
2012 Annual Report

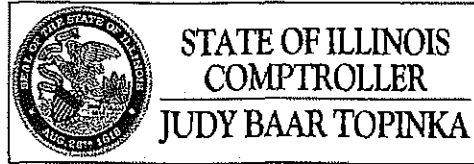
Chicago/Central Park Redevelopment Project Area



Pursuant to 65 ILCS 5/11-74.4-5(d)

JUNE 30, 2013

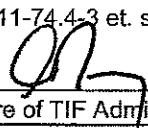
FY 2012
ANNUAL TAX INCREMENT FINANCE
REPORT



Name of Municipality: Chicago Reporting Fiscal Year: 2012
 County: Cook Fiscal Year End: 12/31/2012
 Unit Code: 016/620/30

TIF Administrator Contact Information

First Name: Andrew J. Last Name: Mooney
 Address: City Hall 121 N. LaSalle Title: Administrator
 Telephone: (312) 744-0025 City: Chicago, IL Zip: 60602
 Mobile: n/a E-mail: TIFReports@cityofchicago.org
 Mobile Provider: n/a Best way to contact: Email Phone
 Mobile Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in:
City of Chicago
 is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

June 28, 2013
 Written signature of TIF Administrator Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTRICT

Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
111th Street/Kedzie Avenue Business District	9/29/1999	9/29/2022
119th and Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
126th and Torrence	12/21/1994	12/21/2017
134th and Avenue K	3/12/2008	12/31/2032
24th/Michigan	7/21/1999	7/21/2022
26th and King Drive	1/11/2006	12/31/2030
35th and Wallace	12/15/1999	12/31/2023
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
40th/State	3/10/2004	12/31/2012
43rd/Cottage Grove	7/8/1998	12/31/2022
45th/Western Industrial Park Conservation Area	3/27/2002	12/31/2026
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th Street/St. Lawrence Avenue	1/10/1996	12/31/2020
51st/ Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036
53rd Street	1/10/2001	12/31/2025

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Name of Municipality: Chicago
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Reporting Fiscal Year: 2012
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60th and Western	5/9/1996	5/9/2019
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/04/2011	12/31/2035
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
72nd and Cicero	11/17/1993	12/31/2012
73rd and Kedzie	11/17/1993	12/31/2012
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	12/31/2029
79th Street Corridor	7/8/1998	7/8/2021
79th Street/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
89th and State	4/1/1998	4/1/2021
95th and Western	7/13/1995	7/13/2018
95th Street and Stony Island	5/16/1990	12/31/2014
Addison Corridor North	6/4/1997	6/4/2020
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/ Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin/Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/ Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet Avenue/Cermak Road	7/29/1998	7/29/2021
Calumet River	3/10/2010	12/31/2034
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago/ Kingsbury	4/12/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago Lakeside Development – Phase 1 (USX)	5/12/2010	12/31/2034
Cicero/Archer	5/17/2000	12/31/2024
Clark Street and Ridge Avenue	9/29/1999	9/29/2022
Clark/Montrose	7/7/1999	7/7/2022
Commercial Avenue	11/13/2002	12/31/2026

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Devon/Sheridan	3/31/2004	12/31/2028
Devon/Western	11/3/1999	12/31/2023
Diversey/ Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Division/North Branch	3/15/1991	12/31/2012
Division-Hooker	7/10/1996	12/31/2012
Drexel Boulevard	7/10/2002	12/31/2026
Eastman/North Branch	10/7/1993	12/31/2012
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2013
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-first Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	12/31/2018
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	7/7/2022
Goose Island	7/10/1996	7/10/2019
Greater Southwest Industrial Corridor (East)	3/10/1999	12/31/2023
Greater Southwest Industrial Corridor (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan/Grand Trunk	12/15/1993	12/31/2012
Homan-Arthington	2/5/1998	2/5/2021
Howard-Paulina	10/14/1988	12/31/2012
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park Business District	9/9/1998	9/9/2021
Jefferson/ Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	6/10/2021
Kostner Avenue	11/5/2008	12/31/2032
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
Lakeside/Clarendon	7/21/2004	12/31/2012
LaSalle Central	11/15/2006	12/31/2030
Lawrence/ Kedzie	2/16/2000	12/31/2024
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln-Belmont-Ashland	11/2/1994	12/31/2018
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031

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Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2013
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2024
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
Near South	11/28/1990	12/31/2014
Near West	3/23/1989	12/31/2013
North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/2/2021
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/ Cicero	2/16/2000	12/31/2024
Peterson/ Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Corridor	6/9/1999	6/9/2022
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2015
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2021
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2022
Roosevelt/Union	5/12/1999	5/12/2022
Roosevelt-Homan	12/5/1990	12/31/2014
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	12/31/2015
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson/Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Industrial Commercial	3/9/1989	12/31/2013
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

Name of Redevelopment Project Area: Chicago/Central Park Redevelopment Project Area
Primary Use of Redevelopment Project Area*: Combined/Mixed
If "Combination/Mixed" List Component Types: Commercial/Residential/Industrial
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one): Tax Increment Allocation Redevelopment Act <u> X </u> Industrial Jobs Recovery Law _____

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2012, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
Provide an analysis of the special tax allocation fund.

Fund Balance at Beginning of Reporting Period \$ 68,107,901

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative *	% of Total
Property Tax Increment	5,787,328	\$ 44,452,750	20%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	406,763		0%
Land/Building Sale Proceeds			0%
Bond Proceeds		129,651,674	59%
Note Proceeds		750,000	0%
Transfers in from Municipal Sources (Porting in)	7,089,795	43,902,942	20%
Private Sources			0%
Miscellaneous Revenue	404,856		0%

***must be completed where 'Reporting Year' is populated**

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period 13,688,742

Cumulative Total Revenues/Cash Receipts \$ 218,757,366 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) 13,686,615

Transfers out to Municipal Sources (Porting out)

Distribution of Surplus

Total Expenditures/Disbursements 13,686,615

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS 2,127

FUND BALANCE, END OF REPORTING PERIOD* \$ 68,110,028

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

* Except as set forth in the next sentence, each amount reported on the rows below, if any, is cumulative from the inception of the respective Project Area. Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either of the following: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the availability of records only from January 1, 1997 forward.

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
 ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
 (by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)	205,048	
		\$ 205,048
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)	1,480,905	
		\$ 1,480,905
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)	309,277	
		\$ 309,277
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
	632,396	
		\$ 632,396
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 13,686,615

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

Name	Service	Amount
West Humboldt Park Family and Community Development Council	Professional Service	\$30,642
City Staff Costs ¹	Administration	\$110,141
Mailtech Ltd.d/b/a World Marketing	Professional Service	\$48,426
Neighborhood Housing Services Chicago	Rehabilitation Program	\$1,159,137
SomerCor 504, Inc.	Rehabilitation Program	\$321,768
MQ Sewer & Water Contractors	Public Improvement	\$21,475
Chicago Department of Transportation	Public Improvement	\$221,644
Marketing Specialists Corp.	Public Improvement	\$66,158
Wells Fargo Bank	Financing	\$11,058,988
Rosa Parks LP	Development	\$632,396

¹ Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

* This table may include payments for Projects that were undertaken prior to 11/1/1999.

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))
Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period
(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))

FUND BALANCE, END OF REPORTING PERIOD \$ 68,110,028

	Amount of Original Issuance	Amount Restricted
1. Description of Debt Obligations		
Restricted for debt service	\$ 70,125,000	\$ 10,593,679
	51,745,000	

Total Amount Restricted for Obligations \$ 121,870,000 \$ 10,593,679

2. Description of Project Costs to be Paid		
Restricted for future redevelopment project costs		\$ 57,516,349

Total Amount Restricted for Project Costs \$ 57,516,349

TOTAL AMOUNT RESTRICTED \$ 68,110,028

SURPLUS*/(DEFICIT) \$ -

*NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts.

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	716 - 718 N. Monticello
Approximate size or description of property:	N/A
Purchase price:	N/A
Seller of property:	N/A

Property (2):	
Street address:	515 N. Lawndale Avenue
Approximate size or description of property:	N/A
Purchase price:	N/A
Seller of property:	N/A

Property (3):	
Street address:	726 N. Christiana Avenue
Approximate size or description of property:	N/A
Purchase price:	N/A
Seller of property:	N/A

Property (4):	
Street address:	3300 W. Fulton
Approximate size or description of property:	p
Purchase price:	N/A
Seller of property:	N/A

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

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. 6

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.

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:			
Private Investment Undertaken	\$ 3,845,868	\$ -	\$ 33,640,560
Public Investment Undertaken	\$ 5,264,225	\$ 1,718,207	\$ 9,681,624
Ratio of Private/Public Investment	19/26		3 28/59

Project 1:			
Neighborhood Improvement Fund (NIF) **		Project is Ongoing ***	
Private Investment Undertaken			\$ 7,000,000
Public Investment Undertaken	\$ 2,039,451	\$ 486,850	\$ 3,500,000
Ratio of Private/Public Investment	0		2

Project 2:			
Small Business Improvement Fund (SBIF) **		Project is Ongoing ***	
Private Investment Undertaken			\$ 3,000,000
Public Investment Undertaken	\$ 713,417	\$ 262,194	\$ 1,500,000
Ratio of Private/Public Investment	0		2

Project 3:			
Rosa Parks		Project is Ongoing ***	
Private Investment Undertaken			\$ 23,640,560
Public Investment Undertaken	\$ 1,357,396	\$ 639,163	\$ 3,506,624
Ratio of Private/Public Investment	0		6 23/31

Project 4:			
Breakthrough Urban Ministries		Project Completed	
Private Investment Undertaken	\$ 3,845,868		
Public Investment Undertaken	\$ 1,153,961		
Ratio of Private/Public Investment	3 1/3		0

Project 5:			
Vacant Building Program - Chicago Central Park **		Project is Ongoing ***	
Private Investment Undertaken			
Public Investment Undertaken		\$ 180,000	\$ 1,000,000
Ratio of Private/Public Investment	0		0

Project 6:			
TIFWorks - Chicago Central Park **		Project is Ongoing ***	
Private Investment Undertaken			
Public Investment Undertaken		\$ 150,000	\$ 175,000
Ratio of Private/Public Investment	0		0

Project 7:			
Private Investment Undertaken			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

** Depending on the particular goals of this type of program, the City may: i) make an advance disbursement of the entire public investment amount to the City's program administrator, ii) disburse the amounts through an escrow account, or iii) pay the funds out piecemeal to the program administrator or to the ultimate grantee as each ultimate grantee's work is approved under the program.

*** As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

General Notes

(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

(d) Intergovernmental agreements, if any, are reported on Attachment M hereto.

Chicago/Central Park Redevelopment Project Area 2012 Annual Report



STATE OF ILLINOIS)

) SS

Attachment B

COUNTY OF COOK)

CERTIFICATION

TO:

Judy Baar Topinka
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Canello, Director of Local
Government

Barbara Byrd-Bennett
Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

James R. Dempsey
Associate Vice Chancellor-Finance
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Herman Brewer
Bureau Chief
Cook County Bureau of Economic Dev.
69 West Washington Street, Suite 3000
Chicago, Illinois 60602

Douglas Wright
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

Lawrence Wilson, Comptroller
Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

Michael P. Kelly, General Superintendent &
CEO
Chicago Park District
541 North Fairbanks
Chicago, Illinois 60611

I, Rahm Emanuel, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the Chicago/Central Park Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

Attachment B

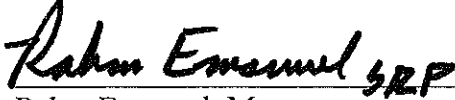
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2012, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 28th day of June, 2013.



Rahm Emanuel, Mayor
City of Chicago, Illinois



June 28, 2013

DEPARTMENT OF LAW

Attachment C

CITY OF CHICAGO

Judy Baar Topinka
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Canello, Director of Local
Government

Barbara Byrd-Bennett
Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

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Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

Michael P. Kelly, General Superintendent
& CEO
Chicago Park District
541 North Fairbanks
Chicago, Illinois 60611

Re: Chicago/Central Park
Redevelopment Project Area (the "Redevelopment Project
Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

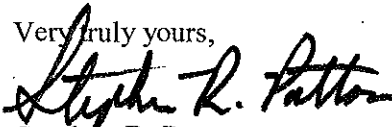
June 28, 2013

Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Housing and Economic Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,

Stephen R. Patton
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

Activities Statement

Projects that were implemented during the preceding fiscal year are set forth below:

<u>Name of Project</u>
Vacant Building Purchase Rehab SF Progam

21748

JOURNAL-CITY COUNCIL-CHICAGO

3/14/2012

11. The payment of certain contributions to the Policemen's Annuity and Benefit Fund, the Firemen's Annuity and Benefit Fund, the Municipal Employees', Officers' and Officials' Annuity and Benefit Fund, and the Laborers' and Retirement Board Employees' Annuity and Benefit Fund.

12. The provision of facilities, services and equipment to protect and enhance public safety, including, but not limited to, increased costs for police and fire protection services, emergency medical services, staffing at the City's emergency call center and other City facilities, and enhanced security measures at airports and other City facilities.

ESTABLISHMENT OF VACANT BUILDING TAX INCREMENT FINANCING PURCHASE AND REHABILITATION PROGRAM FOR CHICAGO/CENTRAL PARK AREA AND EXECUTION OF AGREEMENT WITH NEIGHBORHOOD HOUSING SERVICES OF CHICAGO, INC. FOR ADMINISTRATION OF PROGRAM.

[O2012-647]

The Committee on Finance submitted the following report:

CHICAGO, March 14, 2012.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the creation of the Chicago/Central Park Area Neighborhood Purchase and Rehabilitation Program, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Moreno, Fioretti, Dowell, Burns, Hairston, Sawyer, Jackson, Harris, Beale, Pope, Balcer, Cárdenas, Quinn, Burke, Foulkes, Thompson, Thomas, Lane, O'Shea, Cochran, Brookins, Muñoz, Zalewski, Chandler, Solis, Burnett, Ervin, Graham, Reboyras, Suarez, Waguespack, Mell, Austin, Colón, Sposato, Mitts, Cullertori, Laurino, P. O'Connor, M. O'Connor, Reilly, Smith, Tunney, Arena, Cappleman, Pawar, Osterman, Silverstein -- 48.

Nays -- None.

Alderman Pope moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago ("City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, In the City there are numerous homes and residential buildings that are vacant; and

WHEREAS, It is in the best interest of the City to promote and assist City residents in the purchase of vacant owner-occupied housing by establishing programs whereby the City assists income-eligible homebuyers in the purchase and rehabilitation of their new housing; and

WHEREAS, By an ordinance adopted by the City Council of the City ("City Council") on May 4, 2011, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* ("*Journal*") for said date at pages 117057 to 117064, inclusive (the "Establishment Ordinance"), the City authorized the Commissioner of the Department of Housing and Economic Development ("HED") to develop a "Vacant Building TIF Purchase and Rehabilitation Program" ("Program") to assist in the stabilization of neighborhoods and the City's housing market by providing assistance for the purchase and rehabilitation of vacant housing; and

WHEREAS, The City, through HED, now desires, in accordance with the Establishment Ordinance, to implement the Program and to enter into an agreement substantially in the form attached hereto as Exhibit A, and made a part hereof, with Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation ("NHS"), to perform certain administrative services for the Program in redevelopment project areas ("Eligible TIF Areas") that have been authorized by the City Council (the "Program Agreement"); and

WHEREAS, To induce redevelopment pursuant to the Act in the Chicago/Central Park Redevelopment Project Area ("Chicago/Central Park Area"), the City Council adopted the following ordinances on February 27, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Chicago/Central Park Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Chicago/Central Park Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Chicago/Central Park Redevelopment Project Area"; and

WHEREAS, The City Council now desires to designate the Chicago/Central Park Area as the initial Eligible TIF Area for the Program and to authorize an amount not to exceed \$1,000,000 to administer the Program in the Chicago/Central Park Area; and

WHEREAS, The City's obligation to provide funds for the Program in the Chicago/Central Park Area will be met through (i) incremental taxes deposited in the Special Tax Allocation Fund of the Chicago/Central Park Area, or (ii) any other funds legally available to the City for this purpose; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The Establishment Ordinance is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

(a) Section 2(b)(1) definition of "Closing costs":

"Closing costs" means reasonable and customary costs, not to exceed three ~~six~~ percent of the base purchase price, associated with the closing of the purchase of the eligible property, including, but not limited to, transfer taxes, title company charges and recording fees.

(b) Section 2(b)(5):

The commissioner shall prepare applications, in a form prescribed by the commissioner, which shall include all the information needed by the department to evaluate the applicant's eligibility to participate in the Program. Attached to every application shall be a copy of an inspection report for the proposed property prepared by a licensed and bonded home inspector or licensed contractor, and any other information deemed necessary by the commissioner.

SECTION 3. The Program in the Chicago/Central Park Area is hereby created, which program shall, among other things, assist income-eligible homebuyers in the purchase and rehabilitation of their new housing in the Chicago/Central Park Area. An amount not to exceed \$1,000,000 is hereby appropriated from the Special Tax Allocation Fund of the Chicago/Central Park Area to fund the Program in the Chicago/Central Park Area.

SECTION 4. NHS is hereby authorized to administer the Program in the Chicago/Central Park Area, subject to the supervision of HED.

SECTION 5. The Commissioner of HED or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to legal form, to negotiate, execute and deliver the Program Agreement between NHS and the City substantially in the form attached hereto as Exhibit A and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Program Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Program Agreement.

SECTION 6. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 7. This ordinance shall be effective as of the date of its passage.

Exhibit "A" referred to in this ordinance reads as follows:

*Exhibit "A".
(To Ordinance)*

*Vacant Building Tax Increment Financing Purchase And
Rehabilitation Program Agreement For Single-Family
Homes With Neighborhood Housing Services
Of Chicago, Inc.*

This Vacant Building TIF Neighborhood Purchase and Rehabilitation Program Agreement for Single-Family Homes (the "Agreement") is made on _____, 2012 by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Housing and Economic Development ("HED" or "Department"), and Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation ("NHS").

WHEREAS, the City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "TIF Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, by an ordinance adopted by the City Council of the City on May 4, 2011, the City authorized the Commissioner of HED to establish a "Vacant Building TIF Purchase and Rehabilitation Program" to assist in the stabilization of neighborhoods and the City's housing market by providing assistance for the purchase and rehabilitation of vacant housing (the "Program"); and

WHEREAS, in the City there are numerous homes and residential buildings that are vacant; and

WHEREAS, it is in the best interest of the City to promote and assist City residents in the purchase of owner-occupied housing by establishing programs whereby the City assists income-eligible homebuyers in the purchase and rehabilitation of their new housing; and

WHEREAS, by an ordinance adopted by the City Council of the City on _____, 2012, the City has approved the execution and delivery of this Agreement to implement a portion of the Program in the TIF Areas designated in Exhibit A of this Agreement; and

WHEREAS, HED desires to implement a portion of the Program by using the services of NHS, and NHS desires to administer a portion of the Program in accordance with the provisions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

ARTICLE I - Incorporation and Recitals

The recitals set forth above are incorporated by reference as if fully set forth herein.

ARTICLE II - Definitions

"Application" means an application from a potential Eligible Homebuyer for a Grant hereunder, in a form prepared by NHS and approved by HED.

"Base Purchase Price" means the purchase price of an Eligible Property, excluding any taxes, insurance, closing costs, or other such costs.

"Closing Costs" means reasonable and customary costs, not to exceed 6% of the Base Purchase Price, associated with the closing of the purchase of the Eligible Property, including, but not limited to, transfer taxes, title company charges and recording fees.

"Commissioner" means the commissioner of HED.

"Corporation Counsel" means the Corporation Counsel of the City.

"Department" or "HED" means the Department of Housing and Economic Development.

"Eligible Costs" means Purchase Price Assistance and Substantial Rehabilitation Assistance that are also eligible for reimbursement pursuant to the TIF Act.

"Eligible Homebuyer" means a Homebuyer with a Household Income of up to 120% of the PMSA Median Income.

"Eligible Property" means a Residential Building, or a Housing Unit in a condominium or cooperative building, that is:

- (1) Vacant; and
- (2) located in an Eligible TIF Area in the City; and
- (3) in need of Substantial Rehabilitation.

For purposes of this definition, the term "condominium building" means a form of property established pursuant to the Illinois Condominium Property Act; and the term "cooperative building" means a multiple-family building owned by a cooperative corporation, stock in which affords the owner thereof the right to possess or occupy a particular cooperative allocated to that stock within the complex. This right of possession or occupancy is granted through a proprietary lease or similar arrangement, and, unlike the owner of a condominium unit, the owner of the cooperative stock does not hold legal title to his or her individual cooperative.

"Eligible TIF Area" means any TIF Area listed in Exhibit A to this Agreement as being eligible to receive Program Funds.

"Event of Default" means any event of default as set forth in Section 5.1 hereof.

"Grant" means any conditional grant of funds made by NHS to an Eligible Homebuyer from Program Funds.

"Grant Documents" means the agreements entered into between NHS and an Eligible Homebuyer in connection with a Grant, the Recapture Mortgage, and any other documents required by either HED or NHS to be executed in connection with a Grant, which documents shall be in substantially the form approved by the Corporation Counsel.

"Homebuyer Education Certificate" means the certificate the Eligible Homebuyer receives after completion of an eight-hour HUD-certified homebuyer curriculum required in Section 4.3(b) of this Agreement in order to be eligible for the Grant.

"Household" means, collectively, all the persons who occupy a Housing Unit as their primary residence.

"Household Income" means the combined income of the members of a Household for the calendar year preceding the date that the application for the Program is filed with NHS.

"Housing Unit" means a room or suite of rooms designed, occupied or intended for occupancy as a separate living quarter with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of the occupants of the unit; provided that a "housing unit" does not include dormitories, or hotels as that term is defined in Section 13-4-010 of this code.

"Maximum Program Assistance" means the total amount of Purchase Price Assistance and Substantial Rehabilitation Assistance granted to an Eligible Homebuyer for the purchase and Substantial Rehabilitation of an Eligible Property, but which shall be limited to no greater than 25% of the sum of the Base Purchase Price plus the cost of the Substantial Rehabilitation of the Eligible Property.

"NHS" means Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation, and its successors and assigns.

"NLS" means Neighborhood Lending Services, Inc., a non-profit Illinois Residential Mortgage Licensee and related entity to NHS, and its successors and assigns.

"PMSA Median Income" means the Primary Metropolitan Statistical Area median income, for the Chicago-Naperville-Joliet, Illinois, Metropolitan Fair Market Rent Area, as determined by the United States Department of Housing and Urban Development from time to time.

"Principal Residence" means an Eligible Homebuyer's primary or chief residence that he or she actually occupies on a regular basis.

"Program" means the Vacant Building TIF Purchase and Rehabilitation Program established pursuant to an Ordinance adopted by the City Council of the City on May 4, 2011, and this Agreement.

"Program Funds" means those funds which will be used by the City to implement the Program in accordance with this Agreement.

"Purchase Price Assistance" means financial assistance awarded by the Department to Eligible Homebuyers to be used for the Base Purchase Price and Closing Costs associated with the purchase of an Eligible Property.

"Recapture Mortgage" means the recapture mortgage, in a form to be approved by the Corporation Counsel, that shall be recorded with the Office of the Cook County Recorder of Deeds following the closing of a Grant to secure the continuing occupancy requirements set forth in Section 4.3(n) of this Agreement.

"Reservation of Program Funds" means the conditional reservation of funds issued by NHS upon an initial determination of eligibility for the Program by NHS, pursuant to Section 4.3 of the Agreement.

"Residential Building" means a building designed, arranged, used or intended to be used for residential occupancy that contains 4 or few Housing Units.

"State" means the State of Illinois.

"Substantial Rehabilitation" means the reconstruction, enlargement, installation, repair, alteration, improvement or renovation of a building, structure or portion thereof requiring a permit issued by the city and costing \$25,000.00 or more per Housing Unit to rehabilitate.

"Substantial Rehabilitation Assistance" means the amount of assistance granted to an Eligible Homebuyer under the Program that shall be used for the Substantial Rehabilitation of the Eligible Property.

"TIF Act" means the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time

"TIF Area" means a redevelopment project area designated pursuant to the TIF Act.

"Vacant" means a Residential Building, or a Housing Unit in a condominium or cooperative building, which is lacking the habitual presence of human beings who have a legal right to be on the premises, or at which substantially all lawful residential occupancy has ceased; provided that a Residential Building or a Housing Unit in a condominium or cooperative building shall not be deemed vacant if it has been used as a residence by a person entitled to possession for a period of at least three months within the previous nine months and a person entitled to possession intends to resume residing at the property.

"Voucher" means the form, as approved by HED, that NHS shall submit to receive compensation for its services under this Agreement, in accordance with the terms stated in Section 6.5 of this Agreement.

ARTICLE III - REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties. In connection with the executions and delivery of this Agreement, NHS represents and warrants to the City that:

- (a) NHS is incorporated in the State as a not-for-profit corporation; and is in good standing in the State;
- (b) NHS is financially solvent and able to pay its debts as they mature;
- (c) NHS, its employees, agents and officials are competent and qualified to perform the services required under this Agreement;
- (d) NHS has the right, power and authority to execute, deliver and perform, or cause to be performed, this Agreement under the terms and conditions stated herein; NHS has obtained and received all necessary approvals from its Board of Directors and any other required approvals which are necessary for NHS to execute and deliver this Agreement and to perform its duties hereunder;

(e) no member of the governing body of the City and no other elected official, appointed official, officer, agent, consultant or employee of the City is employed by NHS or has a financial or economic interest directly in this Agreement or the compensation to be paid hereunder except as may be permitted by the Board of Ethics established pursuant to the Municipal Code of Chicago;

(f) NHS is not in default on any contract or Grant awarded to NHS by the City at the time of the execution of this Agreement, and NHS has not been, within five years preceding the date hereof, in default on any contract or Grant awarded to NHS by the City;

(g) NHS has carefully examined and analyzed the provisions and requirements of this Agreement and, from this analysis, NHS has satisfied itself as to the nature of all things needed for the performance of this Agreement; and the time available to NHS for such examination, analysis, inspection and investigation has been adequate;

(h) this Agreement is feasible of performance by NHS as appropriate, in accordance with all of its provisions and requirements;

(i) except only for those representations, statements or promises expressly contained in this Agreement and any exhibits attached hereto and incorporated by reference herein, no representation, statement or promise, oral or in writing, or of any kind whatsoever, by the City, its officials, agents or employees, has induced NHS to enter into this Agreement or has been relied upon by NHS including any with reference to: (A) the meaning, correctness, suitability or completeness of any provisions or requirements of this Agreement; (B) the general conditions which may in any way affect this Agreement or its performance; (C) the compensation provisions of this Agreement; or (D) any other matters, whether similar to or different from those referred to in (A) through (C) immediately above, affecting or having any connection with this Agreement, the negotiation hereof, any discussions hereof, the performance hereof or those employed herein or connected or concerned herewith;

(j) NHS was given ample opportunity and time and was requested by the City to review thoroughly this Agreement prior to execution of this Agreement in order that NHS might request inclusion in this Agreement of any statement, representation, promise or provision which is desired or on which NHS wished to place reliance, that it did so review said documents, and either every such statement, representation, promise or provision has been included in this Agreement or else, if omitted, NHS expressly hereby relinquishes the benefit of any such omitted statement, representation, promise or provision and NHS is willing to perform this Agreement in its entirety without claiming reliance thereon or making any other claim on account of such omission;

(k) there are no actions or proceedings by or before any court or governmental commission, board, bureau or other administrative agency pending or, to the knowledge of NHS, threatened, against or affecting NHS which if adversely determined could materially and adversely affect the ability of NHS to perform hereunder or which might result in any material, adverse change to the financial condition of NHS or may materially affect the property or assets of NHS; and

(l) this Agreement has been executed and delivered by authorized officers of NHS and constitutes a legal, valid and binding obligation of NHS, enforceable in accordance with its terms.

3.2 Covenants. In connection with the execution and delivery of this Agreement, NHS covenants to the City that:

(a) except for its own employees, NHS will not use any individual, organization, partnership or corporation to carry out any of the duties or obligations of NHS hereunder, unless (1) NHS first obtains a certification of such individual, organization, partnership or corporation substantially the same as the representations, warranties and covenants contained in this Article III and in Article IV hereof, (2) such certifications shall be addressed and delivered to the City and (3) the City approves, in writing, the use of such individual, organization, partnership or corporation;

(b) all warranties and representations of NHS contained in this Agreement will be true, accurate and complete at the time of each Grant made pursuant to this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto for the length of this Agreement;

(c) NHS shall be subject to, obey and adhere to any and all federal, State and local laws, statutes, ordinances, rules, regulations and executive orders as are now or may be in effect during the term of this Agreement which may be applicable to NHS;

(d) NHS shall remain solvent and able to pay its debts as they mature;

(e) no member of the governing body of the City and no other elected official, appointed official, officer, agent, consultant or employee of the City shall have any personal interest, direct or indirect, in the business of NHS or shall participate in any decision relating to the business of NHS which affects his/her personal interests or the interests of any corporation, partnership or association in which he/she is directly interested;

(f) no former member of the governing body of the City and no former other elected official, appointed official, officer, agent, consultant or employee of the City shall, for a period of one year after the termination of such person's term of office or employment, assist or represent NHS in any business transaction involving the City or any of its agencies, if the person participated personally and substantially in the subject matter of the transaction during his/her term of office or employment, provided that if the person exercised contract management authority with respect to this Agreement (including any Grant), this prohibition shall be permanent as to this Agreement;

(g) NHS shall immediately notify the City of any and all events or actions which may materially adversely affect the ability of NHS to carry on its operations or perform any or all of its obligations under this Agreement at any time while this Agreement is in effect;

(h) NHS shall not enter into any other agreement or transaction which would conflict with the performance of the duties of NHS hereunder or under any of the Grant Documents;

(i) during the term of this Agreement, NHS shall continue as an Illinois not-for-profit corporation in good standing under the laws of the State; and

(j) NHS shall enforce all provisions of the Grant Documents in accordance with the terms thereof and shall provide to the City all notices required hereunder or thereunder.

ARTICLE IV - Duties and Obligations

4.1 NHS shall execute and deliver to HED such documents as may be required by the Corporation Counsel to evidence NHS's participation in the Program, including, but not limited to, the City's current form of Economic Disclosure Statement and an opinion of counsel in substantially the form of Exhibit B attached hereto and incorporated herein.

4.2 (a) In each Eligible TIF Area, NHS shall use Program Funds authorized by the City for the Eligible TIF Area to provide Purchase Price Assistance and Substantial Rehabilitation Assistance to an Eligible Homebuyer for the purchase and Substantial Rehabilitation of an Eligible Property, consistent with the provisions of this Agreement.

(b) NHS agrees that the total amount of funds available for the Program in any Eligible TIF Area shall be up to the amount stated in Exhibit A of this Agreement for such Eligible TIF Area and that there have been no representations, assurances or agreements that any other assistance shall be forthcoming from the City. NHS shall provide written notice to the City when the aggregate amount of Program Funds committed or paid, including Grants and administrative costs paid to or for the account of NHS pursuant to Section 6.5, equals 80% of the Program Funds authorized for each Eligible TIF Area and thereafter when the aggregate amount of Program Funds committed or paid, including Grants and administrative costs paid to or for the account of NHS pursuant to Section 6.5, equals 100% of the Program Funds authorized for each Eligible TIF Area. Program Funds are deemed committed for purposes of this Section when NHS has determined the amount of Program Funds to be the subject of a Grant and sent notice of final approval of an Application pursuant to Section 4.3(e) to an Eligible Homebuyer. No Grants shall be made or committed to be made by NHS hereunder when such commitment would result in the aggregate amount of Grants, together with all administrative costs related to such Grants paid to NHS pursuant to Section 6.5, exceeding the amounts authorized for an Eligible TIF Area, as identified in Exhibit A to this Agreement (or such other amount as the City may determine from time to time). No Grants shall be made or committed to be made by NHS hereunder when such commitment occurs after the date of receipt of the notice from the City described in Section 6.2 hereof regarding the termination of this Agreement.

(c) This amount of Program Funds authorized for any Eligible TIF Area may be changed from time to time upon written notice by HED to NHS, provided that the aggregate amount shall not exceed the amount listed for such Eligible TIF Area in Exhibit A to this Agreement (or such other amount as the City may determine from time to time).

4.3 NHS shall manage the Program in the following manner (or as otherwise agreed to by HED and NHS):

(a) NHS will work with HED to provide information to potential Eligible Homebuyers about the availability of the Program, including explaining what the Program offers and the income, property and residency requirements. Program Funds shall be available on a first-come, first-served basis.

(b) NHS shall require potential Eligible Homebuyers to complete an eight-hour HUD-certified homebuyer curriculum in order to be eligible for the Grant (in addition to meeting the other eligibility requirements) and receive a certification of completion ("Homebuyer Education Certificate"). If the

potential Eligible Homebuyer is getting financing from Neighborhood Lending Services, Inc. ("NLS"), then the homebuyer curriculum must be one that is acceptable to NLS.

(c) Potential Eligible Homebuyers who are interested in receiving funds through the Program shall be required to contact NHS to receive Pre-Approval. Prior to issuing the Pre-Approval, NHS shall verify that the Household Income of the potential Eligible Homebuyer is no more than 120% of the PMSA Median Income. The Pre-Approval would be valid for 90 days. After receiving the Pre-Approval, the prospective Eligible Homebuyer would begin his/her search for an Eligible Property to purchase. NHS shall provide a list to the potential Eligible Homebuyer of the Eligible TIF Areas in which the Program is active.

(d) NHS shall inform potential Eligible Homebuyers of the process and documentation that is required in order for them to both obtain a Reservation of Program Funds and to receive final approval for the Grant.

(e) Before potential Eligible Homebuyers can be declared eligible to receive a Reservation of Program Funds, the potential Eligible Homebuyer must complete an Application. NHS shall accept and process Applications in the following manner (or as otherwise agreed to by HED and NHS):

(i) NHS shall make Application forms available for all Eligible TIF Areas on an ongoing basis until either no Program Funds remain for the applicable Eligible TIF Area, this Agreement is no longer in effect, or as directed otherwise by HED;

(ii) NHS shall make applications available at certain locations within each Eligible TIF Area, such as community centers or libraries (as agreed to by HED);

(iii) Applications shall also be available by calling NHS;

(iv) The Application shall be in a form approved by HED and shall include all the information needed by NHS and/or HED to evaluate the applicant's eligibility to participate in the Program. The Application shall require the following: 1) information about their current Household Income and size; 2) proof of their own funds for the required minimum down payment; 3) a copy of their Homebuyer Education Certificate; 4) a copy of their home purchase contract; 5) a copy of an inspection report for the proposed property prepared by a licensed and bonded home inspector or a licensed contractor; and 6) and any other information deemed necessary by NHS and/or HED; and

(v) All Applications shall be returned directly to NHS; the City will not accept Applications.

(f) NHS shall forward the name, address and Social Security number(s) of every potential Eligible Homebuyer to HED for the processing of a scofflaw check. If the scofflaw check reveals that any amounts are owed to the City, then the materials requested by NHS shall include evidence that all such amounts have been paid or that the applicant has entered into a payment plan with the City.

(g) A Reservation of Program Funds shall be effective for a 90-day period, with an option for the potential Eligible Homebuyer to submit a written request for a 30-day extension. The required information will be collected by NHS for processing and the issuance of a Reservation of Program Funds. The Reservation of Program Funds confirmation letter shall include a list of all of the

conditions that will need to be met in order to actually receive the Grant and close on it. NHS will have the responsibility for certifying that the potential Eligible Homebuyer meets the income and residency guidelines, as well as for checking that the home is located within an Eligible TIF Area.

(h) If all Program funds in an Eligible TIF Area are fully reserved, NHS will establish a wait list for additional Reservations of Program Funds on a first-come, first-served basis. If an Eligible Homebuyer does not use his/her reserved funds within the required time period, NHS will notify the Eligible Homebuyer that the funds are no longer reserved and contact the next Eligible Homebuyer on the wait list.

(i) Once there is a sales contract, and upon a Reservation of Program Funds, NHS will request a construction specialist do a HUD Quality Standards ("HQS") inspection, Environmental Clearance and Risk Assessment for Lead Based Paint and to prepare the scope of work/specifications for the required Substantial Rehabilitation.

(j) The construction specialist shall assist the Eligible Homebuyer in securing bids (in the manner prescribed in Section 4.4(a) of this Agreement) for the work, based on the specifications, from licensed, insured contractors. The construction specialist shall review the bids with the Eligible Homebuyer for completeness and cost, assist the borrower in evaluating and comparing the proposals, and secure the Eligible Homebuyer's contractor selection.

(k) The contractor's proposal, plus a 10% contingency, the purchase price, and the closing costs will constitute the "Total Project Cost."

(l) Once the Total Project Cost has been determined, the file will be referred to NLS (if NLS is the lender) to provide final credit approval for the Grant, in an amount not to exceed 25% of the Total Project Cost. NHS will issue a Commitment Letter for the Grant, together with any conditions that apply.

(m) In order to receive final approval of the Grant and move to closing, the Eligible Homebuyer will have to provide a contractor's proposal for Substantial Rehabilitation of the Eligible Property (according to the scope of work developed by NHS), proof of the contractor's license and insurance, and a copy of the commitment letter from their lender that is specific with regard to the terms of the senior loan (so that the first mortgage can be evaluated to see if it meets Program guidelines). NHS will follow up with the customer to obtain any additional required documentation, such as a copy of mortgage commitment, updated household income information, updated proof of the Eligible Homebuyer's own funds to close, and any other information required to complete the final package and submit a request for the Grant proceeds.

(n) Upon determination by NHS that an applicant is an Eligible Homebuyer, NHS may provide the Eligible Homebuyer a conditional Grant for the Purchase Price Assistance and Substantial Rehabilitation Assistance, consistent with the provisions of this Agreement, up to the Maximum Program Assistance. As a condition of receiving such assistance, the Eligible Homebuyer shall occupy the Eligible Property as the Eligible Homebuyer's Principal Residence, as follows:

Amount of Assistance
less \$15,000
\$15,000.00 - \$40,000
\$40,001 or greater

For a term of
not less than 5 consecutive years
not less than 10 consecutive years
not less than 15 consecutive years

Provided that if a longer term is required by any other applicable law, the longer term shall apply.

The term shall commence no later than 180 days after the date the Eligible Homebuyer takes title to the Eligible Property. A Recapture Mortgage shall be recorded after closing to secure the occupancy requirement condition stated above.

(o) NHS shall close all Grants consistent with the requirements in Section 4.4(c) of this Agreement.

(p) NLS will be the "lender of record" on the Note and Mortgage for the Grants. Grants will be at 0% interest. Because the Grants are deferred and/or forgivable Grants, NLS will use its "20-year term" protocol for establishing a maturity date for the Grants. Grants are conditional and shall be subject to a specified recapture period stated in Section 4.3(n) of this Agreement and shall be secured by a Recapture Mortgage. With regard to first mortgage financing, NLS shall offer its purchase-rehab mortgage product to Eligible Homebuyers, but the Eligible Homebuyers are not required to utilize NLS as their first mortgage lender. Homebuyers may utilize any first-mortgage lender that offers purchase-rehab financing, including FHA 203K lenders.

(q) NHS shall perform the following tasks after closing of the Grant and during the period when the Substantial Rehabilitation is occurring:

(i) NHS construction specialists shall meet with the Eligible Homebuyer and contractor post-closing, review the contractor's proposal again, execute an owner-contractor agreement and escrow agreements and monitor the issuance of a notice to proceed from the Eligible Homebuyer to the contractor.

(ii) During the performance of the Substantial Rehabilitation work, NHS construction specialists will make periodic inspections of work in progress, including an inspection prior to the disbursement of any funds to the contractor. All disbursements require the written authorization of both the Eligible Homebuyer and the NHS construction specialist.

(iii) NHS will process all requests for disbursements on a monthly schedule. The contractor will be responsible for providing a sworn statement, waivers of lien, and waivers of lien from sub-contractors and materialmen. No disbursements shall be made for any costs except Eligible Costs.

(iv) Program Funds will be disbursed on a *pro-rata* basis with the Eligible Homebuyer's other funds during the construction period.

(v) The Eligible Homebuyer must occupy the Eligible Property within 180 days of closing on the purchase of the Eligible Property.

4.4 NHS shall provide the following services:

(a) Technical/Rehabilitation Services. For all selected Eligible Homebuyers, NHS shall make an initial site visit to the Eligible Property, and assist the Eligible Homebuyer in the preparation of detailed plans and specifications for the renovation work. NHS shall monitor the process by which the Eligible Homebuyer selects a contractor (or contractors) to do the Substantial

Rehabilitation work to ensure that any contractor has been selected through a competitive bid process. NHS must approve the contractor selected, which must be licensed and properly insured; in its approval, NHS shall consider the financial strength of the contractor. NHS shall review the contract(s) between the Eligible Homebuyer and the contractor(s) for the renovation work. NHS shall make available to each Eligible Homebuyer (i) a current list of contractors and subcontractors which are certified by the City as Minority Business Enterprises or Women Business Enterprises, and (ii) a current list of contractors and subcontractors which have current insurance certificates and proof of City home repair and/or business licenses on file with NHS. While the requirements of Section 2-92-330 of the Municipal Code of the City of Chicago (City Resident Employment Requirement) will not apply to the renovation work done pursuant to the Program, NHS shall use its best efforts to recruit and encourage the use of qualified contractors based in Chicago (particularly in the applicable Eligible TIF Area) for the Substantial Rehabilitation work being funded pursuant to this Agreement.

(b) Requirements for Grants for Eligible Properties. NHS shall promptly prepare and execute Grant Documents for each Grant. NHS shall assure that each Grant satisfies all applicable requirements of federal, State and local law, and that:

(i) Program Funds finance only Eligible Costs; and

(ii) the Eligible Property shall be occupied by the Eligible Homebuyer as his/her Principal Residence.

(c) Closing. NHS shall promptly close each Grant. All Grants will close at a title company, with title insurance and a construction escrow established. Closing costs will include the cost of the construction escrow, date-downs of title as the rehabilitation work progresses, recording fees, and any other costs required by HED. Prior to disbursement of any Program Funds by NHS, NHS shall require each Eligible Homebuyer to enter into the Grant Documents, and the Grant Agreement and Recapture Mortgage (and any other documents required by HED and/or NHS) shall be recorded with the Office of the Cook County Recorder of Deeds. NHS shall provide in all Grant Documents that the City is a third-party beneficiary of the Grant Documents. NHS shall not provide Program Funds to any Eligible Homebuyer in an amount in excess of the applicable Maximum Program Assistance.

(d) Disbursement of Proceeds. The City will from time to time place all or a portion of the Program Funds authorized for an Eligible TIF Area (such amount being determined by HED) into an interest-bearing segregated or escrow account established by NHS for this purpose. Any income earned on amounts held in the account shall be used at the sole discretion of the City: (i) to make Grants hereunder, or (ii) in such other manner as the City determines. NHS shall disburse funds from this account to the City at the written request of the City if income is earned on amounts held in the account. NHS shall make any such disbursement within 30 days of its receipt of the City's request. NHS agrees that any disbursements from this account which are later determined to have been made in violation of this Agreement will be repaid to this account by NHS. Prior to disbursing any proceeds of a Grant, NHS shall determine the aggregate amount of Program Funds which have been provided or approved for an Eligible Property and shall not disburse any funds exceeding the Maximum Program Assistance. NHS shall also assure that no Program Funds shall be paid until such funds are needed to reimburse the Eligible Homebuyer for the prior payment of Eligible Costs, and that the proceeds of a Grant do not exceed available Maximum Program Assistance with respect to the Eligible Property. No payment of Substantial Rehabilitation Assistance shall be made

to the Eligible Homebuyer until NHS receives evidence of prior payment to the contractor for the Substantial Rehabilitation work. There shall be no commingling of funds among Grants by NHS and each Grant shall be accounted for separately in the records maintained by NHS.

(e) Servicing; Monitoring.

(1) NHS shall specify the employees directly responsible for the working on each Grant. NHS shall provide HED with notice of the person(s) responsible for these duties and the respective Grants.

(2) If an Eligible Homebuyer breaches any covenant or agreement under the applicable Grant Documents, NHS shall mail notice of such breach to the Eligible Homebuyer as provided in the Grant Documents (with a copy to HED) and shall take such further action consistent with the terms of this Agreement.

(3) NHS shall monitor the progress of the renovation work to confirm compliance with this Agreement and the Grant Documents. The Grant Documents shall provide that the Eligible Homebuyer must approve of payment of funds from NHS to a contractor for the rehabilitation work. NHS shall inspect the renovation work prior to providing payment. NHS shall make a final inspection of the renovation work at its completion to confirm compliance with this Agreement and the Grant Documents.

(f) Reporting. On the seventh day of each month of each year during the term hereof (or if such day is not a business day, then the next business day), NHS shall submit to the City a monthly report in a form approved by HED and containing the following information for each Grant closed during the previous month, and for each Eligible Homebuyer whose Application has been approved:

(i) the address and census tract of the Eligible Property; (ii) the name, address, income and race (if known) of each Eligible Homebuyer for such Eligible Property; (iii) the amount of the applicable Grant and the date of the Grant; (iv) the amount of Program Funds, if any, provided to such Eligible Homebuyer by the end of the preceding month, and the use of such funds; (v) the status of the renovation work on such Eligible Property; (vi) the names of any Eligible Homebuyers who have defaulted on any senior Grant; and (vii) any additional information that may be required by HED from time to time. In addition, NHS shall also include the following in such report regarding the Program as of the end of the preceding month: (i) information about each senior Grant made to an Eligible Homebuyer, or funds provided by the Eligible Homebuyer, including the amount of the senior Grant or other funds, the address of the subject property and evidence that senior financing and/or equity were provided; (ii) number of purchases and renovations in process; (iii) number of purchases and renovations completed; (iv) total number of applicants; (v) total number of Applications reviewed; (vi) total number of Applications approved; (vii) total amount of Grant funds disbursed hereunder, and (viii) and any additional information that HED may require from time to time.

(g) Marketing. NHS shall make information about the Program, including Applications, readily available to persons applying to become Eligible Homebuyers. In connection therewith, NHS shall prepare and distribute brochures and other written materials describing the Program. NHS shall also make appropriate personnel available to speak at seminars to promote and explain the Program and shall conduct other affirmative outreach efforts (including organizing or participating in seminars, conferences and public meetings) to disseminate information about the Program to the public. NHS shall cooperate (and shall bind its contractors to cooperate) with HED in any program which HED may undertake to promote and explain the Program. NHS shall dedicate sufficient employee time and resources to respond promptly to inquiries from potential applicants.

4.5 Prior to each disbursement of proceeds in connection with a Eligible Property, NHS shall assure to its best efforts that the Substantial Rehabilitation work performed by the contractor on that Eligible Property complies with the building codes of the City.

4.6 NHS shall be responsible for all actions of any agents, employees, officers of NHS performing any duties or obligations of NHS hereunder.

4.7 The City authorizes NHS to act, subject to the limitations contained herein: (i) to manage and service the Grants; (ii) to enforce or to refrain from enforcing the Grant Documents for each Grant; (iii) to give consents or approvals in connection with the Grant Documents for each Grant; (iv) to take or refrain from taking any action and make any determination provided for herein or in the Grant Documents; and (v) to exercise all such powers as are incidental thereto.

4.8 Insurance

(a) NHS must provide and maintain at it's own expense, except as may be otherwise provided herein, during the term of this Agreement and during the time period following expiration if NHS is required to return and perform any of the work or services under the agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

1) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Contract and Employers Liability coverage with limits of not less than \$500,000 each accident, illness or disease.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations and contractual liability (not to include Endorsement CG 21 39 or equivalent). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work or services.

Subcontractors performing work for NHS must maintain limits of not less than \$1,000,000 with the same terms herein.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, NHS must provide Automobile Liability Insurance with limits of not less than \$1,000,000 occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

4) Errors & Omissions/Professional Liability

When any Program Managers/Administrators or any other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts,

errors, or omissions must be maintained with limits of not less than \$1,000,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Agreement. A claim-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

5) Valuable Papers

When any media, data, records, reports, application and other documents are produced or used under this Contract, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

6) Blanket Crime

NHS must provide Blanket Crime coverage covering all persons handling funds under this Agreement against loss by dishonesty, robbery, burglary, theft, destruction, or disappearance, computer fraud, credit card forgery, and other related crime risks. The policy limit must be written to cover losses in the amount of maximum monies/funds collected, received and in the possession of NHS at any given time.

7) Property

NHS is responsible for all loss or damage to City property at full replacement cost that results from this Agreement.

NHS is responsible for all loss or damage to personal property (including materials, equipment, tools and supplies) owned, rented or used by NHS.

b) NHS must furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1006, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. NHS must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to execution of the Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements. The failure of the City to obtain certificates or other insurance evidence from NHS is not a waiver by the City of any requirements for NHS to obtain and maintain the specified coverages. NHS must advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve NHS of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work until proper evidence of insurance is provided, or the Agreement may be terminated.

The insurance must provide for sixty (60) days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by NHS.

NHS hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by NHS in no way limit NHS's liabilities and responsibilities specified within this Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by NHS under this Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If NHS is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

NHS must require all subcontractors to provide the insurance required herein, or NHS may provide the coverages for subcontractors. All subcontractors are subject to the same insurance requirements of NHS unless otherwise specified in this Agreement.

If NHS or subcontractor desire additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

Notwithstanding any provision in the Agreement to the contrary, the City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, and the City shall promptly notify NHS of any such changes.

ARTICLE V - Events of Default; Remedies

5.1 Events of Default Defined. The following, subject to the notice and cure provisions of Section 5.2 hereof, shall each constitute an Event of Default hereunder:

(a) any material misrepresentation, whether negligent or willful and whether in the inducement or in the performance of this Agreement, made by NHS to the City;

(b) failure by NHS to perform any of its duties or obligations under this Agreement;

(c) any change in ownership or control of NHS without the prior written approval of the City;

(d) the dissolution of NHS or the entry of a decree or order for relief by a court having jurisdiction with respect to NHS in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of NHS or for any substantial part of the property thereof or ordering the winding-up or

liquidation of the affairs of NHS and the continuance of any such decree or order unstayd and in effect for a period of 30 consecutive days;

(e) the commencement by NHS of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by NHS to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of NHS or of any substantial part of the property of NHS or of any royalties, revenues, rents, issues or profits therefrom, or the making by NHS of any assignment for the benefit of creditors or the failure of NHS generally to pay its respective debts as such debts become due or the taking of action by NHS in furtherance of any of the foregoing;

(f) a final judgment for the payment of money in excess of \$100,000 shall be rendered by a court of competent jurisdiction against NHS, and NHS shall not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof, within 80 days from the date of entry thereof, or such longer period during which execution of such judgment shall have been stayed;

(g) default by NHS under any other agreement which NHS may currently have or may enter into with the City during the term of this Agreement; or

(h) a failure by NHS to fulfill its obligations under any Grant Documents.

5.2 Remedies. If any event referred to in Section 5.1 hereof cannot reasonably be cured within 30 days after receipt of notice given in accordance with the terms of this Agreement, or if NHS has failed, in the sole opinion of the City, to commence and continue diligent efforts to cure such event, the City may, at its sole option, declare an Event of Default hereunder. Whether to declare an Event of Default hereunder is within the sole discretion of the City and neither that decision nor the factual basis for it is subject to review or challenge under this Agreement. Written notification of, or that results in, an Event of Default, and any intention of the City to terminate this Agreement, shall be provided to NHS and such decision shall be final and effective upon receipt of such notice pursuant to Section 6.14 hereof and failure to cure within the stated applicable cure period. Upon the giving of such notice, the City may invoke any or all of the following remedies:

- (a) the right to terminate this Agreement as to any or all of the services yet to be performed effective at a time specified by the City;
- (b) the right of specific performance, an injunction or any other appropriate equitable remedy;
- (c) the right to money damages;
- (d) the right to withhold all or any part of the compensation of NHS hereunder; and
- (e) the right to deem NHS non-responsible in future contracts to be awarded by the City.

If the City considers it to be in its best interests, it may elect not to declare an Event of Default hereunder or to terminate this Agreement. The parties acknowledge that this provision is

solely for the benefit of the City and that if the City permits NHS to continue to provide the services despite one or more Events of Default, NHS shall in no way be relieved of any of its responsibilities, duties or obligations under this Agreement nor shall the City waive or relinquish any of its rights thereby.

The remedies under the terms of this Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy shall be cumulative and shall be in addition to any other remedies, existing now or hereafter, at law, in equity or by statute. No delay or failure to exercise any right or power accruing upon any Event of Default shall impair any such right or power nor shall it be construed as a waiver of any Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VI - General Provisions

6.1 Duration of the Agreement. This Agreement shall commence on the date of execution and delivery hereof and, unless earlier terminated pursuant to this Agreement, shall terminate when the last Grant payment is made by NHS hereunder.

6.2 Termination. The City may terminate this Agreement for convenience upon thirty (30) days written notice from the City. In such event, all rights and obligations running to and from each party shall be terminated and of no further force and effect; provided that NHS shall be obligated to maintain all records and monitoring obligations with respect to any Grant made in accordance with the terms of this Agreement for a period of five years after the date of the Grant.

6.3 Indemnification. NHS shall pay, indemnify and save the City and the City's officers, employees and agents harmless of, from and against, any and all losses incurred by any such party under this Agreement and any claim brought by reason of any such loss due to NHS's negligence, bad faith or willful misconduct. In the event that any claim is brought against the City or any of the City's officers, employees or agents, by reason of any such loss, NHS, upon notice from the City, covenants to resist and defend such claim on behalf of the City and the City's officers, employees and agents. The City shall have the right to employ separate counsel in any such claim and to participate in the defense thereof and the fees and expenses of such counsel incurred shall be at the expense of NHS, without regard to any authorization of such employment by NHS.

6.4 Non-Liability of Public Officials. No official, employee or agent of the City shall be charged personally by NHS or by any assignee or subcontractor of NHS with any liability or expenses of defense or shall be held personally liable to NHS, or any assignee or subcontractor of NHS under any terms or provisions of this Agreement because of the City's execution or attempted execution hereof or because of any breach hereof.

6.5 Compensation. NHS shall not charge any Eligible Homebuyer any fees or charges for a Grant hereunder. The only compensation received by NHS for performance under this Agreement shall be in accordance with this Section 6.5, as follows:

(a) NHS shall be entitled to compensation of \$1250.00 for every completed Application received; and

(b) NHS shall be entitled to compensation hereunder in an amount equal to 15 percent (15%) of the aggregate Program Funds paid by the City for each Eligible Property if NLS is the senior lender or an amount equal to 20 percent (20%) if NLS is not the senior lender, less the amount paid to NHS for receipt of the Application pursuant to subsection (a) of this Section.

(c) Such compensation due to NHS in accordance with subsections (a) and (b) of this Section shall be payable upon submission of a Voucher by NHS to HED, which Voucher shall contain a line item for NHS compensation hereof.

(d) The City shall not be responsible for the payment of any fees other than as set forth in this Section.

6.6 Documentation of Costs and Income: Records and Availability. All Eligible Costs paid from the proceeds of a Grant shall be supported by properly executed invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the Eligible Costs. All checks, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this Agreement shall be maintained by NHS and shall be clearly identified and readily accessible to the City upon written request.

NHS shall maintain records evidencing compliance with the all requirements of the Program for each Eligible Property which is the subject of a Grant, including the provisions of Section 4.5. Such records shall be maintained for a period of five years after the date of the Grant. All Grant Documents shall be held by NHS for the benefit of the City during the term of this Agreement and for five years thereafter. Upon the written request of the City, NHS shall provide the City with access to and copies of such records.

At any time during normal business hours and as often as the City may deem necessary, NHS shall make available to the City (i) all of its records with respect to matters covered by this Agreement and (ii) access to its employees who have knowledge about the matters covered by this Agreement. NHS shall permit the City to audit, examine and make excerpts or transcripts from such records, and to make copies of records relating to personnel, conditions of employment and other data covered by this Agreement.

At any time during normal business hours and as often as the City may deem necessary, each Eligible Homebuyer shall make available to the City the Eligible Property and records relating to tenants of the unit, if any, in order for the City to verify compliance with this Agreement, including Section 4.5. NHS shall include this requirement in the Grant Documents.

6.7 Non-discrimination. NHS agrees it shall be an unlawful employment practice for NHS (1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap or national origin; or (2) to limit, segregate, or classify its employees or applicants for employment in any way which would deprive or tend to deprive any individual in any way of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color religion, sex, age, handicap or national origin.

NHS shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. and any rules and regulations promulgated in accordance therewith, including, but not limited to the Equal Employment Opportunity clause, 56 Ill. Admin. Code 2520 Appendix G. Furthermore, NHS shall comply with and shall cause any contractor utilized under this Agreement to comply with the Discrimination in Public Contracts Act, 775 ILCS 10/0.01, et seq.

6.8 City Requirements. NHS shall comply with the Chicago Human Rights Ordinance, ch. 2-160, Section 2-160-010 et seq. of the Chicago Municipal Code (1990); and the Chicago Fair Housing Regulations ch. 5-8, Section 5-8-010 et seq. of the Chicago Municipal Code (1990).

NHS agrees to furnish and to cause each of its subcontractor(s) to furnish such reports and information as requested by the Chicago Commission on Human Relations.

NHS agrees that all of the aforementioned provisions will be incorporated in all agreements entered into with any suppliers of materials, furnisher of services, subcontractors of any tier, and labor organizations which furnish skilled, unskilled and craft union skilled labor, or which may provide any such materials, labor of services in connection with this Agreement.

6.9 Assignment. NHS may not assign, sell, transfer or delegate any of its duties or obligations under this Agreement without the prior written consent of the City. The City may assign, sell, transfer or otherwise dispose of any of its rights hereunder, in whole or in part, without the permission of NHS.

6.10 Savings Clause. In case any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.

6.11 Entire Agreement. This Agreement and the incorporated Exhibits constitute the entire Agreement and may not be modified, altered or amended unless agreed to by both parties in writing. Any waiver or any provision of this Agreement must be executed in writing by the party granting the waiver and such waiver shall not affect any other rights of the party granting the waiver or act to affect any other duty or obligation of the party receiving the waiver.

6.12 Counterparts. This Agreement is composed of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.

6.13 Headings. The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

6.14 Notices. Unless otherwise specified, any notice, demand or request hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier; or (d) registered or certified mail, return receipt requested.

IF TO CITY:

Department of Housing and Economic Development
City of Chicago
121 North LaSalle Street, Room 1006
Chicago, Illinois 60602
Attention: Commissioner

WITH COPIES TO:

Office of the Corporation Counsel
City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance & Economic Development Division

and

Department of Finance
City of Chicago
33 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Comptroller

IF TO NHS:

Neighborhood Housing Services of Chicago, Inc.
1279 N. Milwaukee Ave. - 5th Floor
Chicago, Illinois 60622
Attention: Executive Director

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the business day immediately following deposit with the overnight courier and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two business days following deposit in the mail.

6.15 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State without regard to its conflict of laws principles.

6.16 Approval. Wherever in this Agreement provision is made for the approval or consent of the City, or any matter is to be to the City's satisfaction, or the like, unless specifically stated to the contrary, such approval, consent, satisfaction or the like shall be made, given or determined by the City in its sole discretion, subject to the review by the Corporation Counsel. Any such approval, consent or other determination shall be made by the Commissioner of the Department of Housing and Economic Development, or any designee thereof, in his or her role as administering this Agreement for the City.

6.17 Standard of Performance. NHS shall at all times act in the best interest of the City, consistent with the professional obligations assumed by it in entering into this Agreement. NHS shall perform, or cause to be performed, all services hereunder in accordance with the terms and conditions of this Agreement and to the reasonable satisfaction of the City. Any review, approval, acceptance or payment for any and all of the services by the City shall not relieve NHS of its responsibility for the professional accuracy and due diligence of its services. This provision in no way limits the City's rights against NHS either under this Agreement or otherwise, at law or in equity.

6.18 References to Statutes, etc. All references herein to statutes, regulations, rules, executive orders, ordinances, resolutions or notices or circulars issued by any governmental body

shall be deemed to include any and all amendments, supplements and restatements from time to time to or of such statutes, regulations, rules, executive orders, ordinances, resolutions, notices and circulars.

6.19 No Contractor Inducements. NHS shall comply with Chapter 2-156 of the Municipal Code of Chicago, "Governmental Ethics", including but not limited to Section 2-156-120 of such Chapter, pursuant to which no payment, gratuity or offer of employment shall be made in connection with any City contract, by or on behalf of a subcontractor to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order. Any contract negotiated, entered into, or performed in violation of any of the provisions of such Chapter 2-156 shall be voidable as to the City.

6.20 No Business Relationship with City Elected Officials. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated hereby, shall be grounds for termination of this Agreement and the transactions contemplated hereby. NHS hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated hereby.

IN WITNESS WHEREOF, the City and NHS have executed this Agreement as of the date first set forth above.

CITY OF CHICAGO

By: _____
Commissioner of Housing and
Economic Development

NEIGHBORHOOD HOUSING SERVICES OF
CHICAGO, INC.

By: _____

Its: _____

(Sub)Exhibits "A" and "B" referred to in this Vacant Building Tax Increment Financing Purchase and Rehabilitation Program Agreement for Single-Family Homes with Neighborhood Housing Services of Chicago, Inc. read as follows:

(Sub)Exhibit "A".

**(To Vacant Building Tax Increment Financing Purchase
And Rehabilitation Program Agreement For
Single-Family Homes With Neighborhood
Housing Services Of Chicago, Inc.)**

Eligible Tax Increment Financing Areas.

1. Chicago/Central Park Redevelopment Project Area established pursuant to ordinances passed on February 27, 2002.

Total amount of authorized Program Funds: \$1,000,000.

(Sub)Exhibit "B".

**(To Vacant Building Tax Increment Financing Purchase
And Rehabilitation Program Agreement For
Single-Family Homes With Neighborhood
Housing Services Of Chicago, Inc.)**

Form Of Counsel's Opinion.

[To Be Placed On Attorney's Letterhead]

_____, 2012.

Office of the Corporation Counsel
City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

Re: Vacant Building TIF Purchase and Rehabilitation Program Agreement (the "Agreement")

Ladies and Gentlemen:

I have acted as Corporate General Counsel for Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation ("NHS"), in connection with the execution and delivery of the Agreement by and among NHS and the City of Chicago, acting by and through its Department of Housing and Economic Development (the "City"). NHS has requested that this opinion be furnished to the City.

In so acting as Corporate General Counsel for NHS I have examined:

- (i) an executed original of the Agreement;
- (ii) the Articles of Incorporation, including all amendments thereto, of NHS as furnished and certified by the Secretary of State of the State of Illinois;
- (iii) the Bylaws of NHS, as certified by the Secretary of NHS as of the date hereof; and
- (iv) the Certificate of Good Standing dated _____, issued by the Office of the Secretary of State of the State of Illinois, as to the good standing of NHS.

In my capacity as Corporate General Counsel, I have also examined such other documents or instruments as I have deemed relevant for the purposes of rendering the opinions hereinafter set forth.

I have also assumed, but have no reason to question, the legal capacity, authority and the genuineness of the signatures of and due and proper execution and delivery by the respective parties other than NHS which has made, executed or delivered or will make, execute and deliver the agreements and documents examined by me.

I express no opinion as to (i) the laws of any state or jurisdiction other than the State of Illinois (and any political subdivisions thereof) and the United States of America; and (ii) any matters pertaining or relating to the securities laws of the United States of America, the State of Illinois or any other state.

Based upon and subject to the assumptions and qualifications herein stated, it is my opinion that:

1. NHS is a not-for-profit corporation, duly organized and validly existing under the laws of the State of Illinois, NHS has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence, and has all requisite authority to carry on its business and to execute and deliver, and to consummate the transactions contemplated by, the Agreement.
2. The Agreement has been duly executed and delivered on behalf of NHS, and constitutes a legal, valid and binding obligation of NHS, enforceable against NHS in accordance with its terms, except to the extent that enforcement of any such terms may be limited by: (a) applicable bankruptcy, reorganization, debt arrangement, insolvency or other similar laws generally affecting creditors' rights; or (b) judicial and public policy limitations upon the enforcement of certain remedies including those which a court of equity may in its discretion decline to enforce.
3. To my knowledge, there is no action, suit or proceeding at law or in equity pending, nor threatened, against or affecting NHS, before any court or before any

governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of NHS to perform under the Agreement or any of its business or properties or financial or other conditions.

4. The transactions contemplated by the Agreement are governed by the laws of the State of Illinois.
5. The execution and delivery of the Agreement and the consummation of the transactions contemplated thereby will not constitute:
 - A. a violation or breach of (i) the Articles of Incorporation of NHS, (ii) the Bylaws of NHS, (iii) any provision of any contract or other instrument to which NHS is bound, or (iv) any order, writ, injunction, decree, statute, rule or regulation binding on NHS, or
 - B. a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance upon any of the property of either NHS pursuant to, any agreement or other instrument to which NHS is a party or by which NHS is bound.
6. No action of, or filing with, any governmental or public body is required to authorize, or is otherwise required for the validity of, the execution, delivery and performance of any of the Agreement.

This opinion is furnished for your benefit and may be relied upon by you and any such other party in connection with the Agreement, but may not be delivered to or relied upon by any other person or entity without written consent from the undersigned.

Very truly yours,

ESTABLISHMENT OF TAX INCREMENT FINANCING NEIGHBORHOOD
IMPROVEMENT PROGRAM FOR BRONZEVILLE AREA AND EXECUTION OF
AGREEMENT WITH NEIGHBORHOOD HOUSING SERVICES OF CHICAGO, INC.
FOR ADMINISTRATION OF PROGRAM.

[O2012-664]

The Committee on Finance submitted the following report:

ATTACHMENT E

Agreements entered into concerning the disposition or redevelopment of property within the Project Area during the preceding fiscal year are listed below.

Parties to Agreement with City	Project Description	Address
N/A	Construction of Mixed Use Property	3915 W. Division Street
N/A	Construction of Mixed Use Property	521 N. Sawyer Avenue
N/A	Construction of Mixed Use Property	3534 W. Ohio Street

ATTACHMENT K

CITY OF CHICAGO, ILLINOIS
CHICAGO/CENTRAL PARK
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2012

CITY OF CHICAGO, ILLINOIS
CHICAGO/CENTRAL PARK REDEVELOPMENT PROJECT

C O N T E N T S

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BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

O'HARE PLAZA

8745 WEST HIGGINS ROAD, SUITE 200

CHICAGO, ILLINOIS 60631

AREA CODE 312 263.2700

INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying financial statements of the Chicago/Central Park Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

The financial statements present only the Chicago/Central Park Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Chicago/Central Park Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bansley and Kiener, L.L.P.
Certified Public Accountants

June 27, 2013

CITY OF CHICAGO, ILLINOIS
CHICAGO/CENTRAL PARK REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Chicago/Central Park Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2012. Please read it in conjunction with the Project's financial statements, which follow this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net assets and how they have changed. Net assets – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

Governmental Fund Financial Statements

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS
CHICAGO/CENTRAL PARK REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

Condensed Comparative Financial Statements

The condensed comparative financial statements are presented on the following page.

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$3,958,902 for the year. This was a decrease of 47 percent over the prior year. The change in net assets (including other financing sources) produced an increase in net assets of \$4,464,668. The Project's net asset deficiency decreased by 11 percent from the prior year making it necessary for \$(35,488,015) to be funded in future years. Expenses decreased this year due to the Project's formulation of a redevelopment plan or necessary funding was not substantially complete or available.

Debt Administration

General Obligation Bonds (Modern Schools Across Chicago Program) outstanding at December 31, 2012 amounted to \$102,070,000. More detailed information about the Project's long-term liabilities is presented in Note 2 of the financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO/CENTRAL PARK REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Concluded)

Government-Wide

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 72,781,521	\$ 74,581,963	\$ (1,800,442)	-2%
Total liabilities	<u>108,269,536</u>	<u>114,534,646</u>	<u>(6,265,110)</u>	-5%
Total net assets (deficiency)	<u>\$ (35,488,015)</u>	<u>\$ (39,952,683)</u>	<u>\$ 4,464,668</u>	11%
Total revenues	\$ 4,770,521	\$ 8,635,952	\$ (3,865,431)	-45%
Total expenses	<u>7,395,648</u>	<u>18,155,030</u>	<u>(10,759,382)</u>	-59%
Other financing sources	<u>7,089,795</u>	<u>7,500,051</u>	<u>(410,256)</u>	-5%
Changes in net assets	<u>4,464,668</u>	<u>(2,019,027)</u>	<u>6,483,695</u>	321%
Ending net assets (deficiency)	<u>\$ (35,488,015)</u>	<u>\$ (39,952,683)</u>	<u>\$ 4,464,668</u>	11%

CITY OF CHICAGO, ILLINOIS
CHICAGO/CENTRAL PARK REDEVELOPMENT PROJECT

STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2012

<u>ASSETS</u>	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Cash and investments	\$ 67,455,367	\$ -	\$ 67,455,367
Property taxes receivable	5,104,800	-	5,104,800
Accrued interest receivable	221,354	-	221,354
Total assets	<u>\$ 72,781,521</u>	<u>\$ -</u>	<u>\$ 72,781,521</u>
<u>LIABILITIES</u>			
Vouchers payable	\$ 1,815	\$ -	\$ 1,815
Due to other City funds	177,814	-	177,814
Accrued interest payable	213,571	-	213,571
Deferred revenue	4,278,293	(4,278,293)	-
Bonds payable (Note 2):			
Due within one year	-	5,840,000	5,840,000
Due after one year	-	102,036,336	102,036,336
Total liabilities	<u>4,671,493</u>	<u>103,598,043</u>	<u>108,269,536</u>
<u>FUND BALANCE/NET ASSETS</u>			
Fund balance:			
Restricted for debt service	10,593,679	(10,593,679)	-
Restricted for future redevelopment project costs	<u>57,516,349</u>	<u>(57,516,349)</u>	<u>-</u>
Total fund balance	<u>68,110,028</u>	<u>(68,110,028)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 72,781,521</u>		
Net assets (deficiency):			
Restricted for economic development projects		153,080	153,080
Restricted for debt service		10,806,830	10,806,830
Restricted for future redevelopment project costs		<u>(46,447,925)</u>	<u>(46,447,925)</u>
Total net assets (deficiency)		<u>\$ (35,488,015)</u>	<u>\$ (35,488,015)</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance - governmental funds	\$ 68,110,028
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	4,278,293
Long-term liabilities applicable to the Project's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities are reported in the statement of net assets.	<u>(107,876,336)</u>
Total net assets (deficiency) - governmental activities	<u>\$ (35,488,015)</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO/CENTRAL PARK REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 5,787,328	\$ (1,828,426)	\$ 3,958,902
Interest	406,763	-	406,763
Miscellaneous revenue	404,856	-	404,856
Total revenues	<u>6,598,947</u>	<u>(1,828,426)</u>	<u>4,770,521</u>
Expenditures/expenses:			
Economic development projects	2,627,626	-	2,627,626
Debt service:			
Principal retirement	5,850,000	(5,850,000)	-
Interest	5,208,989	(440,967)	4,768,022
Total expenditures/expenses	<u>13,686,615</u>	<u>(6,290,967)</u>	<u>7,395,648</u>
Excess of expenditures over revenues	(7,087,668)	4,462,541	(2,625,127)
Other financing sources:			
Operating transfers in (Note 3)	<u>7,089,795</u>	-	<u>7,089,795</u>
Excess of revenues and other financing sources over expenditures	2,127	(2,127)	-
Change in net assets	-	4,464,668	4,464,668
Fund balance/net assets (deficiency):			
Beginning of year	<u>68,107,901</u>	<u>(108,060,584)</u>	<u>(39,952,683)</u>
End of year	<u>\$ 68,110,028</u>	<u>\$ (103,598,043)</u>	<u>\$ (35,488,015)</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental funds	\$ 2,127
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	(1,828,426)
Repayment of bond principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For governmental activities, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.	5,850,000
Premium received on the issuance of long-term debt is not accrued in governmental funds, but rather is amortized over the life of the bonds.	<u>440,967</u>
Change in net assets - governmental activities	<u>\$ 4,464,668</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO/CENTRAL PARK REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In February 2002, the City of Chicago (City) established the Chicago/Central Park Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the capital project, debt service and special revenue funds of the City.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Effective January 2011, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was adopted to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, by eliminating the reserve component in favor of a restricted classification and by clarifying existing governmental fund type definitions. The "restricted fund balance" classification is utilized where amounts are constrained by either externally imposed laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Previously, GASB Statement No. 34 (as amended) was implemented and included the following presentation:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Project's overall financial position and results of operations.
- Government-wide financial statements prepared using the economic resources measurement focus and the *accrual basis of accounting* for all the Project's activities.
- Fund financial statements, which focus on the Project's governmental funds *current financial resources measurement focus*.

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under the *modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

CITY OF CHICAGO, ILLINOIS
CHICAGO/CENTRAL PARK REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(d) *Assets, Liabilities and Net Assets*

Cash and Investments

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

Capital Assets

Capital assets are not capitalized in the governmental funds but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental funds as the City nor Project will retain the right of ownership.

(e) *Stewardship, Compliance and Accountability*

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

Reimbursements

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection. The semi-annual principal and interest payments are made solely from incremental real property taxes, which are paid in this redevelopment district and other contiguous redevelopment districts needed to fulfill the debt service requirements.

CITY OF CHICAGO, ILLINOIS
CHICAGO/CENTRAL PARK REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2 – Bonds Payable

In January 2007, the City issued \$70,125,000 of General Obligation Bonds (Modern Schools Across Chicago Program), Series 2007D at a premium. The bonds have interest rates ranging from 4.00 to 5.00 percent and maturity dates ranging from December 1, 2008 to December 1, 2026. Net proceeds of \$70,125,000 will be used to pay for a portion of the costs for construction, renovation, design and acquisition of elementary and high schools that are part of the school system operated by the Board of Education of the City of Chicago (the "Board") and refund certain outstanding obligations of the Board.

In August 2010, the City issued \$51,745,000 of General Obligation Bonds (Modern Schools Across Chicago Program), Series 2010A and B at a premium. Series B bonds (\$23,465,000) are Build America Bonds. The bonds have interest rates ranging from 3.00 percent to 5.364 percent and maturity dates ranging from December 1, 2011 to December 1, 2026. Net proceeds of \$54,920,000 will be used to pay for a portion of the costs for construction, renovation, design and acquisition of elementary and high schools that are part of the school system operated by the Board. The bonds fund Phase II of the Modern Schools Across Chicago Program.

Long-term liability activity for the year ended December 31, 2012 was as follows:

Beginning balance	\$107,920,000
Additions	-
Reductions	<u>(5,850,000)</u>
Subtotal	102,070,000
Plus unamortized premium	<u>5,806,336</u>
Ending balance	<u>\$107,876,336</u>
Amounts due within one year	<u>\$ 5,840,000</u>

The principal aggregate maturities of the bonds are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Series 2007</u>	<u>Series 2010A</u>	<u>Series 2010B</u>	<u>Total</u>
2013	\$ 4,070,000	\$ 1,770,000	\$ -	\$ 5,840,000
2014	4,615,000	2,085,000	-	6,700,000
2015	4,390,000	2,320,000	-	6,710,000
2016	5,290,000	2,415,000	-	7,705,000
2017	5,475,000	2,765,000	-	8,240,000
2018-2022	22,785,000	11,005,000	10,320,000	44,110,000
2023-2026	<u>5,555,000</u>	<u>4,065,000</u>	<u>13,145,000</u>	<u>22,765,000</u>
Total	<u>\$52,180,000</u>	<u>\$26,425,000</u>	<u>\$23,465,000</u>	<u>\$102,070,000</u>

CITY OF CHICAGO, ILLINOIS
CHICAGO/CENTRAL PARK REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 2 – Bonds Payable (Concluded)

The interest aggregate maturities of the bonds are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Series 2007</u>	<u>Series 2010A</u>	<u>Series 2010B</u>	<u>Total</u>
2013	\$ 2,562,850	\$1,247,250	\$ 1,156,730	\$ 4,966,830
2014	2,359,350	1,176,450	1,156,730	4,692,530
2015	2,174,750	1,079,550	1,156,730	4,411,030
2016	1,955,250	963,550	1,156,730	4,075,530
2017	1,690,750	852,700	1,156,730	3,700,180
2018-2022	4,320,250	2,495,850	5,301,938	12,118,038
2023-2026	<u>608,000</u>	<u>203,250</u>	<u>1,880,274</u>	<u>2,691,624</u>
Total	<u>\$15,671,200</u>	<u>\$8,018,600</u>	<u>\$12,965,862</u>	<u>\$36,655,762</u>

Note 3 – Operating Transfers In

During 2012, in accordance with State statutes, the Project received \$5,727,847 from four contiguous Redevelopment Projects (Midwest \$1,144,610, Kinzie Industrial Corridor \$2,804,673, Pulaski Corridor \$735,709 and Northwest Industrial Corridor \$1,042,855) to fund debt service for Phase I of the Modern Schools Across Chicago Bonds, Series 2007. In addition, in accordance with State statutes, the Project received \$1,361,948 from two contiguous Redevelopment Projects (Midwest \$227,477 and Kinzie Industrial Corridor \$1,134,471) to fund debt service for Phase II of the Modern Schools Across Chicago Bonds, Series 2010.

Note 4 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance to a developer under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

As of December 31, 2012 the Project has entered into contracts for approximately \$1,137,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
CHICAGO/CENTRAL PARK REDEVELOPMENT PROJECT
SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 205,048
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	1,480,905
Costs of the construction of public works or improvements	309,277
Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto	11,058,989
Costs of construction of new housing units for low income and very low income households	<u>632,396</u>
	<u>\$ 13,686,615</u>



BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

ESTABLISHED 1922

O'HARE PLAZA 8745 WEST HIGGINS ROAD SUITE 200 CHICAGO, ILLINOIS 60631 312.263.2700 FAX 312.263.6935 WWW.BK-CPA.COMINDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Chicago/Central Park Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net assets and governmental funds balance sheet as of December 31, 2012, and the related statement of activities and governmental funds revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 27, 2013.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation Chicago/Central Park Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Bansley and Kiener, L.L.P.

Certified Public Accountants

June 27, 2013