City of Chicago  
Department of Community Development  

STAFF REPORT  
TO THE  
COMMUNITY DEVELOPMENT COMMISSION  
REGARDING  
A PROPOSED NEGOTIATED SALE OF CITY-OWNED PROPERTY  
MADDEN WELLS TIF AND DESIGNATION OF DEVELOPER  

September 8, 2009  

I. PROJECT IDENTIFICATION AND OVERVIEW  

Project Name: Oakwood Shores Terraces (the “Project”)  
Applicant Name: Oakwood Shores Terrace Apartments Associates Limited Partnership and Arches Retail Development, LLC. (the “Applicants”).  
Project Address: 3753 -3755 South Cottage Grove  
Ward and Alderman: 4th Ward, Ald. Preckwinkle  
Community Area: Oakland  
Redevelopment Project Area: Madden Wells TIF  
Requested Action: Negotiated sale of vacant land, TIF assistance, and Developer Designation.  
Proposed Project: This is a mixed use project that will consist of 48 residential rental dwelling units of which 36 units or 75 percent will be affordable for households earning no more than 80 percent of the area median income. It also includes 28,000 square feet of commercial space which will be used as medical office space.  
Appraised Market Value: $960,000 for all parcels (including a PBC parcel). $36,089 per parcel, $26.60 per square foot.  
Sale Price: $ 1.00
Negotiated Sale- Residential 1-08

Acquisition Assistance: None

TIF Assistance: $2.1 Million

II. PROPERTY DESCRIPTION

Address: 3753-3755 South Cottage Grove

Location: The northeast corner of 38th Street between Cottage Grove Avenue and Ellis Avenue

Tax Parcel Numbers: City owned property to be conveyed to the developer: 17-34-421-096, 17-34-421-099, 17-34-421-100; The Public Building Commission (PBC) parcel will be conveyed to the City and the City will convey to the Developer: 17-34-421-093. CHA owned property part of which will be conveyed to the developer: 17-34-421-101

Land Area: 1.32 acres (City land: .83 acre; CHA land: .46 acre)

Current Use: The property is currently vacant. The southern 2/3 of the property was once occupied by a community health clinic. It was acquired in 2002 and demolish for this CHA transformation project area.

Proposed Zoning: PD840 to be amended to allow medical office and proposed height limit.

Environmental Condition: Performed by the Applicants. The site has been approved for residential development

The city parcels were acquired through eminent domain 17-34-421-096, 17-34-421-099, 17-34-421-100, 17-34-421-101.
III. BACKGROUND

This project is a continuation of the comprehensive revitalization of the former Ida B. Wells, Madden Park, and Clarence Darrow Homes public housing developments and is part of the CHA’s Plan for Transformation. The vision for the development of the new Oakwood Shores community was developed through an extensive participatory process with residents, government agencies, and other stakeholders, led by top national urban planners. The result is a compelling master plan for transforming the 94-acre Madden/Wells/Darrow site into a mixed-income, mixed use community of 3,000 rental and for-sale housing units set in a traditional Chicago neighborhood framework, including the reintroduction of the street grid and construction of new parks, schools, neighborhood commercial/retail facilities, and community services.

Given its scale and complexity, the Madden/Wells revitalization is proceeding in phases. The first phase (comprised of Phases 1A and 1B) encompasses the southeast portion of the Madden/Wells revitalization area, and Phase 2 (comprised of Phase 2A, 2B (One), and 2B (Two) and 2C) continues the redevelopment due west of the Phase 1 site. Construction of Phase 2A is complete, and the development team recently closed on Phase 2B (One) which consists of 75 units of rental housing comprised of CHA replacement units, affordable and market rate units.

The Project, Phase 2C of the Madden/Wells revitalization effort, continues development due north of the Phase 1 site and builds upon the success of the previous and ongoing rental phases in transforming a once blighted community into a strong neighborhood. Oakwood Shores Terrace Apartments is a mixed-use residential and medical office building which will not only continue the development of mixed-income rental housing, but will also supply crucial medical facilities and services to the neighborhood.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity: The development team is composed of two entities Oakwood Shores Terrace Apartments Associates Limited Partnership and Arches Retail Development, LLC (collectively, the “Developers”).

Residential Component:
Oakwood Shores Terrace Apartments Associates Limited Partnership has been formed to develop the residential component of the project; The Community Builders (“TCB”) currently owns 99.9% of Oakwood Shores Terrace Associates Limited Partnership. Oakwood Shores Terrace GP L.L.C owns the remaining 0.01% and serves as the managing general partner of Oakwood Shores Terrace Associates Limited Partnership. An affiliate of TCB and Granite Madden Wells Rental, LLC own 70% and 30% of Oakwood Shores Terrace GP L.L.C. respectively. TCB is a Boston, Massachusetts based non-profit developer of affordable housing doing business in Illinois as TCB Illinois NFP, Inc.
Commercial Component:
Arches Retail Development, LLC, an Illinois limited liability company, has been formed to
develop the commercial component of the Project. The sole owner and member of the applicant
is Granite Madden Wells Retail, LLC, an Illinois limited liability company. Joe Williams, as
trustee under a living trust and Larry Huggins own Granite Madden Wells, LLC.

Both TCB and Granite have extensive development experience. TCB is licensed by the City as a
Residential Developer.

The development team has engaged Nia Architects, Inc. and Stull and Lee Incorporated to serve
as the architects and McShane Construction Company to serve as the General Contractor. The
development team has extensively consulted with Alderman Toni Preckwinkle, neighborhood
residents, CHA/Habitat, City agencies, and other key community stakeholders in the
development of the overall design vision, project design (including site plan, exterior elevations,
floor plans, and green design elements), the financing plan, and building amenities and features.
The development team will continue to solicit feedback from the community’s “Working Group”
as the Project moves through construction, lease up, and into ongoing operations.

V. PROPOSED PROJECT

Project Overview: Oakwood Shores Terraces consists of 48 new mixed-income rental units in
one mixed-use residential and medical building. Mercy Hospital & Medical Center (“Mercy”)
will operate an approximately 14,000 square foot Medical Clinic on the first floor of the Project,
providing much needed local family medical services to the community. Currently, Mercy plans
to incorporate two internal medicine suites, one pediatric suite, and one OB/GYN suite into the
facility. This clinic will be complemented by timeshare suites staffed by Mercy physicians
providing specialty services and a space designed to provide community education. The second
floor will contain approximately 14,000 square feet of additional medical suites. The project
team is currently working with the University of Chicago to potentially provide
Optometry/Ophthalmology services on this floor.

The Project site is located on the east side of South Cottage Grove Avenue and 38th Street. The
land will be conveyed from CHA and the City of Chicago to The Community Builder’s the
development partnership through a fee simple transfer. In accordance with HUD Section 42
requirements, each building will include units restricted for qualified low-income occupants.
Seventy-five percent (36 units) of the total will be income and rent-restricted. 19 of these units
will be reserved for lease-compliant former residents of the CHA Madden/Wells/Darrow
developments. The CHA will reimburse the developer at 40-60% of AMI but may sublease to
former CHA residents at lower rates. The remaining 17 affordable units will be leased to
affordable households no greater than 80% AMI. 12 market rate units will have no income
restrictions. There will be 4 units with three bedrooms, all 4 of which are reserved for low
income families with children.
The building will be constructed on City and PBC property. A portion of the parking for the Project will include some CHA property. The CHA parcel will be conveyed in a fee simple to the developer.

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

**Environmental Features:** The project qualifies for over 300 points on the Chicago Green Homes checklist and will be submitting for permits under the Green Homes Program. The project environmental features will include permeable paving, a bioswale, an energy star roof, insulated walls to R-19, and insulated roof to R-49.

**Residential Unit Profile:** The following table provides a detailed description of the proposed project. The Project consists of 48 residential rental units of which 36 units will be affordable for households earning no more than 80 percent of the area median income.

<table>
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<th>Unit Type</th>
<th>Number</th>
<th>Market/Affordable</th>
<th>Size-sf</th>
<th>Monthly Rent/sf*</th>
<th>Monthly Rent*</th>
</tr>
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<tr>
<td>1 bedroom</td>
<td>18</td>
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<td>750</td>
<td>$0.48-$1.00</td>
<td>$361-750</td>
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<td>Market</td>
<td>750</td>
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<tr>
<td>3 bedrooms</td>
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<td>1200</td>
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*Tenant pays utilities except heat, and parking.

**Commercial Profile**

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<th>Net Sq.</th>
<th>Price/Sq. Ft.</th>
<th>Estimated Revenue</th>
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<td>$26.00</td>
<td>$364,000</td>
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<tr>
<td>Medical Office</td>
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<td>$22.00</td>
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<td>Total</td>
<td>2</td>
<td>28,000</td>
<td>$24.00 avg.</td>
<td>$672,000</td>
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**VI. FINANCIAL STRUCTURE**

The Project site is located in the Madden/Wells TIF District and, once complete, will have 36 affordable housing units and 28,000 sq. ft. of medical office space. The residential component of the Project will receive the following incentives: Multifamily Program Funds $2,085,814;
Low Income Housing Tax Credits $1,100,651; and Multifamily Program Fee Waivers - standard package. Four of the parcels are City Owned and one is currently owned by PBC on behalf of the Chicago Public Schools. The PBC parcel will be transferred to the City prior to closing. The land write-down and TIF assistance total $3,059,999 or 13% of total project cost.

The Developers are currently working with several financial institutions and have letters of interest on file. J.P. Morgan Capital Corporation has provided a Letter of Interest ("LOI") that indicates its intent to purchase the LIHTCs. Additionally, U.S. Bank has provided a Letter of Interest that indicates its intent to purchase the Illinois affordable Housing Tax Credits (IAHTC). The Illinois Facility Fund (IFF) has provided a LOI to loan up to $1.5 million in permanent financing. Chase Bank has provided an LOI to finance up to $9 million for the commercial portion of the Project and to provide up to $3.0 million in New Market Tax Credits.

The following table identifies the sources and uses of funds.

```
Sources and Uses of Funds

Sources                      Amount     % of total
1st Mortgage Loan           $4,965,765  21.10%
CHA Capital Funds Loan      $3,247,177  13.80%
HOME Funds                  $2,085,814  8.86%
IAHTC Loan                  $1,048,350  4.45%
GP Capital Contribution     $100        0.00%
LP Net Equity-LIHTC         $10,653,659 45.26%
TIF Loan – “B” Note         $1,536,542  6.53%
Total Sources               $23,537,443 100.00%

Uses                          Amount     $/sf of Building*
Land Acquisition             $0         $0 psf
Site Clearance and Preparation $1,701,766  $19.16 psf
Hard Costs                   $14,037,638 $158.08 psf
Furniture, Fixtures, & Equipment $35,000  $0.39 psf
Soft Costs                   
Architectural & Engineering  $704,232
Bond Premium                 $248,499
Building Permits            $44,612
Contingency (3.4% of total costs) $799,395
Other Indirect Cost**       $1,584,742
Financing Costs             $1,195,074
Reserves/Escrows/Other Project Costs $1,240,021
Developer fee (8.3% of total costs) $1,946,464
Total Soft Costs (32.9% of total costs) $7,763,049  $87.82 psf
Total Uses                   $23,537,443  $265.06 psf

*Gross building area is 88,800 square feet.
**Construction Management, Environmental Audit & Tests, Permits, Surveys, NMTC & LIHTC Legal Fees, Title & Recording Costs, Audit & Costs Certification, Appraisals, Market Studies, Taxes During Development, Insurance During Development, 3rd Party Consultants, Rent-up and Marketing, and Other Legal Fees
VII. PUBLIC BENEFITS
The proposed project will provide the following public benefits.

Affordable Housing: The Project will provide 36 new affordable housing units benefiting residents earning below 80% AMI.

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 qualifies for over 300 points on the Chicago Green Homes checklist and will be submitting for permits under the Green Homes Program. The Project environmental features will include permeable paving, a bioswale, an energy star roof, insulated walls to R-19, and insulated roof to R-49.

Jobs: It is estimated that there will be approximately 45 permanent jobs created in the commercial office space and one commercial maintenance position created for the residential building. During construction the Project will also create approximately 200 temporary jobs. The Department of Community Development Workforce Division has been informed of the Project and will work with the Developer on job training and placement.

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 provided notification of the proposed project, by certified mail, to seven associations of minority and woman contractors. A copy of the certified letters and the post office receipts are presented as exhibits to this report.

VIII. COMMUNITY SUPPORT

Alderman Toni Preckwinkle endorses the Project and has provided a letter of support (see exhibits for copy). The Oakwood Shores team has fully engaged the Madden Wells and neighborhood residents in every aspect of the planning and implementation process for Oakwood Shores. The Madden Wells HOPE VI revitalization plan emerged from an extensive community planning process involving local government, residents, and other community stakeholders. Since the Project moved from planning to development, the community has continued to support and participate in project planning in significant ways. A Working Group was formed to guide the Project from planning to completion and holds monthly meetings to review all aspects of the Project, including master planning, building elevations and floor plans, financing, neighborhood and community hiring for construction and non-construction employment opportunities, property management, and social services.

The Working Group included the 4th Ward Alderman and members of the Ida B. Wells and Madden Park Homes Local Advisory Council, whose members are elected by fellow residents to
represent the development to the larger community. The Working Group also includes representatives from the North Kenwood-Oakland Conservation Community Council, Mid-South Planning and Development, Business and Professional People for the Public Interest, the Legal Assistance Foundation of Metropolitan Chicago, the Chicago Housing Authority, The Habitat Company, and a number of City of Chicago agencies including the Chicago Department of Community Development and the Chicago Park District.

The site plan, floor plans, elevations, and exterior color palette for the project were presented to the Madden Wells Design Subcommittee and Madden Wells Working Group. The feedback from these meetings has significantly shaped the project’s design and will continue to inform all aspects of the project moving forward.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the Madden Wells Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area’s redevelopment plan: improve the quality of life for area residents; construction of quality new construction housing options for all income levels; provide much needed commercial and office space; reduce or eliminate the conditions that caused the area to be designated a Redevelopment Project Area. The implementation strategy for achieving the plan’s goals envisions the need to provide TIF financial assistance for the development of commercial and mixed-income multi-family housing units. The proposed project also conforms to the plan’s land use map, which calls for a mixed use development at the site.

X. CONDITIONS OF SALE

If the proposed resolution is approved by the CDC, DCD will release a public notice announcing the proposed sale and seeking alternative development proposals. The public notice will be published in one of Chicago’s metropolitan newspapers at least once for each of three consecutive weeks. If no responsive alternative proposals are received within 30 days of the publishing of the first notice, the department will accept a good faith deposit from the proposed developer, and a redevelopment agreement will be negotiated. The redevelopment agreement will incorporate the parameters of the proposed project as described in this staff report.

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

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

XI. RECOMMENDATION

The Department of 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 DCD recommends that the CDC recommend to the City Council the designation of Oakwood Shores Terrace Apartments Associates Limited Partnership and Arches Retail Development, LLC as Developer for the development of the Oakwood Shores Terraces.
EXHIBITS

Redevelopment Area Map
Neighborhood Map or Aerial Survey or Plat
Site Plan
Typical Floor Plan
Front Elevation or Rendering
Sample M/WBE Letter
Copies of M/WBE Certified Letter Receipts
Copy of Residential Developer License
Letter of Interest from Lender
Community Letters of Support
Alderman's Letter of Support
Figure 2
Historic Resources

Madden/Wells
Tax Increment Financing Redevelopment Project
BUILDING TO HAVE COTTAGE GROVE ADDRESS

PROPOSED BUILDING WITH FIRE ALARM SYSTEM
F.F.E. 21:46
NO SPRINKLER SYSTEM
NO STANDPIPES

1. FIRE PREVENTION PLAN
SCALE 1/50

LEGEND:
- PROPERTY LINE (PL)
- SETBACK LINE
- NEW WALLS
- NEW INFILL ACCESS PUMP (SEE SITE PLAN FOR DETAILS)

GRAPHIC SCALE

2ND FLOOR CLASS A BUSINESS
3RD FLOOR CLASS A RESIDENTIAL
4TH FLOOR CLASS A RESIDENTIAL
5TH FLOOR CLASS A RESIDENTIAL
6TH FLOOR CLASS A RESIDENTIAL

NOTES:
1. ALL CURB AND BAYER TO FACE OF CURB. LANE DIMENSIONS REFER TO FACE OF CURB.
2. PEDESTRIAN ALONG COMPONENTS WITH EXISTING ELECTRICAL, MECHANICAL, OR PLUMBING SYSTEMS. IMMEDIATELY MOW THE EXISTING SYSTEMS OR THEIR LOCATION.
3. CONSTRUCTION ACCESS POINTS TO THE SITE WILL BE PRESCRIBED IN SUCH A WAY AS TO PERMIT MOVEMENT OF VEHICLES ON ALL PUBLICeways.
4. ALL BUILDING CODES ARE TO OUGHT IN ACCORDANCE WITH LOCAL AND ANY ADDITIONAL SPECIFICATIONS FOR BUILDING ELEVATION AND DETAILS, SEE ARCH. DRAW.
Oakwood Shores Terrace Associates Limited Partnership
c/o The Community Builders, Inc.

**BY CERTIFIED MAIL**

June 5, 2009

Ms. Hedy Ratner
Women Business Development Center
8 S. Michigan Avenue, Suite 400
Chicago, IL 60603

Re: Oakwood Shores Terrace Apartments

Dear Ms. Ratner:

Oakwood Shores Terrace Associates Limited Partnership, a partnership of Granite Development and The Community Builders, Inc., is pleased to announce the redevelopment of the Madden Wells Darrow public housing complex located in an area bounded by Pershing Road and 37th Street from Cottage Grove Avenue to Vincennes Avenue on Chicago's South Side. The Oakwood Shores Terrace Apartments project involves construction of 48 new rental units in a midrise, mixed-use residential and medical building at the corner of E. 38th Street and S. Cottage Grove Avenue.

McShane Construction Corporation has been selected as the general contractor for the project. The project will require participation in selective trades. The construction budget, which is currently estimated at approximately $10 million, is subject to minority business enterprise (MBE) participation of 24 percent and women business enterprise (WBE) participation of 4 percent. The developer and general contractor expect to solicit bids from qualified subcontractors in Summer/Fall 2009, with an expected construction start date of Fall 2009/Winter 2010. The contact information for McShane is as follows:

Min W. Jang
Project Executive
9550 W. Higgins Road, Suite 200
Rosemont, IL 60018
(847) 692-8837
MJang@mcshane.com

At your request, the general contractor will meet with a representative of your organization to present the project budget and schedule. At your request, the general contractor will also provide your organization with one copy of the project bid documents (including plans and specifications) when they become available.

Oakwood Shores Terrace Associates Limited Partnership 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,

Lee Pratter
Senior Project Manager

cc: Ms. Essie Escareño-Banks
Dept. of Community Development, City of Chicago

One North LaSalle, Suite 1200, Chicago, IL 60602 Phone: 312-385-4813
**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

   **Ms. Hedy Ratner**  
   Women Business Development Center  
   8 S. Michigan Avenue, Suite 400  
   Chicago, IL 60603

---

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature: [Signature]
- B. Received by (Printed Name): [Name]
- C. Date of Delivery: [Date]
- D. Is delivery address different from item 1?  
  - Yes  
  - No

2. Article Number (Transfer from service label)  
   7008 1830 0000 1365 2259

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3. Service Type  
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   - [ ] Express Mail  
   - [ ] Registered  
   - [ ] Return Receipt for Merchandise  
   - [ ] Insured Mail  
   - [ ] C.O.D.

4. Restricted Delivery? (Extra Fee)  
   - Yes

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**PS Form 3811, February 2004**  
Domestic Return Receipt  
102595-02-N-1540
**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

   Mr. Paul Cerpa  
   Hispanic American Construction Industry Association  
   901 W. Jackson Boulevard, Suite 205  
   Chicago, IL 60607

2. Article Number  
   (Transfer from service label)  
   7008 1830 0000 1365 2228

**COMPLETE THIS SECTION ON DELIVERY**

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- [ ] C.O.D.

4. Restricted Delivery? (Extra Fee)  
   [ ] Yes

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PS Form 3811, February 2004  
Domestic Return Receipt  
102555-02-M-1540
June 5, 2009

Mr. Juan Ochoa
Mexican American Chamber of Commerce
111 W. Washington Street
Chicago, IL 60602

Re: Oakwood Shores Terrace Apartments

Dear Mr. Ochoa:

Oakwood Shores Terrace Associates Limited Partnership, a partnership of Granite Development and The Community Builders, Inc., is pleased to announce the redevelopment of the Madden Wells Darrow public housing complex located in an area bounded by Pershing Road and 37th Street from Cottage Grove Avenue to Vincennes Avenue on Chicago's South Side. The Oakwood Shores Terrace Apartments project involves construction of 48 new rental units in a midrise, mixed-use residential and medical building at the corner of E. 38th Street and S. Cottage Grove Avenue.

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Project Executive
9550 W. Higgins Road, Suite 200
Rosemont, IL 60018
(847) 692-8837
MJang@mcshane.com

At your request, the general contractor will meet with a representative of your organization to present the project budget and schedule. At your request, the general contractor will also provide your organization with one copy of the project bid documents (including plans and specifications) when they become available.

Oakwood Shores Terrace Associates Limited Partnership 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,

[Signature]
Lee Pratter
Senior Project Manager

cc: Ms. Essie Escareño-Banks
Dept. of Community Development, City of Chicago
SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

   Mr. Juan Ochoa
   Mexican American Chamber of Commerce
   111 W. Washington Street
   Chicago, IL 60602

2. Article Number
   (Transfer from service label)

   7008 1630 0000 1365 2235

SENDING: COMPLETE THIS SECTION ON DELIVERY

A. Signature

   X

B. Received by (Printed Name)  

   J vera

C. Date of Delivery

   6/10/9

D. Is delivery address different from Item 1?  

   Yes

   If YES, enter delivery address below:

   No

3. Service Type

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

4. Restricted Delivery? (Extra Fee)  

   Yes

PS Form 3811, February 2004 Domestic Receipt 102598-02-M-1540
### SENDER: COMPLETE THIS SECTION
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
   Mr. Perry Nackachi
   Association of Asian Construction Enterprises
   333 N. Ogden Avenue
   Chicago, IL 60607

### COMPLETE THIS SECTION ON DELIVERY

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2. Article Number (Transfer from service label)

| 7008 1830 0000 1365 2242 |

3. Service Type
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- [ ] Express Mail
- [ ] Registered
- [ ] Return Receipt for Merchandise
- [ ] Insured Mail
- [ ] C.O.D.

4. Restricted Delivery? (Extra Fee)

| Yes |

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PS Form 3811, February 2004  Domestic Return Receipt  102595-02-44-1543
June 5, 2009

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

Re: Oakwood Shores Terrace Apartments

Dear Mr. Nackachi:

Oakwood Shores Terrace Associates Limited Partnership, a partnership of Granite Development and The Community Builders, Inc., is pleased to announce the redevelopment of the Madden Wells Darrow public housing complex located in an area bounded by Pershing Road and 37th Street from Cottage Grove Avenue to Vincennes Avenue on Chicago’s South Side. The Oakwood Shores Terrace Apartments project involves construction of 48 new rental units in a midrise, mixed-use residential and medical building at the corner of E. 38th Street and S. Cottage Grove Avenue.

McShane Construction Corporation has been selected as the general contractor for the project. The project will require participation in selective trades. The construction budget, which is currently estimated at approximately $10 million, is subject to minority business enterprise (MBE) participation of 24 percent and women business enterprise (WBE) participation of 4 percent. The developer and general contractor expect to solicit bids from qualified subcontractors in Summer/Fall 2009, with an expected construction start date of Fall 2009/Winter 2010. The contact information for McShane is as follows:

Min W. Jang
Project Executive
9550 W. Higgins Road, Suite 200
Rosemont, IL 60018
(847) 692-8837
MJang@mcshane.com

At your request, the general contractor will meet with a representative of your organization to present the project budget and schedule. At your request, the general contractor will also provide your organization with one copy of the project bid documents (including plans and specifications) when they become available.

Oakwood Shores Terrace Associates Limited Partnership 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,

Lee Pratter
Senior Project Manager

cc: Ms. Essie Escareño-Banks
Dept. of Community Development, City of Chicago

One North LaSalle, Suite 1200, Chicago, IL 60602 Phone: 312-385-4813
Oakwood Shores Terrace Associates Limited Partnership

c/o The Community Builders, Inc.

BY CERTIFIED MAIL

June 5, 2009

Mr. Omar Shareef
African American Contractors Association
3901 S. State Street, Suite 103
Chicago, IL 60609

Re: Oakwood Shores Terrace Apartments

Dear Mr. Shareef:

Oakwood Shores Terrace Associates Limited Partnership, a partnership of Granite Development and The
Community Builders, Inc., is pleased to announce the redevelopment of the Madden Wells Darrow public housing
complex located in an area bounded by Pershing Road and 37\textsuperscript{th} Street from Cottage Grove Avenue to Vincennes
Avenue on Chicago’s South Side. The Oakwood Shores Terrace Apartments project involves construction of 48 new
rental units in a midrise, mixed-use residential and medical building at the corner of E. 38\textsuperscript{th} Street and S. Cottage
Grove Avenue.

McShane Construction Corporation has been selected as the general contractor for the project. The project will
require participation in selective trades. The construction budget, which is currently estimated at approximately $10
million, is subject to minority business enterprise (MBE) participation of 24 percent and women business enterprise
(WBE) participation of 4 percent. The developer and general contractor expect to solicit bids from qualified
subcontractors in Summer/Fall 2009, with an expected construction start date of Fall 2009/Winter 2010. The contact
information for McShane is as follows:

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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,

Lee Pratter
Senior Project Manager

cc: Ms. Essie Escareño-Banks
Dept. of Community Development, City of Chicago

One North LaSalle, Suite 1200, Chicago, IL 60602 Phone: 312-385-4813
Mr. Omar Shareef  
African American Contractors Association  
3901 S. State Street, Suite 103  
Chicago, IL 60609

A. Signature: [Signature]

B. Received by (Printed Name): [Name]

C. Date of Delivery: [Date]

D. Is delivery address different from item 1?  
   ☐ Yes  ☐ No

If YES, enter delivery address below:

3. Service Type

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

4. Restricted Delivery? (Extra Fee)  
   ☐ Yes

PS Form 3811, February 2004  
Domestic Return Receipt  
100299-02-M-1540
BY CERTIFIED MAIL

June 5, 2009

Mr. Edward T. McKinnie
Black Contractors United
400 W. 76th Street
Chicago, IL 60620

Re: Oakwood Shores Terrace Apartments

Dear Mr. McKinnie:

Oakwood Shores Terrace Associates Limited Partnership, a partnership of Granite Development and The Community Builders, Inc., is pleased to announce the redevelopment of the Madden Wells Darrow public housing complex located in an area bounded by Pershing Road and 37th Street from Cottage Grove Avenue to Vincennes Avenue on Chicago's South Side. The Oakwood Shores Terrace Apartments project involves construction of 48 new rental units in a midrise, mixed-use residential and medical building at the corner of E. 38th Street and S. Cottage Grove Avenue.

McShane Construction Corporation has been selected as the general contractor for the project. The project will require participation in selective trades. The construction budget, which is currently estimated at approximately $10 million, is subject to minority business enterprise (MBE) participation of 24 percent and women business enterprise (WBE) participation of 4 percent. The developer and general contractor expect to solicit bids from qualified subcontractors in Summer/Fall 2009, with an expected construction start date of Fall 2009/Winter 2010. The contact information for McShane is as follows:

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9550 W. Higgins Road, Suite 200
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(847) 692-8837
MJang@mcshane.com

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Oakwood Shores Terrace Associates Limited Partnership 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,

Lee Pratter
Senior Project Manager

cc: Ms. Essie Escareño-Banks
Dept. of Community Development, City of Chicago
<table>
<thead>
<tr>
<th>SENDER: COMPLETE THIS SECTION</th>
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<tr>
<td>• Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</td>
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<tr>
<td>• Print your name and address on the reverse so that we can return the card to you.</td>
</tr>
<tr>
<td>• Attach this card to the back of the mailpiece, or on the front if space permits.</td>
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</table>

1. Article Addressed to:
   Mr. Edward T. McKinnie  
   Black Contractors United  
   400 W. 76th Street  
   Chicago, IL 60620

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<th>COMPLETE THIS SECTION ON DELIVERY</th>
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<tbody>
<tr>
<td>A. Signature</td>
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<tr>
<td>□ Agent</td>
</tr>
<tr>
<td>□ Addressee</td>
</tr>
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</table>

| B. Receiver (Printed Name)       |
| C. Date of Delivery              |
| □ Yes                             |
| □ No                              |

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

2. Article Number  
(Transfer from service label)  

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<tr>
<td>Express Mail</td>
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<tr>
<td>Return Receipt for Merchandise</td>
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<td>C.O.D.</td>
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</table>

3. Restricted Delivery? (Extra Fee)  
 □ Yes

4. Service Type:  
 Certified Mail

PS Form 3811, February 2004  
 Domestic Return Receipt  
 102595-02-467340
June 5, 2009

Ms. Beth Doria
Federation of Women Contractors
5650 S. Archer Avenue
Chicago, IL 60638

Re: Oakwood Shores Terrace Apartments

Dear Ms. Doria:

Oakwood Shores Terrace Associates Limited Partnership, a partnership of Granite Development and The Community Builders, Inc., is pleased to announce the redevelopment of the Madden Wells Darrow public housing complex located in an area bounded by Pershing Road and 37th Street from Cottage Grove Avenue to Vincennes Avenue on Chicago’s South Side. The Oakwood Shores Terrace Apartments project involves construction of 48 new rental units in a midrise, mixed-use residential and medical building at the corner of E. 38th Street and S. Cottage Grove Avenue.

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Oakwood Shores Terrace Associates Limited Partnership 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,

Lee Pratter
Senior Project Manager

cc: Ms. Essie Escareño-Banks
    Dept. of Community Development, City of Chicago
SENDERT: COMPLETE THIS SECTION

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

1. Article/Addressed to:

Ms. Beth Doria
Federation of Women Contractors
5650 S. Archer Avenue
Chicago, IL 60638

2. Article Number
(Transfer from service label) 7008 1830 0000 1365 2211

COMPLETE THIS SECTION ON DELIVERY

A. Signature

B. Received by (Printed Name) BERNIE VIOCH

C. Date of Delivery

D. Is delivery address different from item 1? Yes
   If YES, enter delivery address below:
   No

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

4. Restricted Delivery? (Extra Fee) Yes

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540
BY CERTIFIED MAIL

June 5, 2009

Mr. Paul Cerpa
Hispanic American Construction Industry Association
901 W. Jackson Boulevard, Suite 205
Chicago, IL 60607

Re: Oakwood Shores Terrace Apartments

Dear Mr. Cerpa:

Oakwood Shores Terrace Associates Limited Partnership, a partnership of Granite Development and The Community Builders, Inc., is pleased to announce the redevelopment of the Madden Wells Darrow public housing complex located in an area bounded by Pershing Road and 37th Street from Cottage Grove Avenue to Vincennes Avenue on Chicago’s South Side. The Oakwood Shores Terrace Apartments project involves construction of 48 new rental units in a midrise, mixed-use residential and medical building at the corner of E. 38th Street and S. Cottage Grove Avenue.

McShane Construction Corporation has been selected as the general contractor for the project. The project will require participation in selective trades. The construction budget, which is currently estimated at approximately $10 million, is subject to minority business enterprise (MBE) participation of 24 percent and women business enterprise (WBE) participation of 4 percent. The developer and general contractor expect to solicit bids from qualified subcontractors in Summer/Fall 2009, with an expected construction start date of Fall 2009/Winter 2010. The contact information for McShane is as follows:

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Project Executive
9550 W. Higgins Road, Suite 200
Rosemont, IL 60018
(847) 692-8837
MJang@mcshane.com

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Oakwood Shores Terrace Associates Limited Partnership 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,

Lee Pratter
Senior Project Manager

cc: Ms. Essie Escareño-Banks
Dept. of Community Development, City of Chicago

One North LaSalle, Suite 1200, Chicago, IL 60602 Phone: 312-385-4813
LICENSE CERTIFICATE
NON-TRANSFERABLE

THE COMMUNITY BUILDERS, INC.
TCB ILLINOIS NFP, INC.
1 N. LA SALLE ST., Floor 12TH, Apt./Suite 1200
CHICAGO, IL 60602

1979191  1020  $****250.00
Residential Real Estate Developer

PRESIDENT: PATRICK EDWARD CLANCY
SECRETARY: JONATHAN MARSHALL KEYES

PRINTED ON:  06/23/2009  $****250.00

23 JUNE, 2009

March 15, 2010

[Signatures]
March 30, 2009

Mrs. Lee Pratter  
Senior Project Manager  
The Community Builders, Suite 1200  
One North LaSalle Street  
Chicago, IL 60602

Dear Mrs. Pratter:

The IFF was created to provide financing and real estate development solutions to Illinois nonprofits. Since 1990 the IFF has extended financing to hundreds of nonprofits, allowing them to improve their facilities and their financial health. We are excited about the opportunity to work with The Community Builders on Oakwood Shores Terrace Apartments.

The Community Builders is a well-run credit worthy organization and, based on a review of your audits the IFF would be interested in assisting The Community Builders with an IFF loan on Oakwood Shores Terrace Apartments.

As with all IFF loan underwriting, final IFF loan approval is contingent upon Loan Task Force approval. Upon final approval, the IFF loan will have the following terms:

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
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<tbody>
<tr>
<td>Type</td>
<td>First loan position</td>
</tr>
<tr>
<td>Amount</td>
<td>Up to $1,500,000</td>
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<td>Term</td>
<td>18 years, principal and interest.</td>
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<tr>
<td>Amortization</td>
<td>Up to 30 years</td>
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<tr>
<td>Interest</td>
<td>Rate is set at time of signing the Commitment Letter. Rate is 250 to 300 basis points above the 15 year U. S. Treasury rate. Currently the rate is 7.125%. IFF rates change monthly.</td>
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<tr>
<td>Fees</td>
<td>1% origination fees due at closing</td>
</tr>
<tr>
<td>Prepayment</td>
<td>None</td>
</tr>
<tr>
<td>Collateral</td>
<td>First Position</td>
</tr>
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</table>

Please be aware that this letter does not constitute a financing commitment on the IFF’s behalf. Mrs. Pratter, please do not hesitate to call me at 312-596-5136. We look forward to working with you on this important project.

Sincerely,

Adam Kroshus  
Senior Loan Officer
March 31, 2009

Doug Stockstad
The Community Builders, Inc.
95 Berkeley St., Ste. 500
Boston, MA 02116-6240

Re: Letter of Intent to Purchase Illinois Affordable Housing Credits

Dear Mr. Stockstad:

Please accept this Letter of Intent (the “Letter”) as evidence of the terms and conditions under which U.S. Bank National Association (the “Bank”) would presently intend to purchase from the Chicago Housing Authority (“Donor”) up to one million two hundred five thousand dollars ($1,205,000.00) of Illinois affordable housing credits (the “IL AHTC”) to be issued by the Illinois Housing Development Authority in connection with a donation to be made by the Donor for the benefit of the affordable housing development known as Oakwood Shores Terrace Apartments (the “Project”) located in Chicago, Illinois. This Letter does not purport to summarize all the terms, conditions, covenants, representations, warranties or other provisions which would be contained in definitive legal documentation of the final purchase and sale of the IL AHTC contemplated herein. The actual terms and conditions upon which the Donor will sell the IL AHTC to the Bank and the Bank will purchase the IL AHTC from the Donor are subject to satisfactory review of the final documentation and such other terms and conditions as may be determined by the Bank and its counsel. Subject to the foregoing and to the satisfaction of the conditions precedent described herein, the Bank currently anticipates that the Bank will purchase the IL AHTC under the terms outlined below:

Maximum IL AHTC: $1,205,000.00

Required Bank Donation to Project: $10,000.00

Purchase Price: $0.87 per $1.00 of IL AHTC issued up to the maximum amount of $1,205,000.00. In addition, the Bank will make the required Donation amount of $10,000 to The Community Builders, Inc. (the “Sponsor”).

Bank’s Expected Tax Credit Usage: The IL AHTC will be applied against the Bank’s 2009 Illinois state tax liability.
Closing:

Upon execution of the definitive documentation containing the terms and conditions governing the purchase and sale of the IL AHTC of all conditions precedent, presently expected by approximately December 31, 2009.

Additional Provisions:

1. It is anticipated that the IL AHTC will be issued based on a charitable contribution to the Project being made by the Chicago Housing Authority in an amount equal up to $2,410,000.00 (the “Donor’s Donation”).

2. The final documentation will contain an indemnification from the Sponsor to the Bank against the risk of subsequent recapture of the IL AHTC after issuance for any reason not caused by the Bank.

3. Conditions Precedent:
   a. The Donor’s making the Donor’s Donation to the Project;
   b. Execution of final documentation related to the issuance of the IL AHTC to the Donor and the Donor’s transfer of the IL AHTC to the Bank in escrow; and

Should you have any questions, please contact me as soon as possible. Please evidence your acceptance of and agreement to the foregoing by having both copies of this Letter executed on behalf of the Sponsor and return one executed original to my attention by April 15, 2009.

Sincerely,

U.S. Bank, N.A.

Robert B. Espeland
Vice President
Doug Stockstad  
The Community Builders, Inc.  
Re: IL AHTC – Oakwood Shores Terrace Apartments  
March 31, 2009  
Page 3 of 3

ACCEPTED:  
The Community Builders, Inc.

By: __________________________

Printed Name: __________________________

Title: __________________________

Date: __________________________
Ms. DeShana Forney  
Executive Director  
Illinois Housing Development Authority  
401 N. Michigan Avenue, Suite 700  
Chicago, IL 60611

RE: Illinois Housing Development Authority Multifamily Programs Application for Oakwood Shores Terrace Apartments

Dear Ms. Forney:  

I am writing to express the strong support of the North Kenwood-Oakland Conservation Community Council (CCC) for the Oakwood Shores Terrace Apartments project detailed in the IHDA Tax Credit Application submitted to you by Oakwood Shores Terrace Associates Limited Partnership, consisting of The Community Builders, Inc. and Granite Development.

The North Kenwood-Oakland CCC has been involved in the planning process for the mixed-income redevelopment of the Madden Park and Ida B. Wells Homes for approximately eleven years. Part of this process has involved the presentation of evolving plans for the site to the Working Group, which was formed to guide the project from planning to completion and holds monthly meetings to review all aspects of the project. The North Kenwood-Oakland CCC is a member of this group, which also includes members of the Ida B. Wells and Madden Park Homes Local Advisory Councils, Mid-South Planning and Development, the 4th Ward Alderman, Business and Professional People for the Public Interest, The Chicago Housing Authority, The Habitat Company, and a number of City of Chicago agencies including the Chicago Department of Housing and the Chicago Department of Planning and Development. The Working Group has had the opportunity to review and comment on the plan in a participatory process that has led to the approved plan presented in this application.

Terrace Apartments will build on the previous and ongoing phases of Oakwood Shores and play an essential role in the overall development of the community and its connection to the surrounding neighborhoods and the city as a whole. It is part of the proposed Cottage Grove Service Corridor, together with a planned senior building, arts and recreation center, and other commercial development. In addition to continuing the
March 18, 2009

development of mixed-income housing units, Terrace Apartments will fulfill a need in our revitalizing community as its first mixed-use residential and medical facility. Mercy Hospital will run an approximately 14,000 square foot full Medical Clinic on the first floor of the building. Additionally, the second floor of the building will include approximately 14,000 square feet of medical suites. These spaces will provide essential, long-term medical resources and health and wellness programming to the community. Your favorable consideration and support of this application is critical to the success of our project.

Sincerely,

Shirley J. Newsome
Chairman, North Kenwood-Oakland CCC
March 18, 2009

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

RE: Illinois Housing Development Authority Multifamily Programs Application for Oakwood Shores Terrace Apartments

Dear Ms. Forney:

I am writing to express my strong support for the Oakwood Shores Terrace Apartments project detailed in this financing application submitted by Oakwood Shores Terrace Associates Limited Partnership. For over six years, the Quad Communities Development Corporation has been pursuing its mission of community development in order to create a sustainable, healthy, mixed-income neighborhood. The Oakwood Shores development is the embodiment of this plan.

The successful transformation of the first phases of the former Madden/Wells public housing site into the mixed-income community of Oakwood Shores is unparalleled. These repeat successes have helped continue the revitalization of our Midsouth community and spurred new investment and growth throughout the area. In addition to maintaining affordable housing for the community, it is also important that we provide resources to welcome new residents into the Quad Communities neighborhoods of Chicago.

Oakwood Shores Terrace Apartments will include an approximately 14,000 square foot full Mercy Hospital Medical Clinic on the first floor, and approximately 14,000 square feet of medical suited on the second floor. These spaces will provide essential, long-term medical resources and health and wellness programming to the community. Additionally, Terrace Apartments is part of the proposed Cottage Grove Service Corridor, together with a planned senior building, arts and recreation center, and other commercial development. It will fulfill a need in the community as its first mixed-use residential and medical facility. This building will play an essential role in the overall development of the Oakwood Shores community and its connection to the surrounding neighborhoods and the city as a whole. I strongly urge you to approve the financing request for Oakwood Shores Terrace Apartments in order to continue this successful revitalization.

Sincerely,

Bernita Johnson-Gabriel
Executive Director
March 31, 2009

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

Re: Oakwood Shores Terrace Apartments

Dear Ms. Forney:

The City of Chicago supports The Community Builders and Granite Development in their application to the Illinois Housing Development Authority for Oakwood Shores Terrace Apartments. This building not only provides needed mixed-income housing but also expands the service corridor along South Cottage Grove Avenue by delivering a medical clinic and doctors' offices sponsored by Mercy Hospital.

The Department of Community Development (DCD) is working closely with the Chicago Housing Authority and its selected development teams to support priority public housing transformation projects. We have provided tax credits and HOME funding to three previous phases of Oakwood Shores and will be providing tax credits for Phase 2B(One).

For Oakwood Shores Terrace, which consists of 36 affordable rental units, the City of Chicago is committing approximately $2.1 million in multi-family loan funds through its partnership with the CHA.

The City also owns a portion of the land that will be required to construct Oakwood Shores Terrace Apartments, and is willing to transfer this land to the project for $1 at closing.

We encourage IHDA to join with us and CHA to provide the financing necessary to develop this important project.

Sincerely,

Christine Raguso  
Acting Commissioner
March 19, 2009

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

RE:  Illinois Housing Development Authority Multifamily Programs Application  
for Oakwood Shores Terrace Apartments  

Dear Ms. Forney:

I would like to express my support for the Oakwood Shores Terrace Apartments project detailed in this financing application submitted by Oakwood Shores Terrace Associates Limited Partnership, consisting of The Community Builders, Inc. and Granite Development. As alderman for the entire Madden/Wells site, I have been involved for almost eleven years in the planning process for the mixed-income redevelopment of Madden Park and Ida B. Wells Homes into the new mixed-income neighborhood now known as Oakwood Shores.

The completion of Oakwood Shores Phases 1A and 1B has already begun to have a dramatic effect on this community. Blighted and isolated public housing has been replaced by new, low-rise and mid-rise buildings with designs that reference the neighborhood’s architecture, and new public infrastructure that physically connects the development and its residents to the surrounding area. A community of former public housing, affordable, and market rate renters and homeowners has begun to establish a new neighborhood that is integrated within the larger community and the city of Chicago. The development of Phase 2 is also well underway with construction of Phase 2A almost complete and the closing of Phase 2B(One) in process.

In addition to the development of mixed-income rental and for-sale housing, the overall plan for the Oakwood Shores community includes providing services and resources that create and spur investment for a sustainable neighborhood. Oakwood Shores Terrace Apartments, a 48 unit mixed-use residential and medical building, plays a central role in
this vision. Mercy Hospital will run an approximately 14,000 square foot full Medical Clinic on the first floor of this building. The second floor will contain approximately 14,000 square feet of medical suites. These spaces will play an essential role in providing long-term medical resources and health and wellness programming to the community as a whole. Additionally, Terrace Apartments will help complete the proposed Cottage Grove Service Corridor, together with a planned senior building, arts and recreation center, and other commercial development. It will fulfill a need in the community as its first mixed-use residential and medical facility.

I believe that this overall development plan will continue to transform the distressed Madden/Wells public housing developments into a vibrant, mixed-income neighborhood. I will continue to take an extremely active role in the ongoing discussions about this plan on behalf of my constituents. Please support Oakwood Shores Terrace Apartments to add an important resource to this mixed-income redevelopment project that will preserve affordable housing and spur continued investment in the community.

Sincerely,

Toni Preckwinkle
Alderman, 4th Ward
COMMISSION DEVELOPMENT COMMISSION
OF THE
CITY OF CHICAGO

RESOLUTION NO. 02-CDC-87

AUTHORIZATION TO ENTER INTO A NEGOTIATED SALE WITH OAKWOOD SHORES TERRACE APARTMENTS ASSOCIATES LIMITED PARTNERSHIP AND ARCHES RETAIL DEVELOPMENT, LLC. FOR DISPOSITION OF THE PROPERTY LOCATED AT 3753-3755 SOUTH COTTAGE GROVE WITHIN THE MADDEN/WELLS TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

AND

AUTHORIZATION TO NEGOTIATE A REDEVELOPMENT AGREEMENT WITH OAKWOOD SHORES TERRACE APARTMENTS ASSOCIATES LIMITED PARTNERSHIP AND ARCHES RETAIL DEVELOPMENT, LLC

AND

RECOMMENDATION TO THE CITY COUNCIL OF THE CITY OF CHICAGO FOR THE DESIGNATION OF WITH OAKWOOD SHORES TERRACE APARTMENTS ASSOCIATES LIMITED PARTNERSHIP AND ARCHES RETAIL DEVELOPMENT, LLC 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 02-CDC-80 and pursuant to the Act, enacted three ordinances on November 6, 2002 pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the Madden/Wells Tax Increment Redevelopment Project Area (the "Area"), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area. The street boundaries of the Area are described on Exhibit A hereto; and

WHEREAS, the City owns the property located at 3753-55 South Cottage Grove, having the Property Identification Number(s) (PINs) 17-34-421-096, 17-34-421-099, 17-34-421-100, 17-34-
Negotiated Sale- Residential 1-08

421-093 (the “Property”) and desires that it be redeveloped for a six (6) story mixed use building; and

WHEREAS, the Chicago Housing Authority owns property located at 3740 South Ellis, having the Property Identification number (17-34-421-101) and desires that a portion of the property be redeveloped as part of this project for parking; and

WHEREAS, staff of the Department of Community Development of the City of Chicago (the “Department”) have entered into discussions with Oakwood Shores Terrace Apartments Associates Limited Partnership and Arches Retail Development, LLC. (the “Developers”) concerning the sale of the Property for the development of a six story, mixed use building; and

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

WHEREAS, the Developer has proposed to pay $1.00 as consideration for the purchase of the Property, $959,999 less than the appraised fair market value of $960,000; and

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

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

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

WHEREAS, DCD requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that DCD be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project, if no responsive alternative proposals are received by DCD within thirty (30) days after publication of the first Notice or, if alternative proposals are received and DCD in its sole discretion determines that the Developer’s Project is the best proposal; now, therefore,
BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

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

Section 2. The Commission hereby authorizes DCD 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 DCD 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 DCD within the time recited above or, if alternative proposals are received and DCD in its sole discretion determines that the Developer's Project is the best proposal.

Section 4. DCD 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 Christine Raguso, Acting Commissioner, Department of Community Development, Attn: James Wilson, City Hall- Room 1003, 121 North LaSalle Street, Chicago, Illinois 60602 within 30 days of the date of the first publication of the Notice and shall contain names of parties, offer prices for the Disposition Parcels, evidence of financial qualifications, and a timetable for redevelopment before said proposal will be considered.

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

Section 7. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.

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

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

Section 10. A certified copy of this resolution shall be transmitted to the City Council.
ADOPTED: September 8, 2009

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

Exhibit B, Form of Notice Requesting Alternative Proposals
EXHIBIT A

Street Addresses and P.I.N.s of Disposition Parcels
And
Street Boundaries of the
Madden/Wells Tax Increment Financing
Redevelopment Project Area

<table>
<thead>
<tr>
<th>Address</th>
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<tbody>
<tr>
<td>3747 - 3749 S Cottage Grove Ave</td>
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Tax Increment Financing Redevelopment Project Area

The Area is generally bounded by 37th Street on the north, Metra IC on the east, Oakwood Blvd on the south, and Vincennes Ave. on the west.
**SCHEDULE 1**

The Disposition Parcels

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EXHIBIT B

PUBLIC NOTICE is hereby given by the Community Development Commission of the City of Chicago (the “City”) pursuant to section 5/11-74.4-4 (c) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the “Act”), that the City's Department of Community Development (“DCD”) intends to negotiate a redevelopment agreement with Oakwood Shores Terrace Apartments Associates Limited Partnership and Arches Retail Development, LLC. (the “Developer”) pursuant to which the City intends to provide financial assistance to the Developer in the amount of $2,100,000 or 9% of the total project budget from Madden/Wells tax increment financing bond proceeds and/or incremental tax revenues pursuant to the Act for eligible costs associated with Oakwood Shores Terraces development project (the “Project”) to be located at 3753-55 S. Cottage Grove Avenue (the “Property”), located in the Madden/Wells TIF Redevelopment Project Area (the “Area”). The Project will consist of a six story, mixed use building. The City also intends to negotiate a redevelopment agreement with the Developer for the sale of 17-34-421-096, 17-34-421-099, 17-34-421-100, 17-34-421-093 individual tax parcels, described in Schedule 1 attached hereto (the “Disposition Parcels”), for $1.00. The Property and Disposition Parcels are located within the Area established pursuant to the Act, and the Project is in compliance with the Madden/Wells TIF Redevelopment Plan. The Area is generally bounded as follows:

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

The documents listed below related to the Area, the Project and the Disposition Parcels are available for public inspection before October 13, 2009 at the offices of DCD, Room 1003, 121 N. LaSalle, Chicago, Illinois between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday:

(i) “Madden/Wells Tax Increment Financing Redevelopment Project and Plan,” which constitutes the City's redevelopment plan for the Area;

(ii) a terms sheet showing all proposed material terms of the redevelopment agreements as of the date hereof, including but not limited to an estimated Project budget setting forth the amount of financial assistance the City intends to provide to the Developer for the Project; and

(iii) the terms of all bids and proposals received, if any, by the City related to the Project and the redevelopment agreements.
Please contact James Wilson at DCD at (312) 744-2379 to review these materials and for information regarding the form required, if any, for proposals submitted to the City. Proposals shall include the general plan for the redevelopment of the Disposition Parcels, the names of the party or parties making the proposal, the price offered, evidence of financial qualifications and capacity to complete said redevelopment, and the timetable for implementation. The City reserves the right to reject any and all proposals. Proposals will be received by the City at DCD's offices, Room 1000, City Hall, 121 N. LaSalle, Chicago, Illinois 60602, until October 13, 2009 at 5:00 p.m., at which time all alternative proposals will be opened and reviewed.

Mary Richardson-Lowry, Chairman
COMMUNITY DEVELOPMENT COMMISSION

Attach Schedule 1 - Disposition Parcels
## SCHEDULE 1

The Disposition Parcels

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