONDITIONS OF ASSISTANCE**

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

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

**XI. RECOMMENDATION**

The Department of Planning and Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, its need for public assistance, its public benefits, and the project’s conformance with the redevelopment area plan, and DPD recommends that the CDC recommend to the City Council the designation of Full Circle Communities, Inc. as Developer for the development of accessible supportive housing at 3060 N. Milwaukee Avenue.
EXHIBITS

TIF Project Scorecard
Section 5 from Fullerton/Milwaukee TIF Annual Report
Redevelopment Area Map
Full Circle Communities, Inc. Board of Directors
Ownership Structure
Neighborhood Map or Aerial
Site Plan
Typical Floor Plan
Front Elevation or Rendering
Sample M/WBE Letter
Copies of M/WBE Certified Letter Receipts
Lender’s Letter of Interest
Community Letters of Support
Alderman’s Letter of Support
State Representative and State Senator’s Letter of Support
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State Representative and State Senator’s Letter of Support
Milwaukee Apartments—3060 N. Milwaukee Avenue

New construction of 32 units of affordable, accessible, supportive housing designed to allow residents with mobility and sensory impairments to live as independently as possible. 4-story brick-veneer building will consist of 25 one- and 7 two-bedroom units. 20% of the units will be available for tenants at 30% AMI and the rest for tenants at 60% AMI. The building will incorporate universal design standards with amenities like wheel-in showers and pull-down cabinets.

**Type of Project:** Residential/Affordable Housing

**Total Project Cost:** $9,342,723

**TIF Funding Request:** $1,000,000

**TIF District:** Fullerton/Milwaukee

**Developer:** Full Circle Communities, Inc.

**Timeline for Completion:** June 30, 2015

**Project Status:** CDC April 2014

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**RETURN ON INVESTMENT BENCHMARKS**

- Advances Goal of Economic Development Plan: YES or NO
  - Jobs Created/Retained: 5 created/0 retained

- Advances Goal of TIF District: YES or NO
  - Promote the redevelopment of vacant parcels and properties

- Addresses Community Need: YES or NO
  - Affordable Housing Units Created/Preserved: 32 created/0 preserved

- Return on Investment to City: N/A

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**FINANCIAL BENCHMARKS**

- Other Funds Leveraged by $1 of TIF: $8.34

- Types of Other Funding Leveraged: YES or NO
  - Low-Income Housing Tax Credits, DCEO Grant; IHDA Perm. Supportive Housing Grant

- Financing Structure:
  - IHDA Perm. Supportive Housing Grant ($1,350,000);
  - DCEO $90,036; Deferred Dev. Fee $260,092;
  - Tax Credit Equity $6,642,595 (IHDA Tax Credits)

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**RDA TERMS**

- Payment Schedule: $1M in 2015

- Taxpayer Protection Provisions: YES or NO
  - Monitoring Term of Agreement: Until TIF Expiration 12/31/2024

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**OTHER CONSIDERATIONS**

- Affordable Housing / Special Merit Consideration
If NO projects were undertaken by the Municipality Within the Redevelopment Project Area, indicate so in the space provided:

If Projects WERE undertaken by the Municipality Within the Redevelopment Project Area enter the TOTAL number of projects and list them in detail below.

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SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED IF PROJECTS ARE LISTED ON THESE PAGES

See "General Notes" Below.

<table>
<thead>
<tr>
<th>TOTAL:</th>
<th>11/1/99 to Date</th>
<th>Estimated Investment for Subsequent Fiscal Year</th>
<th>Total Estimated to Complete Project</th>
</tr>
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<tbody>
<tr>
<td>Private Investment Undertaken</td>
<td>$ 7,251,164</td>
<td>$</td>
<td>$ 75,260,604</td>
</tr>
<tr>
<td>Public Investment Undertaken</td>
<td>$ 15,774,868</td>
<td>$ 4,485,239</td>
<td>$ 17,065,356</td>
</tr>
<tr>
<td>Ratio of Private/Public Investment</td>
<td>17/37</td>
<td></td>
<td>4 16/39</td>
</tr>
</tbody>
</table>

Project 1:
Small Business Improvement Fund (SBIF)**

| Private Investment Undertaken | $ 2,768,483 | $ 310,512 | $ 3,700,000 |

Project 2:
Florsheim

| Private Investment Undertaken | $ 4,693,634 | $ 461,760 | $ 8,500,000 |

Project 3:
Sachs Hairpin Lofts

| Private Investment Undertaken | $ 5,121,129 | | |

Project 4:
Sachs Hairpin - Retail

| Private Investment Undertaken | $ 2,130,035 | | |

Project 5:
Zapata Apartments

| Private Investment Undertaken | $ 1,000,000 | $ 3,612,967 | $ 4,612,967 |

Project 6:
TIFWorks - Fullerton Milwaukee**

| Private Investment Undertaken | $ 161,001 | $ 100,000 | $ 252,389 |

FY 2012

TIF Name: Fullerton/Milwaukee Redevelopment Project Area
II. PROPERTY DESCRIPTION

Address: 3060 N. Milwaukee Avenue
Location: Southeast corner of Hamlin and Milwaukee
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13-26-115-003
13-26-115-004
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Current Zoning: B2-3, Neighborhood Mixed-Use District
Environmental Condition: The Developer had both a Phase I and Phase II study conducted. The Phase I had indicated a possible REC (recognized environmental condition) but the Subsurface Investigation did not indicate any soil contamination. Therefore the Phase II did not recommend any further action.

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As of 2010, the population in 2010 was 39,262, an 8.9% decrease from the year 2000. The median household income (2010) was $47,502 and 18%. 3 of the population lives below the poverty level. 9.3% of the residents are unemployed which is slightly less than Chicago as a whole where the unemployment rate averages 11.1%. 25.7% do not have a high school diploma as compared to 20.6% in Chicago as a whole. In 2009, 33.7% of the population was foreign born compared to 21.4% Chicago-wide.

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Board of Directors

Lynn Bergstrom, Director
David Gottlieb, Vice President of Banner Property Management
Charles D. Johnson, Director
Martin Pinsky, Director/Member
Milton Pinsky, Member/Associate Director
Reuben C. Warshawsky, Director
Andrea Traudt, Director
Pamela Daniels-Halisi, Director

Lynn Bergstrom, Director, is Director of Consulting Services for Lakefront SRO, one of Chicago’s not-for-profit low-income housing development and management agencies that provides permanent supportive housing for homeless individuals and families. In her 13 years with Lakefront, Ms. Bergstrom has acted as Director of Property Management for a portfolio including Section 8, Low Income Housing Tax Credit and mod-rehab apartment properties. She played a key role in the development of Lakefront’s Blended Management Model, wherein property management works closely with supportive services to meet the social and fiscal goals of a property. As Director of Consulting Services for Lakefront, Lynn has been instrumental in developing Lakefront’s training, technical assistance and information services. She has received her designation as an Accredited Residential Manager from the Institute of Real Estate Management and is a Nonprofit Housing Management Specialist.

David Gottlieb is Vice President of Banner Property Management, a second-generation, family-owned and operated property management company. Since 2001, David has also served as Executive Director of Full Circle Communities, Inc., a philanthropic nonprofit acquirer and manager of affordable housing. Full Circle preserves affordable housing and devotes the majority of cash flow from each property toward providing resident services at that property. David’s interests in community redevelopment and historic preservation led to his appointment in 1992 as executive director of the Lower Downtown District, Inc., the community advocacy and preservation association that oversaw redevelopment of Denver’s Lower Downtown Historic District. As executive director of Full Circle, David has overseen the acquisition and rehab of 399 units of affordable multi-family housing in the metro Chicago area and 250 units of affordable senior housing in Naples, Florida, as well as the provision of supportive services to the residents of those properties.

Charles D. Johnson, Director, is the former Director of the Illinois Department on Aging and served as the Governor’s and the Illinois General Assembly’s ambassador to nearly two million seniors in Illinois. He was appointed to this position by Governor Rod R. Blagojevich in 2003 and oversaw statewide programs to ensure that older people live independently and with dignity in their own homes and communities. Charles D. Johnson has worked for the Northeastern Illinois Area Agency on Aging since 1974 and served as its Executive Director. Under his leadership, the agency implemented and expanded community-based services that promote independent living, including transportation assistance, home delivered meals, support for caregivers, and community care programs. He has been a vocal advocate for elder abuse prevention and response services as well as expanded senior pharmaceutical assistance programs. From 1967 to 1972, Director Johnson served as Deputy Director and Director of Neighborhood Centers for the Community Action Agency in Kankakee. Director Johnson earned his bachelor’s degree in history and education from Lane College, a historically black college in Jackson, Tennessee. He has earned graduate credits in public administration from Governors State University and credits in gerontology from the University of Southern California.

Martin Pinsky, Director/Member, has been the Chief Financial Officer of Banner Property Management, Inc., and Banner Realty LLC since 1989. He has been involved with Banner’s acquisition and financing of 1,990 apartments financed with tax-exempt bonds and low income housing tax credits, and 549 apartments set aside for project-based Section 8. For two years prior to joining Banner, Martin served as the Controller of Planned Partnerships, Inc. Prior to joining Planned, Martin served as an internal auditor with Outboard Marine Corporation for three years and as a financial analyst with Heller Financial for two years. Martin is a Certified Public Accountant who received a Bachelor of Arts degree in finance from the University of Illinois in 1983.
Milton Pinsky, Member/Associate Director, is the Associate Director of Full Circle Communities, Inc., and has been Chief Executive Officer of Banner Property Management, Inc., and Banner Realty since 1989. He orchestrated Banner's acquisition and financing of 1,990 apartments financed with tax-exempt bonds and low income housing tax credits, and 549 apartments set aside for project-based Section 8, and has considerable experience in the acquisition, management and financing of subsidized housing. Mr. Pinsky was an associate with the law firm of Skadden, Arps, Slate, Meagher & Flom for approximately five years, specializing in negotiating corporate mergers and acquisitions and the financing thereof. He graduated from the University of Illinois with a Bachelor of Science degree in Electrical Engineering in 1981. He subsequently received a Master of Business Administration and Law degree from the University of Chicago in 1985. He is a licensed real estate broker.

Reuben C. Warshawsky, Director, is Chief Operating Officer of DeNovo Properties, overseeing all aspects of DeNovo’s business, including strategic planning, investment analysis, underwriting, transaction structuring, acquisitions, financing, investor relations, asset management, project management, dispositions, operations and administration. He has over 22 years of experience in real estate, working on all types of properties, including office buildings, shopping centers, hotels, apartment buildings, industrial facilities and residential developments. Prior to joining DeNovo Properties, Reuben was Chief Operating Officer of Zeller Realty Group, a Chicago-based real estate company which owns, operates, leases and manages office buildings located in the Midwest. Before he became COO of Zeller Realty, Reuben was a partner with Neal, Gerber & Eisenberg, a law firm in Chicago, Illinois. He represented clients throughout the U.S. in real estate and corporate matters, including structuring, negotiating and closing a wide variety of acquisitions and dispositions, and transactions involving leasing, financing, construction, partnership and limited liability company transfers and corporate mergers. Reuben received both his Bachelor of Arts degree and his law degree (J.D.) from the University of Pennsylvania. He is a licensed attorney in Illinois and is a licensed real estate broker in Illinois and Indiana.

Andrea Traudt, Director, is Executive Director for the Illinois Housing Council, a non-profit organization dedicated to advocacy surrounding affordable housing in Illinois. Prior to her work with IHC, Andrea was Development Supervisor for Bickerdike Redevelopment Corporation. There she oversaw and implemented all of Bickerdike’s housing development activities. Her work encompassed project concept and property acquisition, financing (public and private), coordination of zoning and permitting process, community outreach, government relations and advocacy, and contractor/architect coordination. With a Master’s Degree in Urban Planning and Policy from the University of Illinois at Chicago, Ms. Traudt specializes in housing and economic development. She has spearheaded a number of community-wide efforts including GIS commercial corridor mapping, greening affordable housing and has researched long-term impact of affordable homeownership on Chicago’s near west side. Ms. Traudt’s development resume includes new construction multi-family, new construction single-family and multifamily rehab. She has worked closely with all city departments, including the Chicago Department of Community Development, Department of Buildings, Zoning and Law. She has successfully sought financing for development from the Illinois Housing Development Authority, City of Chicago Department of Community Development, City of Chicago Department of Environment, Federal Home Loan Bank (Chicago), Illinois Department of Commerce and Economic Opportunity, Enterprise Green Communities, and Illinois Clean Energy Community Foundation.

Ms. Traudt is the Secretary of the First Community Land Trust of Chicago (FCLTC) Board of Directors. The FCLTC is affiliated with the West Humboldt Park Development Council. Its mission is to “empower West Humboldt Park residents to help shape the course of planning and development in their community and increase the availability of affordable homes in West Humboldt Park.”

Pamela Daniels-Halisi, Director, is a Managing Director of Community Development at The Private Bank, a business bank with offices in Chicago, St Louis, Atlanta and Denver. Pamela provides loans and investments to real estate developers investing in low-to-moderate income communities. Prior to her current position, she held a leadership role in community development at LaSalle Bank, N.A. She was a lender for affordable housing at Bank of America and a lender for commercial real estate at Continental Bank, N.A. Raised in Nashville, Tennessee, Daniels-Halisi attended University of Tennessee and Indiana University where she received a B.S in Business Administration and a M.B.A., respectively. She serves on the board of directors of Leap Learning Systems, ULI Chicago, Betty Shabazz International Charter School and The Woodstock Institute.
Milwaukee Avenue Apartments (11063)
Ownership and Organizational Chart

Project Owner
Milwaukee Avenue Apartments Limited Partnership,
an Illinois limited partnership
FEIN: 46-3993003

General Partner (0.01%):
Milwaukee Avenue Apartments GP, LLC,
an Illinois limited liability company
FEIN: 90-1023340

Limited Partner (99.99%):
Tax Credit Investor (TBD)*

Sole Member of General Partner
Full Circle Communities, Inc.,
an Illinois not-for-profit corporation
FEIN: 20-2297946
This is a 501(c)3 entity

Directors of Full Circle Communities, Inc.
David Gottlieb, Executive Director
Martin Pinsky, Director
Andrea Traudt, Director
Charles Johnson, Director
Pamela Daniels-Halisi, Director
Lynn Bergstrom, Director
Reuben Warshawsky, Director

Developer:
Full Circle Holding MAA, LLC,
an Illinois limited liability company
FEIN: 32-0421154

Sole Member of Developer:
Full Circle Communities, Inc.
an Illinois not-for-profit corporation

* Initial Limited Partner is Full Circle Holding, MAA, LLC whose 100% member is Full Circle Communities, Inc.
Milwaukee Avenue Apartments

3060 N. Milwaukee Avenue
Milwaukee-Fullerton TIF
February 5, 2014

Omar Shareef
African American Contractors Association
7445 S South Chicago Ave
Chicago IL 60619

VIA CERTIFIED MAIL

Re: 3060 N. Milwaukee Avenue, Chicago IL

Dear Omar:

Milwaukee Avenue Apartments Limited Partnership ("Owner") is pleased to announce the redevelopment of the property located at 3060 N. Milwaukee Avenue, Chicago, Illinois. The property consists of 13,300 square feet of vacant land that will be redeveloped into 32 units of affordable apartments and on-site parking.

The project will require participation of trades such as carpentry, electrical, mechanical, plumbing, paving, roofing and others, which may be subject to minority business enterprise (MBE) participation of 24 percent, and women business enterprise (WBE) participation of 4 percent.

The Owner has chosen Joseph J. Duffy Co. to be the general contractor for the project. Their contact information is attached hereto. 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 all plans and specification).

The Owner is requesting that you make your member companies aware of this exciting project so that they may submit bids for appropriate subcontracting opportunities. Should you have any questions, please do not hesitate to call.

Sincerely,

David Gottlieb
Milwaukee Apartments Limited Partnership
Executive Director of Sole Member of General Partner

Cc: Dinah Wayne, City of Chicago DHED
    Mike Mozal, JJ Duffy Co.

500 Skokie Boulevard • Suite 600 • Northbrook, IL 60062
Phone: 847.501.5450 • Fax: 847.480.5760
Complete item 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
   Hedy Rather
   Women Business Advocate
   85 Michigan Ave #400
   Chicago, IL 60601

2. Article Number
   (Transfer from service label) 7012 3460 0001 3867 5562
   PS Form 3811, February 2004 Domestic Return Receipt

3. Service Type
   Certified Mail
   Registered
   Return Receipt for Merchandise
   C.O.D.

4. Restricted Delivery? (Extra Fee)
   Yes

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

   333 N. Dearborn Ave
   Chicago, IL 60607

   1. Article Addressed to:
      Perry Mackaiah
      Assoc of Asian Const
      333 N. Dearborn Ave
      Chicago, IL 60607

   2. Article Number
      (Transfer from service label) 7012 3460 0001 3867 5562
      PS Form 3811, February 2004 Domestic Return Receipt
July 31, 2013

Mr. Joshua Wilmoth
Full Circle Communities
500 Skokie Blvd #600
Northbrook, IL 60062

Re: Milwaukee Avenue Apartments - Chicago, IL

Dear Mr. Wilmoth:

This letter will serve as a preliminary outline of the terms under which Bank of America (the “Bank”) would consider a loan request on the above referenced project. This letter does not represent an offer or commitment by the Bank for the proposed financing, nor does it define all the terms and conditions of a loan commitment, but is a framework upon which a loan request may be submitted. Issuance of a commitment by the Bank is subject to, among other things, the completion of the following items, and approval of the loan request under the Bank’s internal approval process. The Bank may decline to approve the loan request. Upon your response to this letter and after providing any additional information which may be necessary, the Bank will proceed with the necessary due diligence to submit the loan request. The proposed terms and conditions are as follows:

Project: To be constructed 32-unit LIHTC apartment development located at 3060 N. Milwaukee Avenue, Chicago, Illinois, which will be designated affordable housing for the physically and sensory impaired whose incomes are at or below 60% of the area median income for Cook County. There will be no market rate units. The project will offer 1 and 2-bedroom apartments. Approximately, 11 units will benefit from a 30-year Section 8 Project Based Contract. The project will offer housing for grandparents raising grand children.

Borrower: A single purpose Illinois Limited Partnership to be formed - form and substance of Borrower must be acceptable to the Bank.

Reporting Requirements:

   Annually: Borrower and Guarantors’ financial statements shall be provided within 120 days of end of reporting period.

   Monthly: Property operating statements and rental summary report shall be provided within 30 days of the end of the previous month.
Know Your Customer: Within five (5) business days of opening an account with Bank, Borrower shall have delivered to Bank all due diligence materials necessary and relevant to verifying Borrower's identity and background information, as deemed necessary by Bank in its sole and absolute discretion.

Other Requirements: All of the following to be acceptable to the Bank: documentation and submissions that are standard for loans of this type including, but not limited to, appraisal, ESA, legal documentation, title/survey, proposed standard lease form, front-end cost and document reviews and acceptance of final budget (includes adequate contingency, interest carry/operating deficit reserve, etc.), review of plans/specs, condition of markets/submarkets, revenue/expenses pro-formas, financial review of Borrower, Guarantor, and general contractor, management agreement and subordination; and (as applicable), proof of tax credit award, letter of intent from an equity syndicator or direct investor including proposed pay-in schedule, proof of tax-exempt status with respect to ad valorem taxes and other terms and conditions as may be required.

Confidentiality: This term sheet is strictly confidential and may not be shared with anyone else other than the owners of Borrower.

Construction Loan

Construction Loan Amount: Information obtained by the Bank is so far insufficient to establish a loan amount. Based on our general underwriting parameters for what we believe to be similar transactions, the construction loan amount in this transaction would be the lesser of:

1) $4,733,290
2) 75% LTC based on final Bank approved construction budget or
3) 80% LTV based on the sum of the "as completed and stabilized" appraised value, including rent restrictions, plus the value of the Low Income Housing Tax Credits (LIHTC) at the lesser of the appraised value (if appraised) or the gross amount being paid for the LIHTC by the syndicator/investor.

Construction Interest Rate: 30-day LIBOR, daily floating rate + 300 bps. An interest rate protection product from a financial provider acceptable to the Bank may be required prior to funding of a loan.

[LIBOR is 20 bps as of today, so as of today the all-in rate would be 3.20%]

Bank interest will be due monthly. The budget for the project will contain an interest reserve acceptable to Bank.

Construction Loan Term: Non-revolving future advance facility with an initial maturity of 24 months following loan closing. No penalty for whole or partial prepayments.
Construction Loan Amortization: Interest only for 24 months

Construction Loan Fee: 100 bps of the total Loan Commitment, payable at closing.

Construction Renewal Options: One six-month extension options to the Construction Loan will be made available at the discretion of the Bank. An extension fee of 50 bps will be payable. There may be other changes associated with the extension, such as Bank’s legal fees.

Payment and Performance Guaranty: 100% guarantee of completion, performance and repayment to be provided by guarantor(s) acceptable to Bank, anticipated to be Full Circle Communities. For borrowers that are single-asset entities, principal(s) with general liability or guarantor(s) acceptable to the Bank must be jointly and severally liable for completion of the project and repayment of the financing, including interest and costs.

Guarantor may be required to have financial covenants that include minimum net worth and liquidity – TBD.

Collateral: 1) First Lien Deed of Trust on land and improvements constructed thereon. 2) UCC filing on furniture, fixtures and equipment. 3) Assignment of rents/leases and management/construction/architectural contracts, etc. 4) Assignment of partnership interests including capital contributions. 5) Assignment of interest rate hedge agreement, if any.

General Contractor: General Contractor to be identified. This entity will be subject to the Bank’s full due diligence and approval. Guaranteed maximum price contract. Contract must require 10% retainage. Retainage may be reduced from 10% to 5% at 50% completion. Payment and performance bond or acceptable Letter of Credit required in an amount and issuer acceptable to the Bank.

Loan Advances: Construction loan advances will be made no more frequently than monthly and will be based on the percentage-of-completion method for actual work in place less retainage as confirmed and approved by the Bank and its third party construction consultant. All funds will be advanced into a construction account held by the Bank.

Project Budget: Project budget must be approved by the Bank and include:
- Minimum 5% construction contingency.
- Minimum 3% soft cost contingency.
- Sufficient interest reserve to support project until it achieves breakeven. Excess cash flow shall be used first to apply to accrued interest or interest then due with the remainder advanced from interest reserves.
• Bank may also require reserves to be established within the project budget.

**Take out Financing:** Prior to Loan closing, Borrower must obtain and submit to Bank an acceptable permanent loan commitment issued to Borrower by both IHDA Home Loan and Trust Fund amortization, or another lender with terms and conditions acceptable to the bank. The loan amount committed in the permanent loan commitment, together with any other committed and available sources of funds, must be no less than the amount required to repay the Loan in full at its maturity.

**General Provisions:**

**Syndicator/Investor:** Syndicator and investor are subject to Bank approval. Investor(s) must be admitted into the partnership (or as member of a limited liability corporation) no later than closing of the Construction Loan.

**LIHTC Equity:** Borrower must provide evidence satisfactory to Bank that it is entitled to an allocation of state and/or federal LIHTC's and agree to perform all actions necessary to maintain the allocation of those tax credits. Bank must review and approve the commitment letter, partnership agreement, and any other documentation evidencing purchase of the LIHTC's. Proceeds from the sale or syndication of the LIHTC's must be in an acceptable amount and according to a pay-in schedule and funding conditions acceptable to the Bank.

Minimum guidelines are as follows:

- Upfront investor limited partner equity shall be at least 20% of the total investor limited partner equity. OR
- 15% contributed upfront; 30% cumulative contributions by 50% competition; and 50% cumulative contributions by 100% completion.

Initial capital contributions in excess of closing draw or subsequent capital contributions in excess of a concurrent draw request shall be deposited into a Bank controlled account from which pending and subsequent draws shall be funded completely prior to advancing funds from the Construction Loan. In the event Bank and Borrower enter into a Construction Loan Disbursement Escrow Agreement, Bank will allow initial capital contribution in excess of closing draw may remain in escrow from which pending and subsequent draws are funded.

Please note: The Capital Contribution schedule referenced above is conditioned upon Bank of America, N.A. or its affiliate is the investor. Any change involving the investor may necessitate a change in the Capital Contribution Schedule.

**Upfront Funding Sources:** Total upfront funding, which may include LIHTC equity, developer equity, and/or subordinate debt shall equal a minimum of 15% of total development costs and will be advanced prior to the Bank's Construction Loan.

**Secondary Financing:** Secondary Financing is permitted, subject to Bank approval. Secondary Financing shall be subordinated to the Bank’s lien and secondary creditors who have not funded all proceeds prior to Bank proceeds shall execute an
intercreditor agreement satisfactory in substance and form to the Bank, which limits and restricts the secondary creditor's rights and remedies without the prior written consent of the Bank. Secondary Financing subordination terms and conditions shall be consistent with provisions contained in Bank's form of subordination agreement and allow the potential refinance of the facilities contemplated herein. All Secondary Financing loan documents including the subordination agreement shall be acceptable to the Bank. The loan documents shall provide for traditional restrictions on Borrower encumbrances of the property.

Any required "must-pay" subordinate debt service shall be underwritten and included in the loan-to-value calculations, as well as factored into the minimum debt service coverage (DSC) ratio, as applicable.

Sources of Secondary Financing not paid in their entirety at closing and to be provided by governmental agencies (Federal, State, or Local) shall be evidenced by a commitment at closing which shall indicate that the allocation has been approved and funds allocated have been raised, reserved and available, and are not subject to claw back for other governmental priorities and, further, that the commitment does not obligate funds in excess of funds reserved.

It is the Bank's assumption that all Subordinate Financing for the Subject transaction will be funded prior to or simultaneous with Construction Loan Closing and none will contain any "must pay" provisions.

**Developer Fee Payout Schedule:**

Developer fee payout schedule is subject to Bank review and approval. Bank approved pay-in schedule will not necessarily defer to the partnership agreement but shall follow terms finalized for the loan agreement.

**Fees and Expenses:**

Borrower will pay all reasonable costs incurred by the Bank in connection with the loans including, but not limited to, legal, environmental, front end costs and document review/inspections, physical needs assessment (for existing projects only) and appraisal.

**Deposits:**

The Bank may require that the replacement reserve, any operating deficit reserve, operating account, and any other reserves required by other funding parties to the project be maintained at the Bank.

**Regulatory Requirements:**

Subject to the review and approval of all regulatory agreements and/or land use restrictions as required for ad valorem tax abatement, Section 8, subordinate debt, or other sources of funding (as applicable to include but not limited to agreements associated with Exchange and/or TCAP funds). Evidence that ad valorem tax abatement coincides with the real estate collateral required. Attorney opinion of real estate tax abatement applicability may be required.

**Material Adverse Change:**

Bank of America's obligations hereunder shall terminate if, prior to closing, Bank of America determines, in its sole judgment, that there shall exist any conditions regarding the property, or the operations, business, assets, liabilities or condition (financial or otherwise, including credit rating) of Borrower or Guarantor, or there shall have occurred a material adverse change in, or there shall exist any material
adverse conditions in, the market for syndicated bank credit facilities or the financial, banking, credit or debt capital markets generally, that could be expected to cause the loan to become delinquent or prevent any guarantor from performing its obligations under any guaranty or to materially and adversely affect the value or marketability of the loan or the property or Bank of America's ability to syndicate the loan.

Assumptions made: The terms discussed herein are presented, based on the credit conditions in the potential transaction as known by Bank of America. Should additional facts come to light that positively or negatively impact the situation, prices or other requirements quoted here may be adjusted.

Expiration: This term sheet will expire at 5:00 p.m. central standard time on that date which is ten (10) business days from the date hereof unless you execute this term sheet and return it to us prior to that time, which may be by facsimile transmission. Please understand that this term sheet does not represent an offer or commitment by Bank of America, or any of its affiliated entities, for the proposed new financing, nor does it define all of the terms and conditions of a loan commitment, but is a framework upon which a loan request may be submitted. Issuance of a commitment by Bank of America is subject to, among other things, the approval of your loan request under the Bank's approval process. If Bank of America issues a financing commitment in this transaction, it will in all respects supersede this letter.

Please review the above terms and conditions and feel free to call me with any questions or comments you may have. If you find the above terms and conditions to be acceptable, please indicate so by signing below and returning a faxed copy to my attention by August 9, 2013 along with a good-faith deposit of $10,000. Upon receipt of the letter and the good-faith deposit, the Bank will proceed with the necessary due diligence to prepare and submit your loan request, provided, however that in any event, this term sheet will finally expire at 5:00 p.m. central standard time on that date which is sixty (60) days from the date hereof. Your deposit is refundable, less the Bank's out of pocket expenses incurred, should the Bank decline the financing opportunity discussed herein. I look forward to hearing from you and working with you on this and other transactions.
I hope this proposal is satisfactory. If so, please have it executed and returned to me with the attachments noted above. Please contact me at (312) 992-6155 if you have any questions regarding this term sheet, or if you would like to recommend changes to our proposed terms.

Sincerely,

Kristine Jurmu
Senior Vice President
Bank of America Merrill Lynch
IL4-135-06-11
135 S. LaSalle, Suite 611
Chicago, IL 60603
312.992.6155 Direct
312.453.6593 Fax

Please submit a loan application as outlined above:

Name: _________________________________

Title: _________________________________

Date: _________________________________
Exhibit "A"
Project Construction

1. Initial funding of construction loan is subject to a satisfactory initial review of the project by an inspecting architect retained by the Bank. The scope of the review will include plans and specs, costs and contingencies, the general contract and major sub-contracts, and the construction schedule. Cost of the review to be borne by Borrower. If requested, Bank will share initial review with tax credit investor.

2. Loan approval subject to satisfactory review by Bank of qualifications and financial condition of general contractor.

3. Bank’s funding of each draw is subject to a review of the draw and inspection of the work by Bank’s inspecting architect. Cost of draw reviews to be borne by Borrower.

4. Construction contract will be for a guaranteed maximum price and specify a construction schedule satisfactory to the Bank.

5. All major contracts are subject to approval by Bank.

6. Change orders prior to completion in excess of $50,000 each or $100,000 in aggregate are subject to approval in advance by Bank. Final determination to be made at the time of final loan approval.

7. Initial Hard cost contingency is 5% of the base contract. Access to contingency line item requires Bank approval. After completion, borrower can re-allocate contingency.

8. Bank will require a soft cost contingency up to 3% on non-hard cost items. Developer fees, reserves and bank fees are not recognized as non-hard cost items.

9. Bank will require total project budget to be in balance at all times.

10. All hard-cost draws will be subject to a 10% retainage. Bank may allow a reduction in retainage from 10% to 5% at 50% completion.
Mr. Joshua Wilmoth  
Associate Director, Development and Finance  
Full Circle Communities, Inc  
500 Skokie Blvd #600  
Northbrook, IL 60062

Re: 3060 N. Milwaukee Street, Chicago, IL

Dear Joshua:

I am writing on behalf of the National Equity Fund ("NEF") to express NEF’s interest in serving as a financing partner with Full Circle Communities in connection with the proposed construction of the 3060 N. Milwaukee development located in Chicago, IL. 3060 N. Milwaukee Street Apartments will be a 32-unit affordable development with 7 units targeted to households at 30% of AMI in Chicago, Illinois.

NEF has had the opportunity to review the current pro forma for 3060 N. Milwaukee. The details outlined in the proposed development plan and financing structure meet or exceed our baseline underwriting guidelines at this time. In the current market, expected equity pricing for this development would be $0.94 per dollar of Low Income Housing Tax Credits ("LIHTC") for an estimated equity contribution of $6,865,354 (assuming $730,430 annual tax credit allocation). NEF’s standard equity pay-in structure is 20% at closing, 40% at construction completion, and 40% at stabilization and issuance of 8609. Pricing and terms are subject to change based on market conditions at the time of closing and further underwriting of the development. Please also understand that final authority to invest rests solely with NEF’s Investment Review Committee.

NEF looks forward to further reviewing and underwriting specific project details as they come to fruition. It is our hope that we can serve as your equity partner should your application for Low Income Housing Tax Credits be successful and we are excited at the opportunity to work with you on this important development.

Sincerely,

Debbie Burkart  
Vice President  
(312) 543-9584
July 31, 2013

Mr. Joshua Wilmoth
Full Circle Communities, Inc.
500 Skokie Blvd. Suite 600
Northbrook, IL 60062

Re: Preliminary PRA Commitment for Milwaukee Ave. Apartments

Dear Mr. Wilmoth:

I am writing to inform you that the CHA has completed its preliminary review of your application for Property Rental Assistance (PRA) for Milwaukee Ave. Apartments and is providing this preliminary letter of commitment as approved by the CHA Board on July 30, 2013.

Definitive approval of your application is contingent upon obtaining all of the necessary funding for the project’s development and the CHA Board of Commissioner’s final concurrence.

At that time, CHA will provide Property Rental Assistance for up to 11 units at Milwaukee Ave. Apartments under a 30 year Housing Assistance Payments contract. The maximum allowable household income for a PRA unit is 80% of the Area Medium Income. Tenants’ rent and utilities for these 11 units will be set at 30% of their adjusted household income.

The PRA units and contract rents will be as follows:

- 9 one-bedroom units at $924 per month
- 2 two-bedroom units at $1,256 per month

These initial contract rents must be supported by market rents data for unassisted units in the immediate neighborhood.

This preliminary commitment is valid for one year. You have until August 1, 2014 to provide evidence of financing for the proposed development. Any substantive change to the proposed transaction requires submittal of a new application.

If you have any questions about this correspondence, please contact Susan Leske, PRA Senior Program Manager at 312-913-7602.

Sincerely,

Ellen K. Sahli
Chief Housing Officer

Chicago Housing Authority
60 E. Van Buren
Chicago, IL 60605
312-742-8500
www.cha.org
September 3, 2013

Mr. David Gottlieb
Executive Director, Full Circle Communities, Inc.
500 Skokie Blvd. #600
Northbrook, IL 60062

Re: Milwaukee Avenue Apartments

Dear Mr. Gottlieb;

This letter is to confirm receipt of your application for a grant through the DCEO's Energy Efficient Affordable Housing Construction Program. The Department has completed our preliminary review of your application. Your project will consist of the new construction of 32 multifamily units and is located at 3060 North Milwaukee Ave. in Chicago, IL.

The grant will be available for the project after the final review of the construction documents and the execution of the grant agreement. The grant amount for your project has been estimated to be $90,036.00. The grant funds will be made available at or near the start of construction.

Please let me know if you need any further clarification regarding our grant process.

Sincerely,

Lauren Gibson
Illinois Energy Office
Energy Efficient Affordable Housing Construction Program

cc: Joshua Wilmoth
January 24, 2014

MILWAUKEE AVENUE APARTMENTS LIMITED PARTNERSHIP (the “Owner”)
500 Skokie Blvd., #600
Northbrook, IL 60062
Attn: Joshua Wilmoth

Re: Project Name: Milwaukee Avenue Apartments (the “Project”)
Project Location: Chicago, IL
IHDA No.: FTC-11063

Please be advised that the Illinois Housing Development Authority has reviewed the documentation submitted as part of your Tax Credit Carryover Allocation for December 30, 2013. Based on the information you provided, it appears that the Project has met the initial carryover requirement in your agreement with IHDA.

Please remember the completed 10% test and all appropriate documentation must be submitted to this office no later than December 1, 2014, to comply with the regulations governing the Low Income Housing Tax Credit program.

Should you have any questions, please don’t hesitate to contact Cassandra Boose, Manager, Client Services at 312.836.5363.

Cordially,

Linda Thurmond
Managing Director Multifamily Programs
lthurmond@ihda.org

cc: Project File

Financing the creation and preservation of affordable housing
November 25, 2013

Andrew J Mooney, Commissioner
Department of Housing & Economic Development
City Hall, 10th Floor
121 N LaSalle St
Chicago, IL 60602

Re: Milwaukee-Fullerton TIF Application
Milwaukee Avenue Apartments, 3060 N. Milwaukee Avenue

Dear Commissioner Mooney:

My office fully supports Full Circle Communities, Inc in its request for $1,000,000 in Tax Increment Financing from the Milwaukee-Fullerton TIF for the above referenced development.

When complete, this redevelopment of vacant, foreclosed land on Milwaukee Avenue will provide much needed supportive housing designed for persons with physical and sensory impairments, with substantial advocacy and case management services provided by two Illinois-based non-profits.

This 32-unit affordable rental community already has State support in the form of Low Income Housing Tax Credits and a $1.35MM grant from the Illinois Housing Development Authority. The City’s support is the last, vital piece to ensure that high quality, affordable and supportive housing is produced for our citizens who need it most.

If you have any additional questions or concerns please feel free to contact my office at 773.794.3095.

Sincerely,

Ariel E. Reboyras
Alderman, 30th Ward

"One Ward One Community"
April 1st, 2014

Lindsey Haines  
Development Associate  
Full Circle Communities, Inc.  
500 Skokie Blvd #600  
Northbrook, IL 60062

Re: Full Circle Communities / Milwaukee Avenue Apartments  
3060 N Milwaukee Ave, Chicago IL 60618

Dear Ms. Haines:

The Avondale Neighborhood Association is a non-profit, non-partisan organization that represents the common interest of the community members with regard to community development, preservation of diversity, enhancement of quality of life, safety and property values.

We have been presented Full Circle Communities development plan for 32 one and two bedroom units of accessible housing at 3060 N. Milwaukee Ave. in our community. The project will provide much needed affordable and accessible housing in the community while revitalizing land that has been vacant for several years.

We are supportive of the project with the caveat that the organization gets additional feedback & support from the surrounding neighbors (500ft) and organizations through a community meeting. Currently this meeting is set for May 22nd.

If you have any additional questions or concerns please feel free to contact me at avondale.unite@gmail.com or 773.800.1ANA (773.800.1262)

Sincerely,

Emily Taylor  
President, Avondale Neighborhood Association  
avondale.unite@gmail.com  
www.avondalenighborhoodassoc.com  
773-800-1ANA
March 21, 2014

Lindsey Haines
Development Associate
Full Circle Communities, Inc.
500 Skokie Blvd #600
Northbrook, IL 60062

Re: Full Circle Communities / Milwaukee Avenue Apartments
3060 N Milwaukee Ave, Chicago IL 60618

Dear Ms. Haines:

Thank you for meeting with me to discuss the above project. I am in support of Full Circle Communities efforts to develop 32 one and two bedroom units for affordable and supportive housing with amenities geared towards the mobility and sensory impaired.

I am very much interested in this universally designed development and the opportunity to see accessible affordable housing in my district. I am supportive of your use of Low Income Housing Tax Credits and Permanent Supportive Housing Grant from Illinois Housing Development Authority, Tax Increment Financing, and DCEO Grant funds.

If you have any additional questions or concerns please feel free to contact my office at 773-267-2880.

Sincerely,

Jaime Andrade
Illinois State Representative, 40th District
March 21, 2014

Brian Smith
Full Circle Communities, Inc.
500 Skokie Blvd #600
Northbrook, IL 60062

Re: Full Circle Communities / Milwaukee Avenue Barrier Free Housing
3060 N Milwaukee Ave, Chicago IL 60618

Dear Mr. Smith:

Thank you for meeting with me to discuss the above project. I am in support of Full Circle Communities efforts to develop 32 one and two bedroom units for affordable and supportive housing for the mobility and sensory impaired.

I am very much interested in this barrier free development and the opportunity to see accessible affordable housing in my district. I encourage your application to the Illinois Housing Development Authority for Low Income Housing Tax Credits, HOME, and Illinois Housing Trust Fund dollars.

If you have any additional questions or concerns please feel free to contact my office at (773-463-0720.

Sincerely,

Iris Y. Martinez
Illinois State Senator, 20th District
COMMUNITY DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO

RESOLUTION NO. 14 - CDC -

AUTHORIZATION TO NEGOTIATE A
REDEVELOPMENT AGREEMENT WITH FULL CIRCLE COMMUNITIES, INC. OR RELATED ENTITY

AND
RECOMMENDATION TO
THE CITY COUNCIL OF THE CITY OF CHICAGO
FOR THE DESIGNATION OF FULL CIRCLE COMMUNITIES, INC. OR RELATED ENTITY AS DEVELOPER

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

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

WHEREAS, the City Council, upon the Commission's recommendation pursuant to Resolution 99-CDC-254 and pursuant to the Act, enacted three ordinances on February 16, 2000 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Fullerton/Milwaukee 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, Full Circle Communities, Inc., has presented to the City's Department of Planning and Development (the "Department") a proposal for redevelopment of the Area or a portion thereof that is in compliance with the Plan, consisting of the construction of a 32-unit accessible apartment building (the "Project"); and

WHEREAS, HED requests that the Commission recommend to City Council that Full Circle Communities, Inc. or related entity ("the Developer") be designated as the developer for the Project and that the Department be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project; now, therefore,
BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

Section 1. The above recitals are incorporated herein and made a part hereof.

Section 2. The Commission hereby recommends to City Council that the Developer be designated as the developer for the Project and that the Department be authorized to negotiate, execute and deliver on the City’s behalf a redevelopment agreement with the Developer for the Project.

Section 3. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

Section 4. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 5. This resolution shall be effective as of the date of its adoption.

Section 6. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: ____________________, 2014

Attachment: Exhibit A, Street Boundary Description
EXHIBIT A

Street Boundary Description of the
Fullerton / Milwaukee Tax Increment Financing
Redevelopment Project Area

The Area is generally bounded by School Street on the north, Western Avenue on the east,
Cortland Street on the south, and Tripp Avenue on the west.