



CITY OF CHICAGO • OFFICE OF THE MAYOR



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NEW DEVELOPMENT WOULD CREATE 58 NEW AFFORDABLE UNITS IN AUBURN GRESHAM

An ordinance to issue up to \$20M in Tax-Exempt housing revenue bonds to Evergreen Imagine JV LLC for the development of the Auburn Gresham Apartments located at 834-858 W 79th Street was introduced to City Council today by Mayor Lori E. Lightfoot.

This is the first INVEST South/West project to advance to the DOH application stage. Auburn Gresham Apartments will create 58 new construction units and the project is anticipated to generate 17 new permanent jobs and 100 temporary construction jobs.

Total development costs are currently expected to total roughly \$36.7million. In addition to the use of tax-exempt bonds and the 4% tax credit equity generated from the bonds, other funding will consist of City of Chicago multifamily loan funds, TIF funds, a first mortgage, a seller note, funding from ComEd, a deferred developer fee, and Donation Tax credits generated from the donation of City-owned land. Construction and rehabilitation will commence after the closing of the financing, which is expected to occur in the second quarter of 2022.

Prior to full financing approval, the project will require a Rezoning (anticipated February 2022) CDC approval for the land sale, TIF assistance (anticipated March 2022) and TIC approval (anticipated January 2022). Plan Commission approval will also be required for the City land sale.

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NEXT PHASE OF ABLA HOMES REDEVELOPMENT PLANNED FOR NEAR WEST SIDE

Mayor Lori E. Lightfoot today introduced a measure to City Council today that would authorize the issuance of up to \$87M in multi-family mortgage revenue bonds for the next phase of the Roosevelt Square-ABLA Homes redevelopment.



CITY OF CHICAGO • OFFICE OF THE MAYOR



Today's introduction would also authorize the execution of a TIF Redevelopment Agreement with RS Affordable I LL, authorize the City to transfer Illinois Affordable Housing Tax Credit (Donation Tax Credits) proceeds generated by the sale of these tax credits to the project known as Roosevelt Square 3B, authorize the conveyance of City-owned parcel(s) located at approximately 1221 to 1259 West Roosevelt Road to the Chicago Housing Authority (CHA), its designee, or the developer for the benefit of the project known as Roosevelt Square 3B, and designate RS Affordable I LLC as a TIF developer.

Related Midwest was chosen as the master developer for the Roosevelt Square-ABLA Homes redevelopment through a Chicago Housing Authority (CHA) Request for Qualification. As part of the CHA's Plan Forward, Roosevelt Square-ABLA Homes was to produce 2,441 units of mixed-income housing, and approximately 75,000 square-feet of retail/commercial space, in six phases on the near west side in the Roosevelt/Racine Tax Increment Financing Redevelopment area. To date, 664 homes have been developed, mixed between rental and for-sale, as well as 30,000 square-feet of retail, a 15,000 square-foot library and over two miles of new streets.

This phase of development will produce three newly constructed buildings that will house 207 mixed-income rental units, the rehabilitation of the housing museum which will contain 15 mixed-income rental units in the northern portion of the building and the renovated museum in the southern portion, tenant and community amenity and green spaces, off-street parking. Today's measure will also authorize the conveyance of city-owned parcel(s) located at approximately 1221 to 1259 West Roosevelt Road to the Chicago Housing Authority, its designee, or the developer, pursuant to Resolution 06-CDC-76 adopted by the Community Development Commission of the City of Chicago on September 12, 2006, and the rehabilitation of 184 CHA and affordable rental units from phase I.

Total development costs are approximately \$153,968,815 and in addition to the use of tax-exempt bonds and the 4% tax credit equity generated from the bonds (approximately \$43,069,000), other funding will consist of \$17 million in TIF to be ported from the Western-Ogden TIF Redevelopment area, approximately \$35.5 million in new and assumed Chicago Housing Authority (CHA) funding, a first mortgage of approximately \$45 million, equity from Illinois Affordable Housing Tax Credits (Donation Tax Credits) of approximately \$2.25 million, which will be generated from the value of the land, a deferred developer fee of approximately \$5 million and approximately \$1 million in transferred reserves from the existing Roosevelt Square phase one buildings.

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ORDINANCE WOULD PRESERVE SRO UNITS IN LINCOLN PARK

Mayor Lori E. Lightfoot introduced an ordinance today that would issue up to \$5 million in multifamily loan funds and designate Covent Apartments LLC, one of its affiliates, or an entity acceptable to DOH Commissioner, as the developer.

The Covent, located at 2653 N Clark was one of the first projects preserved under the City's 2014 Single Room Occupancy (SRO) Preservation Ordinance, which was enacted to preserve SRO affordable housing within the city.

The project will modernize and preserve 30 affordable units in the Lincoln Park neighborhood, where affordable housing is scarce. All 30 units will be targeted to very low-income individuals earning less than 50% of the area median income (AMI), with 25 of the 30 units targeted to households earning no more than 30% of AMI. All units will receive rental subsidies from the Chicago Housing Authority (CHA).

Total development costs are roughly \$21 million. In addition to the City of Chicago multifamily loan funds, other funding will consist of up to \$12 million in tax-exempt bonds issued by the City of Chicago, the 4% tax credit equity generated from the bonds, a first mortgage, a loan from the IHDA Trust Fund, a grant from ComEd, and equity generated from historic tax credits. Construction and rehabilitation will commence after the closing of the financing, which is expected to occur in the second quarter.

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NEW DEVELOPMENT PLANNED FOR WEST WOODLAWN COMMUNITY

The authorization to execute a multi-family loan agreement with 63rd Maryland, LLC and execute a TIF redevelopment agreement with 63rd Maryland, LLC for the construction of Park Station in the West Woodlawn Community was introduced to City Council today by Mayor Lori E. Lightfoot. Additionally, the ordinance would allow for the transfer of Illinois Affordable Housing Tax Credit (Donation Tax Credits) proceeds generated by the sale of these tax credits, sale of the city-owned parcel(s) for \$1 per parcel, and designate 63rd Maryland, LLC as a TIF developer.

The Park Station development will consist of the new construction of a five-story elevator building that will house 58 mixed-income rental units two of which will be one-bedroom live/work "loft-style" units on the first floor, tenant community space, commercial space on the ground floor to activate 63rd Street, and 40 off-street parking spaces. Other building



CITY OF CHICAGO • OFFICE OF THE MAYOR



amenities include bike storage, leasing office and business center. Tenant storage spaces will be located on each floor. In addition to community space on the first floor, there will also be a fifth-floor roof terrace for tenant use.

Total development costs are approximately \$31,798,366 and the city will provide multi-family loan funds up to \$6.5 million, 9% Low Income Housing Tax Credits (LIHTC), which will raise equity of approximately \$18,667,734 for the benefit of the transaction, Illinois Affordable Housing Tax Credits (Donation Tax Credits) of \$660,000 which is to raise equity of approximately \$597,300 for the benefit of the project, and the sale of city-owned parcel(s) for \$1 per parcel. TIF funding of \$5 million will represent 16% of the financing and will be used to pay for or reimburse the developer for TIF eligible project costs. Additional funding will consist of a first mortgage of approximately \$765,820 and a ComEd energy grant of \$166,105. The City will have a mortgage lien position on the properties.

The development team consists of a joint venture between DL3 Realty, and The Michael's Organization (the "Developers"). DL3 Realty is a local minority-owned real estate development firm formed over 30-years ago with a focus on revitalizing the commercial landscape of the far south side of Chicago. Since its inception, DL3 Realty has become a nationally recognized full-service real estate firm completing over 212,000 square feet of retail, office, grocery store and medical spaces.

Headquartered in Camden, NJ, the Michaels Organization was founded in 1973 and is known for being a national leader of affordable housing having developed mixed-income, mixed-use structures in 35 states plus Washington D.C. and the US Virgin Islands, which has provided over 55,000 units across 425 communities.

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