

TIF PROJECT SCORECARD

Legends South C-3 (Rental)

109 E. 43rd Street and 13 other Scattered Sites

Legends South C-3 redevelopment consists of seventy-one (71) new construction, mixed income rental units, to be built on land currently owned by the City of Chicago, which will be conveyed at closing. The units will include a mixture of 1, 2, 3, and 4 bedrooms ranging in size from 800-1700SF. The project will provide 30 units of replacement public housing subject to Low Income Housing Tax Credit (LIHTC) restrictions, as well as 23 affordable tax credit units also subject to LIHTC restrictions, and 18 unrestricted market rate units. The affordable units will target tenants whose incomes range between 30-60% of AML.

Type of Project: Affordable Multifamily Housing

Developer: Legends C-3, LLC

Total Project Cost: \$28,181,545

Timeline for Completion: December 2014 (anticipated completion)

TIF Funding Request: \$3,030,091

Project Status: On-going

TIF District: 47th and King Drive TIF

RETURN ON INVESTMENT BENCHMARKS

Advances Goal of Economic Development Plan YES or NO
 YES NO

Jobs Created/Retained
up to 150 temporary construction jobs and 2.5 FTE jobs

Advances Goal of TIF District YES or NO
 YES NO
Creates affordable rental housing and removes blight

Affordable Housing Units Created/Preserved
53 Affordable rental units created

Addresses Community Need YES or NO
 YES NO
Creates affordable housing and replaces public housing units

Return on Investment to City
NA

FINANCIAL BENCHMARKS

Other Funds Leveraged by \$1 of TIF
\$8.30

Financing Structure The TIF funds will be bridged and eligible TIF costs will be reimbursed after construction per the terms of the payment schedule.

Types of Other Funding Leveraged YES or NO
 YES NO
\$1,500,000 in IHDA 9% LIHTC- equity generated \$14,846,930; CHA Loan \$8,730,000; Deferred Developer Fee \$324,424; GPEquity(.01% ownership) \$100

RDA TERMS

Payment Schedule:
\$2,000,000 in 2015 and \$1,030,091 in 2016.

Monitoring Term of Agreement:
30 year affordable period per Monitoring and Compliance

Taxpayer Protection Provisions YES or NO
 YES NO

OTHER CONSIDERATIONS



**City of Chicago
Department of Housing and Economic Development**

**STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REGARDING
A PROPOSED NEGOTIATED SALE OF CITY-OWNED PROPERTY
AND DESIGNATION OF DEVELOPER
AUGUST 13, 2013**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	Legends South C-3
Applicant Name:	Legends C-3, LLC
Project Address:	4822 S. Calumet Avenue, 4820 S. Calumet Avenue, 4730 S. Calumet Avenue, 4728 S. Calumet Avenue, 4726 S. Calumet Avenue, 4720 S. Calumet Avenue, 4718 S. Calumet Avenue, 4716 S. Calumet Avenue, 4328 S. Prairie Avenue, 4335 S. Michigan Avenue, 4325 S. Michigan Avenue, 109 E. 43rd Street, 119 E. 43rd Street, 4312 S. Michigan Avenue
Ward and Alderman:	3 rd , Dowell
Community Area:	Grand Boulevard (38)
Redevelopment Project Area:	47 th and King Drive TIF district redevelopment area
Requested Action:	Negotiated sale of vacant City land and designation of Developer.
Proposed Project:	The project will provide 71 housing units of which 53 units or 75% will be affordable rental for households earning no more than 60 percent of the area median income.
Appraised Market Value:	\$572,000 (\$6.46 per square foot)
Sale Price:	\$1

Acquisition Assistance: \$ 571,999

TIF Assistance: \$3,030,091

II. PROPERTY DESCRIPTION

Address: 109 E. 43rd Street
119 E. 43rd Street
4312 S. Michigan Avenue
4325 S. Michigan Avenue
4335 S. Michigan Avenue
4328 S. Prairie Avenue
4716 S. Calumet Avenue
4718 S. Calumet Avenue
4720 S. Calumet Avenue
4726 S. Calumet Avenue
4728 S. Calumet Avenue
4730 S. Calumet Avenue
4820 S. Calumet Avenue
4822 S. Calumet Avenue

Location: 43rd (N) – 48th (S) Street/Michigan (W)-Calumet(E)

Tax Parcel Numbers: 20-03-302-028-0000
20-03-302-010-0000
20-03-301-014-0000
20-03-302-004-0000
20-03-302-006-0000
20-03-303-021-0000
20-10-104-019-0000
20-10-104-020-0000
20-10-104-021-0000
20-10-104-024-0000
20-10-104-025-0000
20-10-104-026-0000
20-10-110-021-0000
20-10-110-022-0000

Land Area: 88,580 sf

Current Use: Vacant

Current Zoning: RM5, Residential Multi-Unit District.

Environmental Condition: A Phase I report has been submitted to DOE for an assessment. Based on the conclusions of that report the City may also require submission of a Phase II analysis. The land will be sold as-is, with no warranties or representations as to its environmental condition, and it will be the responsibility of the applicant to complete any remediation that may be required by the City or the Illinois EPA. The redevelopment agreement with the selected respondent will include release and indemnification language protecting the City from liability.

Inventory Profile: The subject parcels were acquired by the City through various processes including TRP, demo lien, judicial deed; some parcels were acquired as early as 1979.

III. BACKGROUND

Brinshore-Michaels (BMT-1, LLC) was selected by CHA as the Master Developer of the Robert Taylor Homes in February 2001, and has been engaged to plan and implement the Taylor redevelopment. The Robert Taylor development received \$35MM in HOPE VI funding from HUD in 2001 to fund the redevelopment of the former Robert Taylor site. The proposed development is designed to complement and reinforce the first two offsite phases of development, the 110-unit Mahalia Place (Robert Taylor Phase C-1), which was completed in 2005, and the 118-unit Coleman Place (Robert Taylor Phase C-2), which was completed in 2009. The proposed project is also designed to complement the first two phases of on-site development, the Hansberry Square (Robert Taylor Phase A-1) which was completed in 2007, and Savoy Square (Robert Taylor Phase A-2) which was completed in 2010. Redeveloping mixed income units both on and off site is the means by which the physical isolation of public housing residents will be ended, and the stigma of an address west of State Street will be erased. By building high quality new construction rental housing on both sides of State Street, the old Robert Taylor site will be merged seamlessly into the revitalizing Grand Boulevard community.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity: The proposed project is being developed by a joint venture of Brinshore Development, LLC and The Michaels Development Company. In addition to all previous phases of development at Legends South, Brinshore-Michaels has successfully undertaken the redevelopment efforts at two other CHA public housing redevelopment sites – Henry Horner Homes (now called Westhaven Park) and Ogden-North (now called Park Douglas). In all, Brinshore-Michaels has completed the development of 1,234 mixed-income rental units in the City of Chicago.

The new development will be owned by Legends C-3, LLC, a single-purpose entity. Legends C-3, LLC is made up of a General Partner called Legends C-3 Manager, LLC that holds a .01% interest and a Limited Partner that holds a 99.99% interest. The developer's organization chart is included in the exhibits.

Consultants: Landon Bone Baker Architects and Johnson & Lee are the architects for the development and the general contractor is Powers & Sons Construction. Interstate Realty Management (IRM) will serve as the property manager for the development.

V. PROPOSED PROJECT

Project Overview: The Legends South C-3 rental redevelopment consists of seventy-one (71) new construction, mixed income rental units built on land currently owned by the City of Chicago, which will be conveyed upon closing. These units are an important step toward achieving the Chicago Housing Authority's historic Plan for Transformation. The project will provide 30 units of replacement public housing subject to Low Income Housing Tax Credit (LIHTC) restrictions, as well as 23 affordable tax credit units also subject to LIHTC restrictions and 18 unrestricted market rate units. The development is located in the 3rd Ward, which is represented by Alderman Pat Dowell, and is a part of the 47th/King TIF district.

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

Unit Profile

Residential Unit Profile: The following table provides a detailed description of the proposed project. The subject property will provide a total of 71 rental units of which 53 units or 75% will be affordable for households earning no more than 60 percent of the area median income. These units will satisfy the Chicago affordable housing ordinance, which requires 10 percent of the total units to be affordable in projects developed on land sold by the City or 20 percent in projects receiving TIF assistance.

Rental Unit Profile

Unit Type	Number	Market/ Affordable AMI%	Size-sf	Monthly Rent Received by landlord*	Total Monthly Rents	Fair Market Rents for Area
1 bedroom	6	Market	800	\$925	\$5,550	4928
2 bedroom	8	Market	1,115	\$1,150	\$9,200	\$1,110
3 bedroom	4	Market	1,350	\$1,350	\$5,400	\$1,395
1 bedroom	1	30% AMI Tax Credit	800	\$305	\$305	\$322
2 bedroom	1	30% AMI Tax Credit	1,115	\$370	\$370	\$389
3 bedroom	1	30% AMI Tax Credit	1,350	\$425	\$425	\$447
2 bedroom	1	50% AMI Tax Credit	1,115	\$691	\$691	\$726
1 bedroom	6	60% AMI Tax Credit	800	\$710	\$4,260	\$736
2 bedroom	7	60% AMI Tax Credit	1,115	\$852	\$5,964	\$867
3 bedroom	6	60% AMI Tax Credit	1,350	\$983	\$5,898	\$1,027
1 bedroom	4	CHA Public Housing 30%	800	\$400	\$3,200	NA
1 bedroom	4	CHA Public Housing 50%	800	\$400	\$3,200	NA
2 bedroom	6	CHA Public Housing 30%	1,115	\$400	\$2,400	NA
2 bedroom	4	CHA Public Housing 50%	1,115	\$400	\$1,600	NA
3 bedroom	4	CHA Public Housing 30%	1,350	\$400	\$1,600	NA
3 bedroom	5	CHA Public Housing 50%	1,350	\$400	\$2,000	NA
4 bedroom	1	CHA Public Housing 30%	1,700	\$400	\$400	NA
4 bedroom	2	CHA Public Housing 50%	1,700	\$400	\$800	NA
Total	71 units	30% -60% AMI/Market Rate	79,005 s.f.	Avg. Monthly Rent \$705	\$53,263	

*Tenants pay electricity and natural gas

The affordable rent paid by the tenant is based on the tenant's income and not on market comparables. The maximum rent for each defined "affordable" income level is published annually by the US Department of Housing and Economic Development and listed according to

building construction type (i.e. apartment, townhouse, house), number of bedrooms and household size. Rent per square foot is not considered except that HUD housing quality standards and Chicago zoning and building codes set minimum room and unit sizes. Different federal funding development and operating support sources may have different maximum income and rent restrictions.

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

Environmental Features: The project will meet HED's Green Homes checklist requirements and will achieve a minimum of 300 points and 2 stars. Legends South C-3 will seek certification under Enterprise Green Communities, which requires Energy Star rated appliances and lighting, the planting of native or adaptive species and the usage of low VOC paints and sealants and Green Label certified carpets, among other criteria. The development will also go above and beyond the requirements by retaining stormwater on site, installing water conserving faucets and toilets, reducing construction waste through recycling and providing a multi-unit recycling plan.

VI. FINANCIAL STRUCTURE

The project is a multifamily housing development with 71 units, including CHA replacement units, with a total project cost of \$28,181,545. In addition to the \$3,030,091 in TIF, which represents approximately 10.7% of the total project cost, other financing will include a first mortgage in the amount of \$1.39 mil, \$1.5 million in 9% Low Income Housing Tax Credit (LIHTC) from Illinois Housing Development Association (IHDA), which will generate approximately \$14.8 million in equity for the benefit of the project, \$8.7 Million is CHA loan funds, and a deferred developer fee of \$324,424. In addition to TIF funds, HED will also convey the City-owned parcels for \$1. Total City subsidy including the land write-down and the TIF is approximately 12.7%.

The TIF will be provided from area-wide increment and will be paid in the first half of 2015 and 2016 respectively. The payments are estimated to be \$2,000,000 for the first payment and \$1,030,091 for the second payment. The Developer has financing committed, since the TIF monies will not be available during construction. The units are required to maintain the affordable rents and occupancy restrictions for a minimum of 30 years as a condition of the financing.

The following table identifies the sources and uses of funds:

Sources and Uses of Funds

<u>Sources</u>	<u>Amount</u>	<u>% of total</u>
Construction Loan(BofA)	\$ 10,894,065	38.66%
TIF**	\$ 3,030,091	10.75%
CHA Loan	\$ 8,730,000	30.98%
Deferred Developer Fee	\$ 324,424	1.15%
General Partner Equity	\$ 100	0.0%
Tax Credit Equity (Prestige)*	\$ 5,202,865	18.46%
Total Sources	\$28,181,545	100%

*The construction loan balance will be taken out by equity; the full equity amount is \$14, 846,930; upon construction completion the construction loan will convert to a permanent loan in the amount of \$1,390,000.

**The TIF funds will not be available during construction and a bridge loan will be provided to cover those funds.

<u>Uses</u>	<u>Amount</u>	<u>\$/sf of Building*</u>
Land Acquisition of 14 lots***	\$ 1	\$ 0.00
Hard Costs (including contingency)	\$ 21,730,543	\$ 199.52
Soft Costs		
Architect's Fee (3.9% of hard costs)	\$ 861,775	\$ 7.91
Lender Fees and Interest (11.6 % of loan)	\$ 1,105,226	\$ 10.15
Legal Fees (1.6% of total costs)	\$ 467,000	\$ 4.29
Marketing (0.3% of total costs)**	\$ 92,300	\$ 0.85
Realized Developer Fee	\$ 1,478,987	\$ 13.58
Reserves and other soft costs (9.4 % of total costs)	\$ 2,445,714	\$ 22.46
Total Soft Costs (23.5% of total costs)	\$ 6,451,002	\$ 59.23
Total Uses	\$ 28,181,545	\$ 258.75

*Gross building area is 108,915 square feet

** Includes leasing personnel for \$35,500

*** Land write-down is 2% of the TPC.

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits.

Affordable Housing: The project will provide 71 units of which 53 will be affordable housing units.

Property Taxes: The project will expand the tax base by returning a tax exempt property to the tax rolls.

Environmental Features: The project will meet HED's Green Homes checklist requirements and will achieve a minimum of 300 points and 2 stars. Legends South C-3 will seek certification under Enterprise Green Communities, which requires Energy Star rated appliances and lighting, the planting of native or adaptive species and the usage of low VOC paints and sealants and Green Label certified carpets, among other criteria. The development will also go above and beyond the requirements by retaining stormwater on site, installing water conserving faucets and toilets, reducing construction waste through recycling and providing a multi-unit recycling plan.

Construction Jobs: The project will produce approximately 150 temporary construction jobs.

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

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

Permanent Jobs: The project is estimated to generate 2.5 FTE permanent jobs in property management and maintenance. The department's workforce development specialists will work with the developer on job training and placement.

VIII. COMMUNITY SUPPORT

Alderman Dowell endorses the project and has provided a letter of support (see exhibits for copy).

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the 47th and King Drive TIF Redevelopment Project Area. The proposed project will satisfy the following goals of the areas redevelopment plan: Reduce or eliminate those conditions that qualify the Redevelopment Project Area as a Conservation Area, create an environment with the area that will contribute to the health, safety, and general welfare for the City, create new residential opportunities in the Redevelopment Area, increase residential units for a variety of income levels, and create construction job opportunities in the Redevelopment Area. The implementation strategy for achieving the plans goals envisions the sale of City land for residential or mixed use development. The proposed project also conforms to the plan's land use map, which calls for residential development at the subject site.

X. CONDITIONS OF SALE

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

XI. RECOMMENDATION

The Department of Housing and Economic Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, the need for public assistance, its public benefits, and the project's conformance with the redevelopment area plan, and HED recommends that the CDC approve the sale of 4822 S. Calumet Avenue, 4820 S. Calumet Avenue, 4730 S. Calumet Avenue, 4728 S. Calumet Avenue, 4726 S. Calumet Avenue, 4720 S. Calumet Avenue, 4718 S. Calumet Avenue, 4716 S. Calumet Avenue, 4328 S. Prairie Avenue, 4335 S. Michigan Avenue, 4325 S. Michigan Avenue, 109 E. 43rd Street, 119 E. 43rd Street, 4312 S. Michigan Avenue to Legends C-3, LLC or its related entity for development of seventy-one (71) new construction, mixed income rental units and recommends the designation of Legends C-3, LLC or its related entity as Developer.

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

Closing of the sale of the property will not occur before the City Council has approved the redevelopment agreement, the developer has obtained all necessary City approvals including

zoning and building permits, and the developer has presented proof of financing. The documents will include a development timetable.

EXHIBITS

TIF Project Assessment Form
Redevelopment Area Map
Neighborhood Map or Aerial
Site Plan
Typical Floor Plan
Front Elevation or Rendering
Sample M/WBE Letter
Copies of M/WBE Certified Letter Receipts
Organization Chart
Letter of Interest from Lender
Alderman's Letter of Support
1st Year Operating Pro Forma

1. Legends C-3 | 47th and King Drive TIF District | Housing TIF Request (\$ 3,030,091) | Total Project Cost (\$28,181,545) (10.3% from TIF)

Current Ward(3)/Alderman Pat Dowell | 109 E. 43rd and Multiple Address | Grand Boulevard (38)
2015 Ward(3) / Alderman Pat Dowell

Ec. Dev. Overview

Project summary		Project finance facts	
<p>The Legends South C-3 rental redevelopment consists of seventy-one (71) new construction, mixed income rental units built on land currently owned by the City of Chicago. The units range in size from 800-1700 sq. ft. and include a mixture of 1,2,3 and 4 bedrooms. These units are an important step toward achieving the Chicago Housing Authority's historic Plan for Transformation. The project will provide 30 units of replacement public housing subject to Low Income Housing Tax Credit (LIHTC) restrictions, as well as 23 affordable tax credit units also subject to LIHTC restrictions and 18 unrestricted market rate units. The affordable units will target tenants whose incomes range between 50-60% of AMI. The development is located in the 3rd Ward, which is represented by Alderman Pat Dowell, and is a part of the 47th/King TIF district. The Alderman has approved the current site plan.</p>		<p>Financing structure: Grant</p>	
<p>Project details</p>		<p>Other funding sources:</p> <ul style="list-style-type: none"> • First Mortgage \$1,390,000 • IHDA LIHTC \$1,500,000 @ \$0.99/\$1.00-equity generated \$14,846,930 • CHA Loan \$8,730,000 • Deferred Developer Fee \$324,424 • General Partner Equity(.01% ownership) \$100 	
<p>Project goal:</p>	<p>To provide decent, safe, and affordable housing to tenants with incomes ranging at or below 30-60 % of AMI, as well as replacement public housing units required by Chicago's Plan For Transformation.</p>	<p>Payment disbursement:</p> <ul style="list-style-type: none"> • Payment A – \$2,000,000 – 2nd half of 2015 • Payment B – \$1,030,091 – 2nd half of 2016 	
<p>“But for” reason:</p>	<p>The project is an affordable multifamily rental development servicing very-low and low-income tenants. The development has the maximum first mortgage that can be supported by those rents, but still has a funding gap. The development cannot be completed without TIF assistance.</p>	<p>Taxpayer protection provisions:</p> <p>Developer will provide a construction completion guaranty. Additional security may be negotiated.</p>	
<p>Development team:</p>	<ul style="list-style-type: none"> • Developer: A joint venture of Brinshore Development, LLC and The Michaels Development Company • Architect: Landon Bone Baker Architects and Johnson & Lee • Owner: Legends C-3, LLC, a single-purpose entity • General Partner: Legends C-3 Manager, LLC that holds a .01% interest • Limited Partner: TBD - holds a 99.99% interest 	<p>City upside participation: N/A</p>	
<p>Timeline:</p>	<ul style="list-style-type: none"> • Estimated Finance Closing 10/2013 • Estimated Construction Commencement 11/2013 • Estimate Construction Completion 11/2014 	<p>Total cost per sq. ft. (\$/sq. ft.)</p>	<p>\$258.75 PSF \$396,923 PU</p>
<p>Submitted by:</p>	<p>The project was submitted by the developer, Brinshore-Michaels, as part of HED 2011 Low Income Housing Tax Credit Funding Round.</p>	<p>Jobs created (permanent/construction)</p>	<p>Permanent jobs (2.5 FTE)/ (approximately 150 temporary construction jobs)</p>
		<p>Fits in the “Plan for Economic Growth & Jobs”?</p>	<p>NA</p>

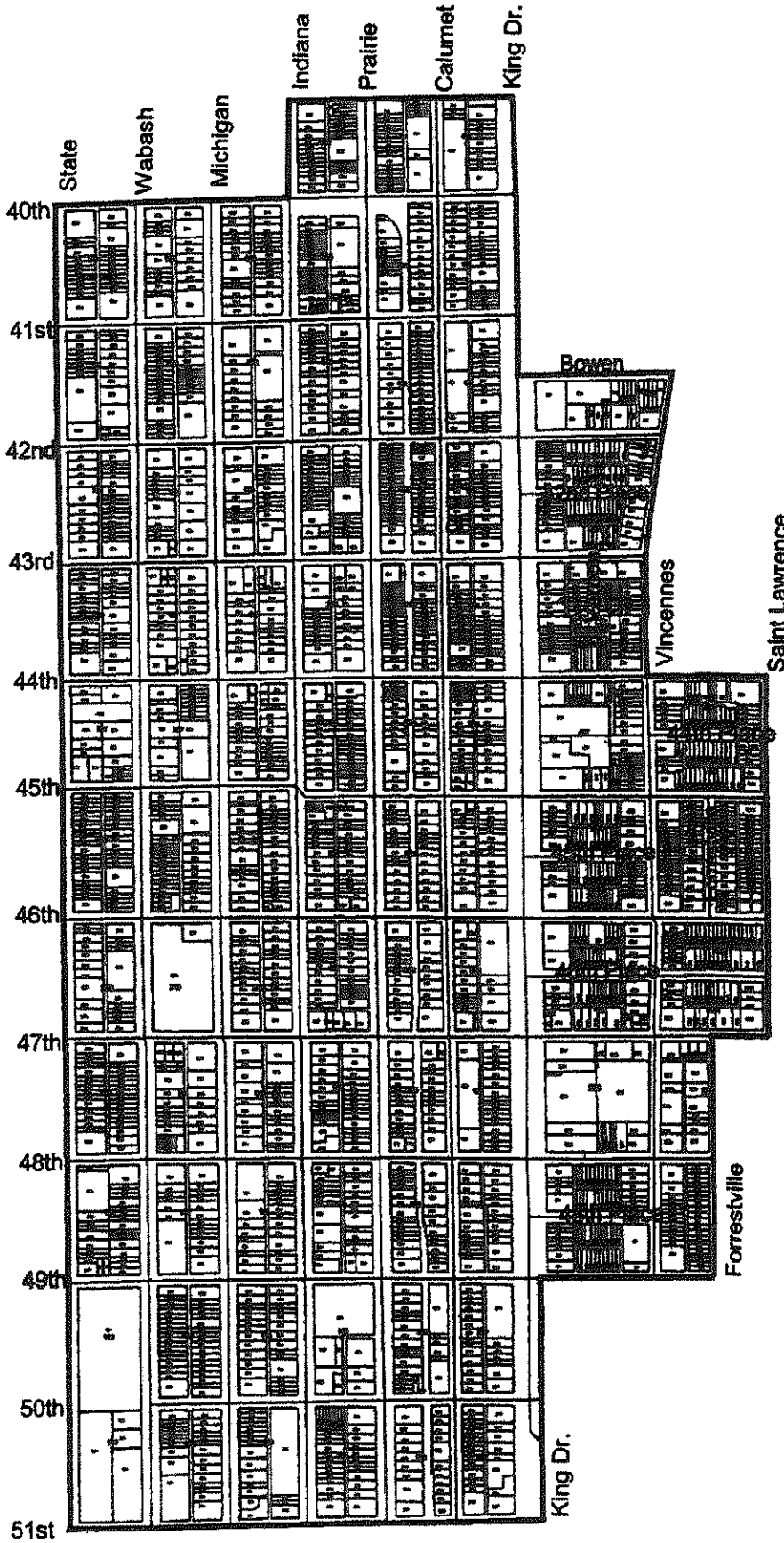
October 30, 2001

City of Chicago

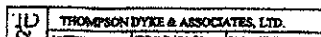
47th Street
King Drive TIF

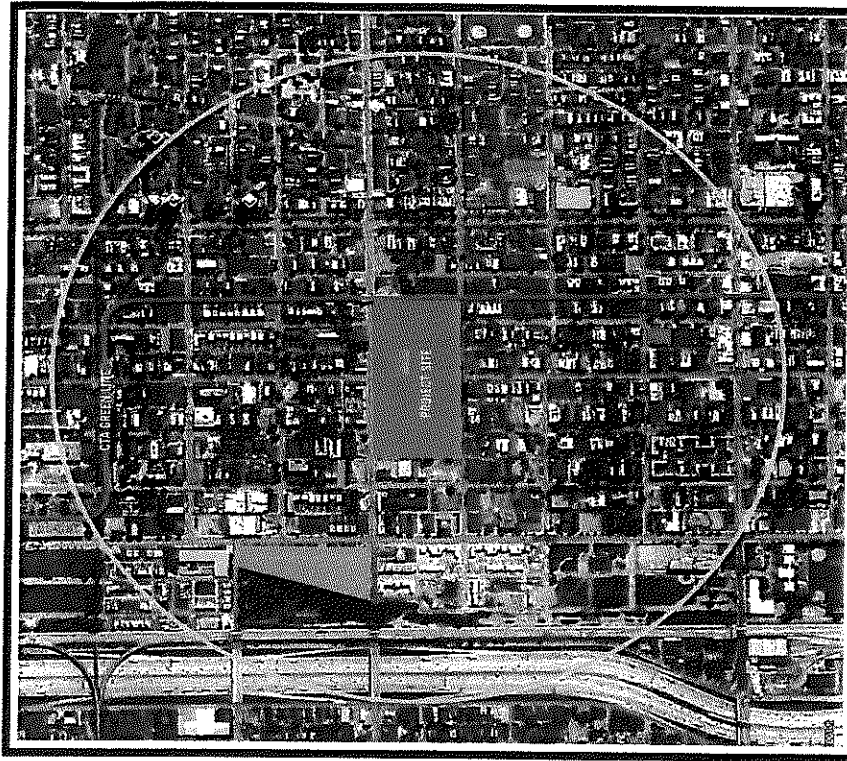
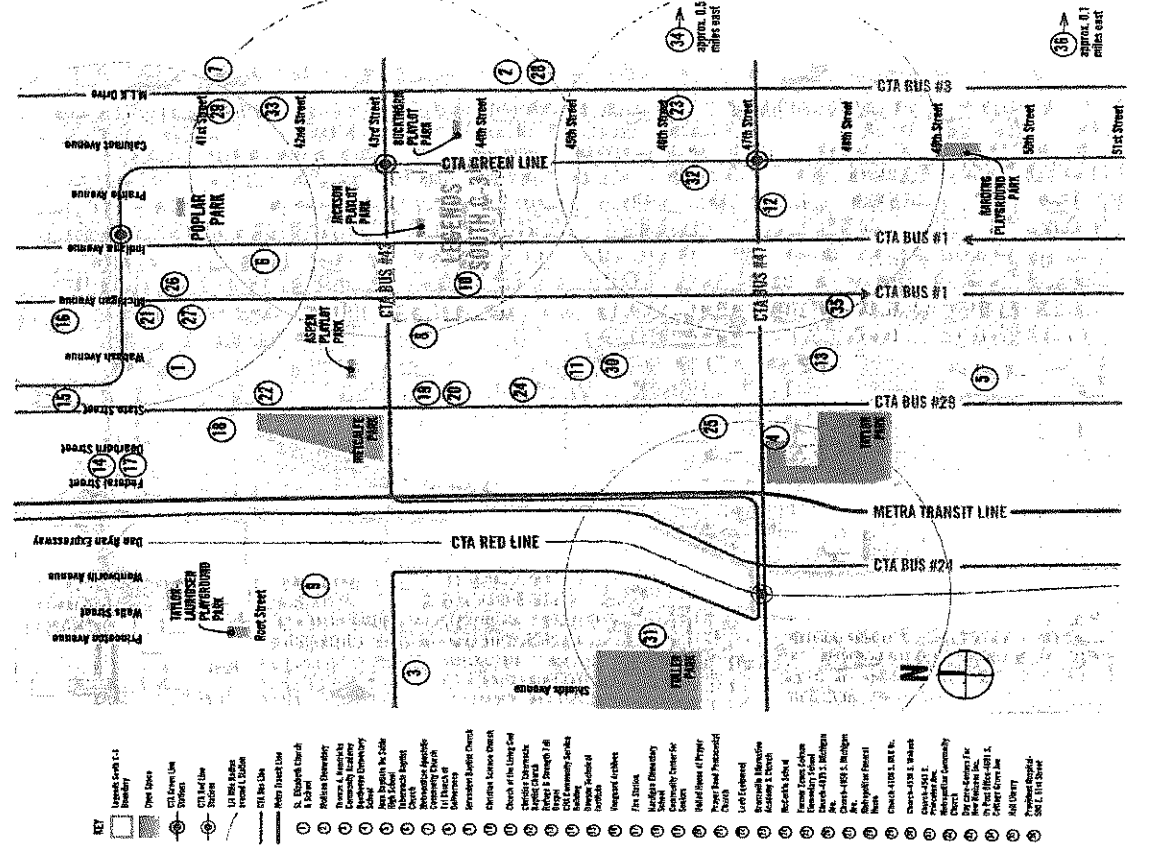
Map 1

Project Boundary



LOUIK/SCHNEIDER & ASSOCIATES, INC.





- LEGENDS SOUTH C3 COMMUNITY**
- PARKS**
- Metcalfe Park
 - Arden Playlot Park
 - Jackson Playlot Park
 - Bronzeville Playlot Park
 - Poplar Park
 - Birch Playlot Park
- SCHOOLS**
- Bronzeville Charter School
 - Madison Elementary School
- PHARMACIES**
- Rogel Professional Pharmacy
- CHURCHES**
- Metropolitan Community Church
 - First Church of Deliverance
 - Grace AME Church
- LEGENDS SERVICES**
- Centers for New Horizons

BMT-I, LLC
LONDON BONE BAKER ARCHITECTS
 JOHNSON & LEE ARCHITECTS/PLANNERS

**Legends South Rental Phase C-3 Off-Site
 Location and Context Plans**



LEGEND

- Available City-Owned
- Vacant Land
- C-3 Site
- Type A: 3 unit - (3) 2br
- Type B: 6 unit - (4) 2br, (1) 4br
- Type C: 6 unit - (3) 1br, (3) 3br
- Type D: 3 unit - (3) 3br
- Type E: 2200sf comm. + 15unit - (9) 1br, (3) 2br, (3) 3br
- Type F: 1000sf comm. + 2 unit - (2) 3br

C3 UNIT DISTRIBUTION								
1BR	2BR	3BR	4BR	TOTAL				
21	30%	27	38%	20	28%	3	4%	71

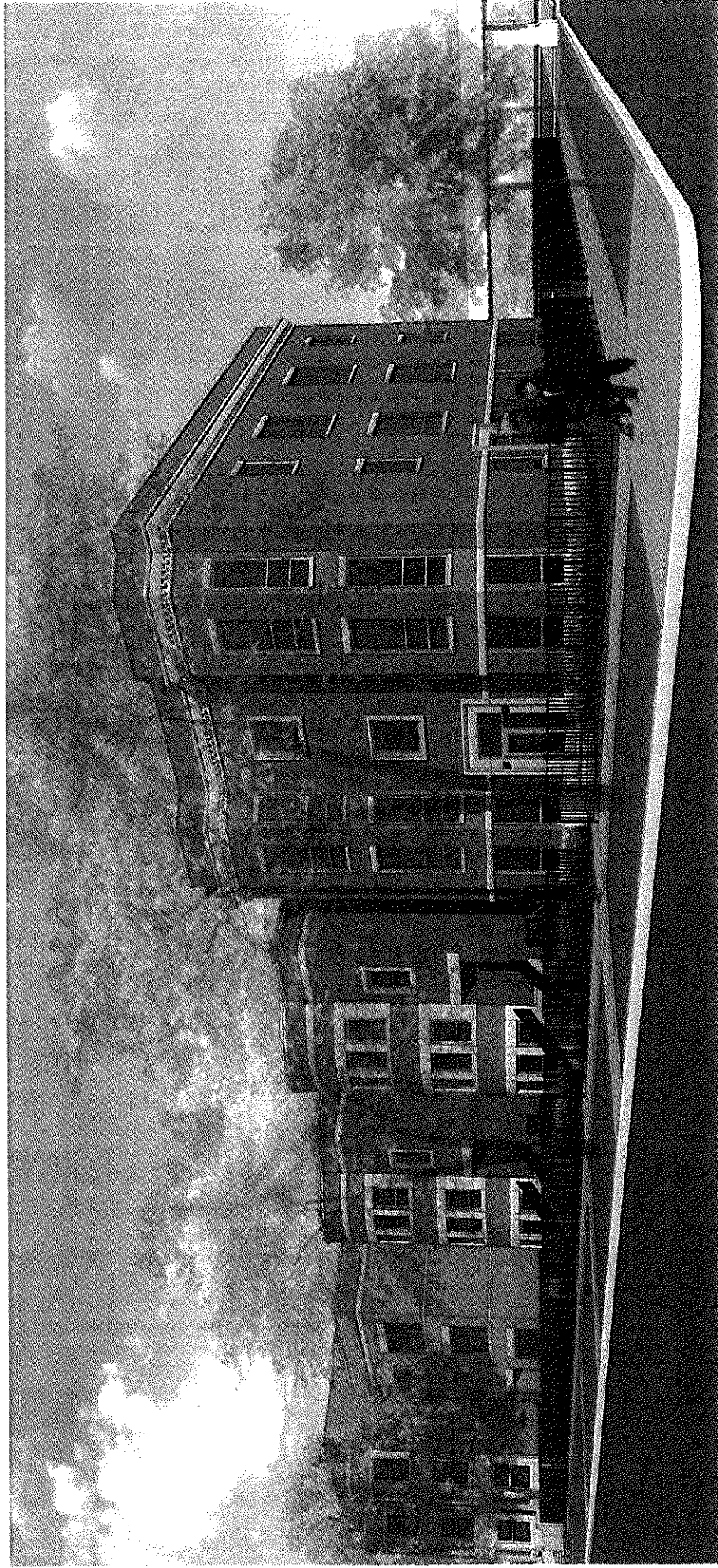
Legends South Rental Phase C-3 Off-Site
 Revised Site Plan
 7/24/2013

BMT-I, LLC
 LANDON BONE BAKER ARCHITECTS
 JOHNSON & LEE ARCHITECTS/PLANNERS



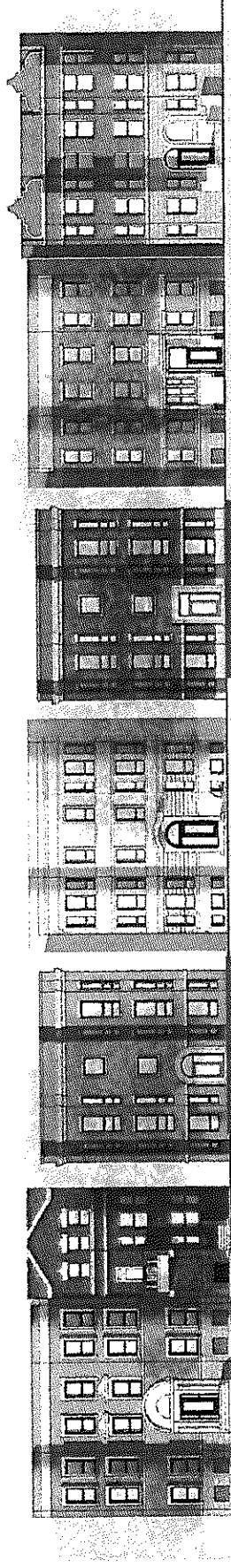
BMT-I, LLC
LONDON BONE BAKER ARCHITECTS
JOHNSON & LEE ARCHITECTS/PLANNERS

Legends South Rental Phase C-3 Off-Site
109 and 119 E 43rd St

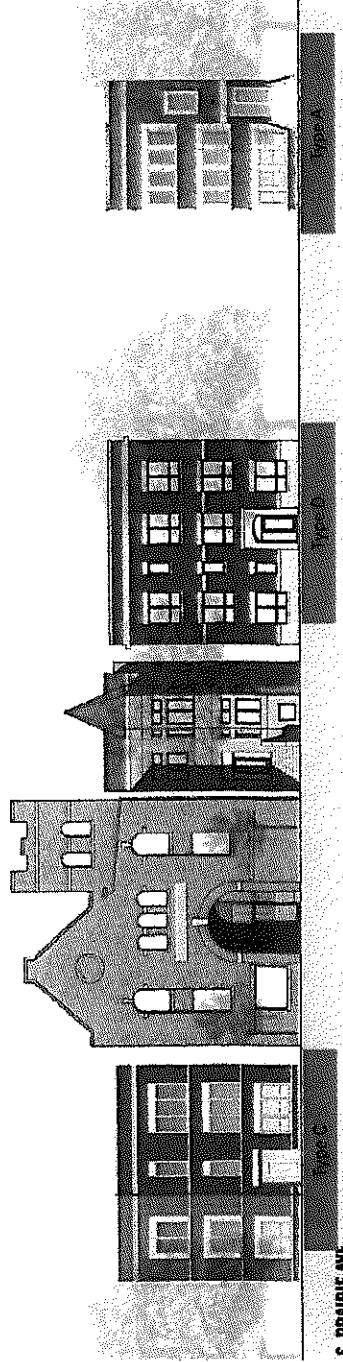


BMT-I, LLC
LONDON BONE BAKER ARCHITECTS
JOHNSON & LEE ARCHITECTS/PLANNERS

Legends South Rental Phase C-3 Off-Site



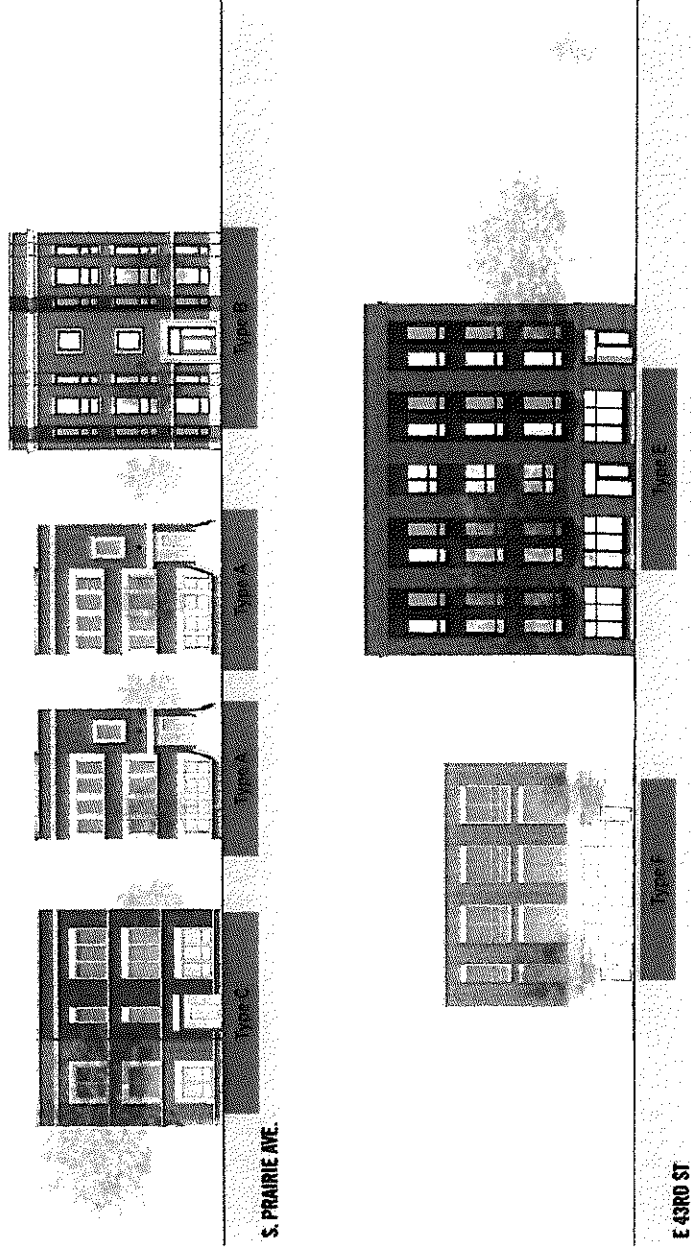
S. MICHIGAN AVE.



S. PRAIRIE AVE.

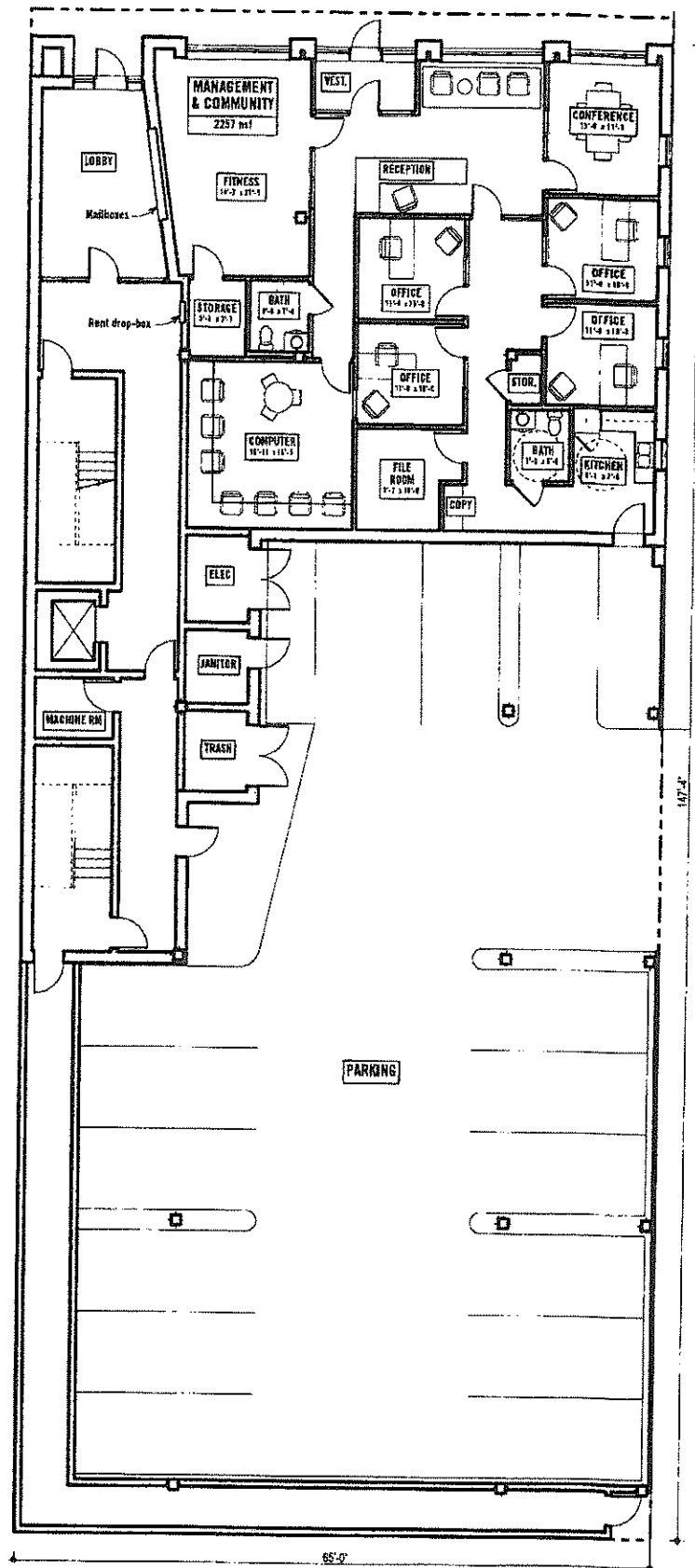
BMT-I, LLC
LONDON BONE BAKER ARCHITECTS
 JOHNSON & LEE ARCHITECTS/PLANNERS

Legends South Rental Phase C-3 Off-Site
Street Elevations

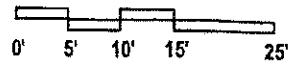


BMT-I, LLC
LONDON BONE BAKER ARCHITECTS
 JOHNSON & LEE ARCHITECTS/PLANNERS

**Legends South Rental Phase C-3 Off-Site
 Street Elevations**

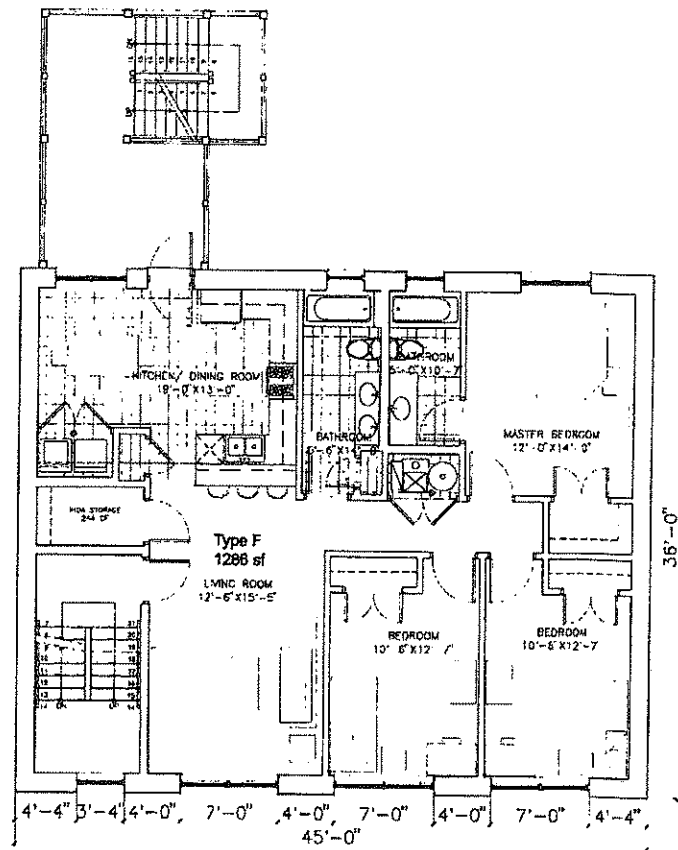


Type G: 15-unit - Typical 1st Floor
 3/32" = 1'-0"

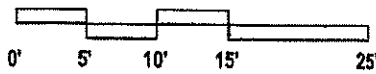


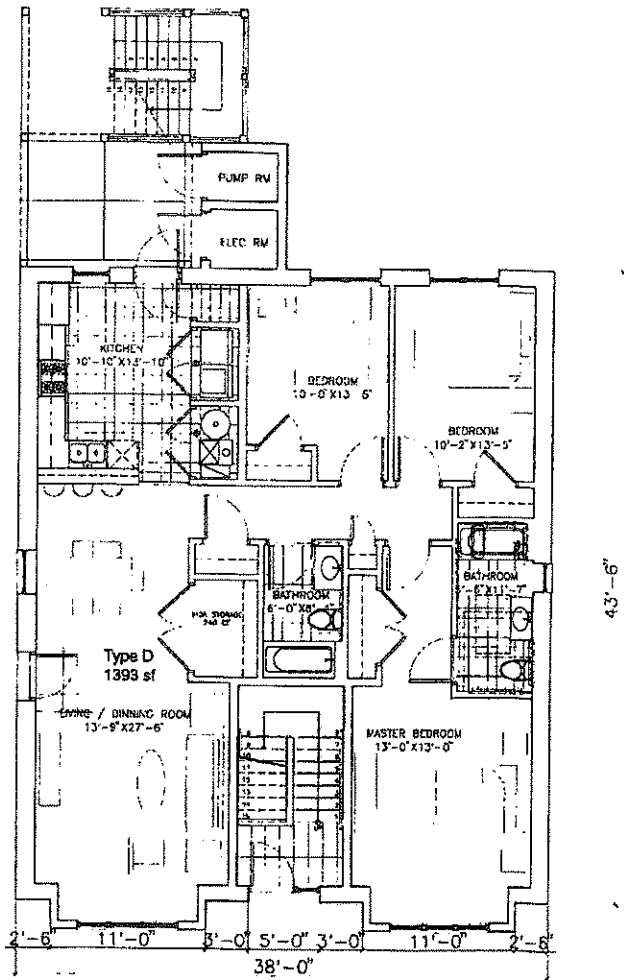
Legends South Rental Phase C-3 Off-Site
 Building Type G Typical 1st Floor Plan
 04/15/2011

BMT-I, LLC
 LANDON BONE BAKER ARCHITECTS
 JOHNSON & LEE ARCHITECTS/PLANNERS

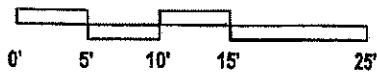


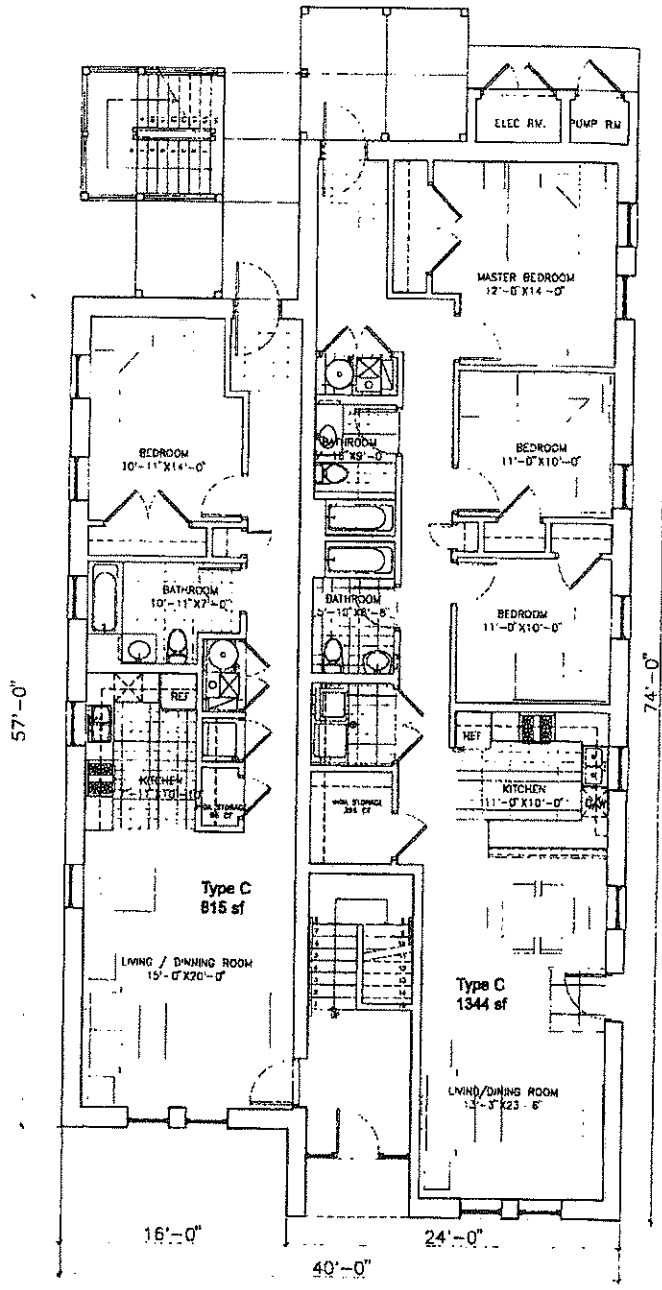
Type F : 3-unit - Typical 2nd/ 3rd Floors
 1/8" = 1'-0"



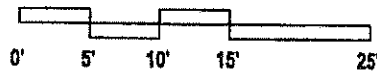


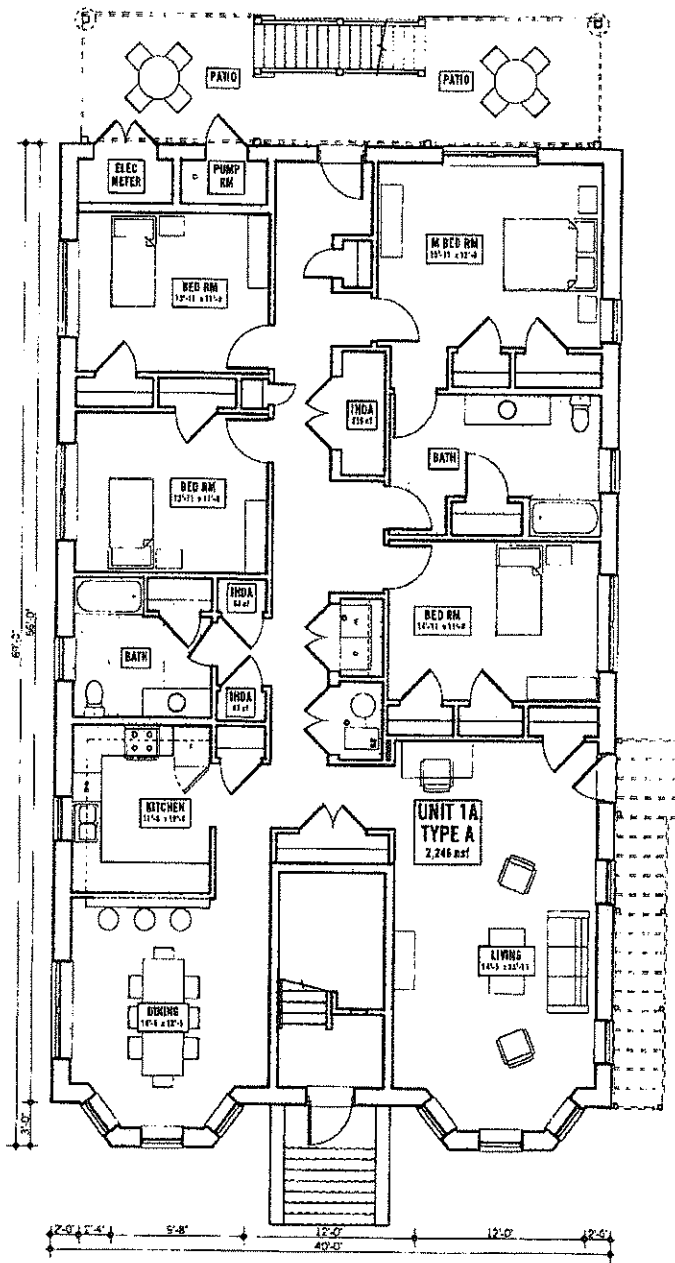
Type D : 3-unit - Typical 1st Floor
 1/8" = 1'-0"



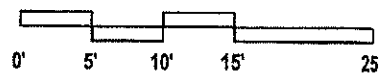


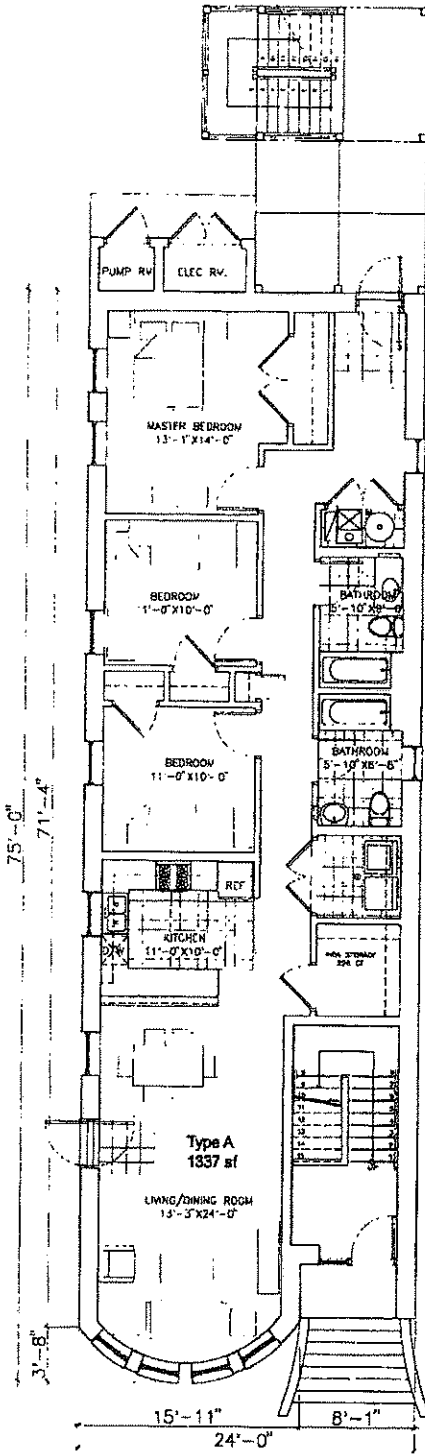
Type C: 6-unit - Typical 1st Floor
 1/8" = 1'-0"



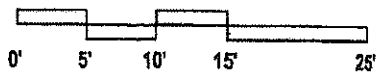


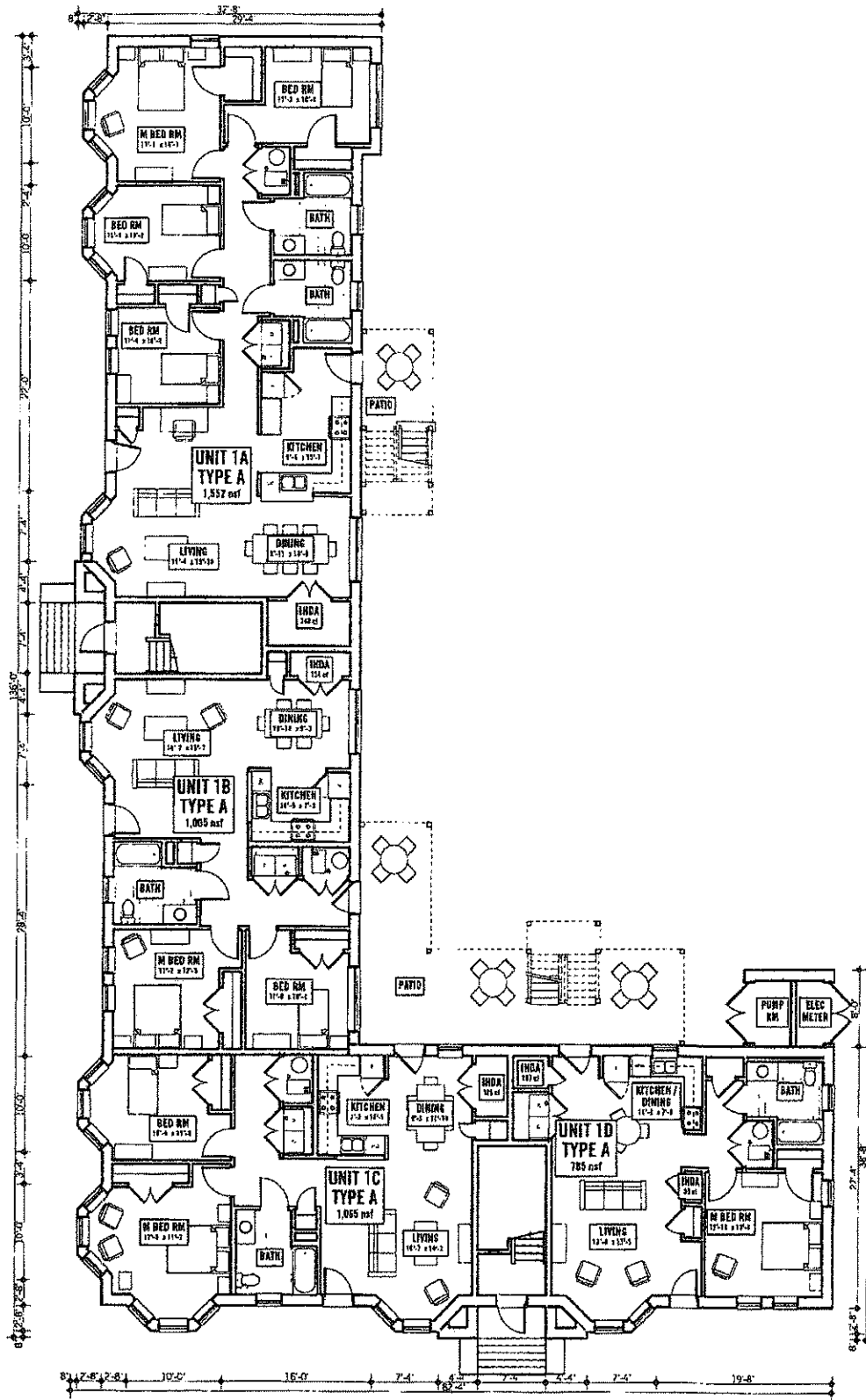
Type B: 5-unit - Typical 1st Floor - Option B
 1/8" = 1'-0"



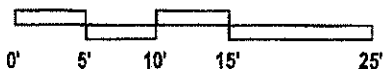


Type A : 3-unit - Typical 1st Floor
 1/8" = 1'-0"





Type E: 12-unit - Typical 1st Floor
 $3/32" = 1'-0"$



Legends C-3, LLC
322 S. Green Street, Suite 204
Chicago, IL 60607
P (312) 455-0502
F (312) 455-0542

March 15, 2013

Ray Rivera
Hispanic American Construction Industry Association
901 W. Jackson Blvd, Suite 205
Chicago, IL 60607

BY CERTIFIED MAIL

Re: Legends South Phase C-3

Dear Mr. Rivera:

Legends C-3, LLC is proud to announce our latest redevelopment effort in the vicinity of 43rd Street and Michigan Avenue, Legends South Phase C-3. This is the fifth phase of the redevelopment work of the former Robert Taylor Homes and consists of sixty one apartments in fourteen buildings. As with previous phases, we have selected Powers and Sons Construction Company, Inc. ("Powers and Sons") from Gary, Indiana to serve as our General Contractor for this very important project.

The project's construction budget is currently estimated at approximately \$19,000,000. Per City of Chicago requirements, a minimum of \$4,560,000 (24%) will be awarded to certified Minority Business Enterprises. An additional \$760,000 (4%) in contracts will be awarded to certified Women Business Enterprises. We are currently developing architectural plans for this project and expect to complete them in April 2013. Powers and Sons will bid the project to subcontractors sometime in April/May of 2013, following the completion of the plans. They will hold a pre-bid meeting for this project and will invite you and your membership to attend. Below is contact information for Powers and Sons:

Powers and Sons Construction Co. Inc.
2636 W. 15th Ave.
Gary, IN 46404
(219) 949-3100
Attn: Ele Barnes

Please make your members aware of this project so that they may submit subcontractor bids to Powers and Sons at the appropriate time. Thank you in advance for your assistance.

Sincerely,


Greg Olson

cc: Ele Barnes, Powers and Sons Construction
Tamra Collins, Dept. of Housing and Econ. Development
Lauren Shepherd, Legends C-3, LLC

7011 2970 0000 3334 3463

CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

CHICAGO IL 60607

Postage	\$ 0.46	0121 11 Postmark Here
Certified Fee	\$3.10	
Return Receipt Fee (Endorsement Required)	\$2.55	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.11	

Sent To *Ray Rivera Hispanic American Constr. Co.*
 Street, Apt. No., or PO Box No. *901 W. Jackson Blvd #205*
 City, State, ZIP+4 *Chicago, IL 60607*

PS Form 3800, August 2008 See Reverse for Instructions

7012 2920 0000 3334 3463

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CHICAGO IL 60603

Postage	\$ 0.46	0121 11 Postmark Here
Certified Fee	\$3.10	
Return Receipt Fee (Endorsement Required)	\$2.55	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.11	

Sent To *Elba Hedy Lopez, Adv.*
 Street, Apt. No., or PO Box No. *8 S. Michigan Ave. #400*
 City, State, ZIP+4 *Chicago IL 60603*

PS Form 3800, August 2008 See Reverse for Instructions

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CHICAGO IL 60607

Postage	\$ 0.46	0121 11 Postmark Here
Certified Fee	\$3.10	
Return Receipt Fee (Endorsement Required)	\$2.55	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.11	

Sent To *Perry Nackschi Asn. of Asian Cont. Enr*
 Street, Apt. No., or PO Box No. *333 N. Ogden Ave.*
 City, State, ZIP+4 *Chicago, IL 60607*

PS Form 3800, August 2008 See Reverse for Instructions

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CHICAGO IL 60619

Postage	\$ 0.46	0121 11 Postmark Here
Certified Fee	\$3.10	
Return Receipt Fee (Endorsement Required)	\$2.55	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.11	

Sent To *Omar Shareef A.A. Contractors Assn*
 Street, Apt. No., or PO Box No. *7445 S. South Chicago Ave.*
 City, State, ZIP+4 *Chicago IL 60619*

PS Form 3800, August 2008 See Reverse for Instructions

7012 2920 0000 3334 3463

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For delivery information visit our website at www.usps.com

CHICAGO IL 60617

Postage	\$ 0.46	0121 11 Postmark Here
Certified Fee	\$3.10	
Return Receipt Fee (Endorsement Required)	\$2.55	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.11	

Sent To *Omar Duque IL Hisp. Chamber of C*
 Street, Apt. No., or PO Box No. *855 W. Adams St.*
 City, State, ZIP+4 *Chicago IL 60617*

PS Form 3800, August 2008 See Reverse for Instructions

7011 2970 0000 3334 3463

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For delivery information visit our website at www.usps.com

RIVERDALE IL 60827

Postage	\$ 0.46	0121 11 Postmark Here
Certified Fee	\$3.10	
Return Receipt Fee (Endorsement Required)	\$2.55	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.11	

Sent To *Delinda Henderson Black Contractors Unifc*
 Street, Apt. No., or PO Box No. *1200 Marshfield Street*
 City, State, ZIP+4 *Calumet Park, IL 60827*

PS Form 3800, August 2008 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

CHICAGO IL 60636

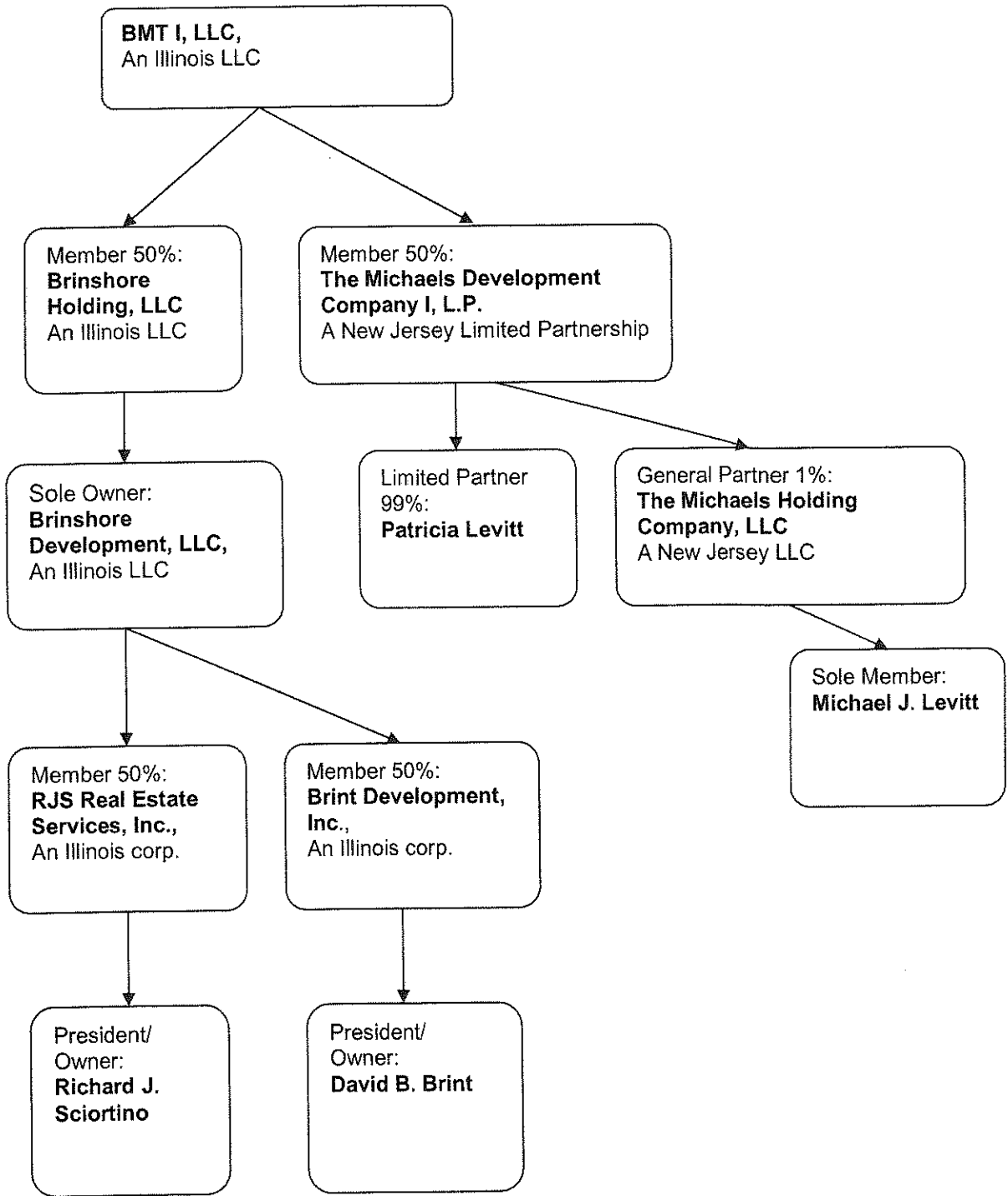
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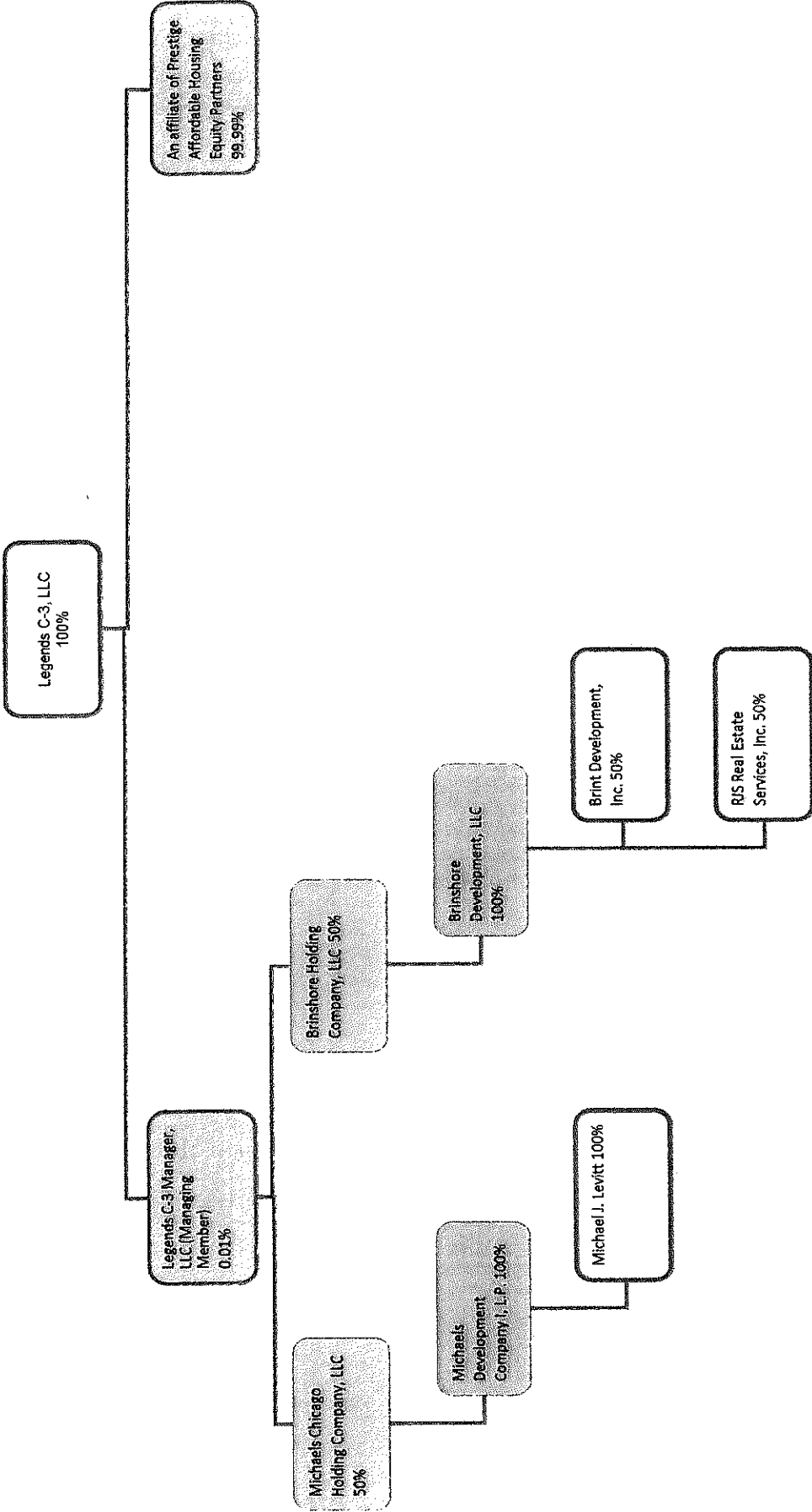
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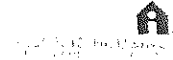
Sent to Beth Davis Federation of Women Cent.
Street, Apt. No.,
or PO Box No. 5650 S. Archer Ave.
City, State, ZIP+4 CHICAGO IL 60638

PS Form 3826, August 2009 See Reverse for Instructions

BMT I, LLC
Developer of Legends South C-3







I / We hereby certify that the information contained herein is accurate and complete, to the best of my knowledge, and that there are no material misrepresentations.

NOTE: ALL PROJECT SPONSORS REFLECTED IN THE ORGANIZATIONAL CHART MUST SIGN BELOW

Sponsor: Legends C-3, LLC

Signature: [Signature]

Printed: Whitney Weller

As: Sr. Vice President, Michaels Development Company I, L.P.
Vice President, Michaels Chicago Holding Company, LLC
Member, Legends C-3 Manager, LLC
Member, Legends C-3, LLC

Date: 7/10/2012

Sponsor: Legends C-3 Manager, LLC

Signature: [Signature]

Printed: Whitney Weller

As: Sr. Vice President, Michaels Development Company I, L.P.
Vice President, Michaels Chicago Holding Company, LLC
Member, Legends C-3 Manager, LLC

Date: 7/10/2012

Sponsor: The Michaels Chicago Holding Company, LLC

Signature: [Signature]

Printed: Whitney Weller

As: Sr. Vice President, Michaels Development Company I, L.P.
Vice President, Michaels Chicago Holding Company, LLC

Date: 7/10/2012

Sponsor: Michaels Development Company I, LP

Signature: [Signature]

Printed: Whitney Weller

As: Senior Vice President

Date: 7/10/2012

Sponsor: Brimshorn Holdings Company, LLC

Signature: [Signature]

Printed: Richard Sciorfino

As: President, BAR Real Estate Services, Inc.
Member, Brimshorn Development, LLC
Member, Brimshorn Holdings, LLC

Date: 7/10/2012

Sponsor: Brimshorn Development, LLC

Signature: [Signature]

Printed: Richard Sciorfino

As: President, BAR Real Estate Services, Inc.

Date: 7/10/2012

Sponsor: BAR Real Estate Services, Inc.

Signature: [Signature]

Printed: Richard Sciorfino

As: President

Date: 7/10/2012

Sponsor: Brim Development, Inc.

Signature: [Signature]

Printed: David Brim

As: President

Date: 7/10/2012

PRESTIGE AFFORDABLE HOUSING EQUITY PARTNERS

3 E. Stow Road, P.O. Box 994
Marlton, New Jersey 08053-0994
Phone: (856) 596-3008 · Fax: (856) 988-5817

July 26, 2013

Ms. Whitney Weller
Legends C-3, LLC
322 S. Green Street – Suite 204
Chicago, Illinois 60607

Re: Legends South Phase C-3

Dear Ms. Weller:

Prestige Affordable Housing Equity Partners ("PAHEP") is a syndicator who sponsors investment partnerships which provide equity capital for multi-family residential developments which are eligible for low income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986 ("Low Income Housing Tax Credits"). PAHEP is pleased to provide to you this equity commitment subject to the terms and conditions set forth herein. Upon your approval of this commitment letter, PAHEP will continue its due diligence and will designate an investor to acquire a 99.99% limited partnership interest in the limited partnership (the "Partnership") that will be the owner of the Development.

DEVELOPMENT DESCRIPTION:

In making this proposal, PAHEP is relying upon the following information, which BMT-1, LLC, a joint venture between The Michaels Development Company (MDC) and Brinshore Development Company (the "Developer") has provided to us regarding the Development:

Legends C-3, LLC, an Illinois Limited Liability Company (the "LLC") is being formed with Legends C-3 Manager, LLC an Illinois limited liability company as the Managing Member (the "Managing Member"). The Managing Member, or another party acceptable to PAHEP, will be responsible for generally managing the limited liability company. PAHEP will not be liable for the obligations or management of the LLC.

The LLC will acquire a leasehold interest in the Development site, develop, construct and operate a 71 unit family Development known as Legends South Phase C-3 ("Legends C-3"). The Development is located in the City of Chicago, County of Cook and State of Illinois is one of the rental developments that is detailed in the Chicago Housing Authority's Plan for Transformation for the former Robert Taylor Homes Public Housing Development. The 71 affordable and market-rate units that comprise Legends C-3 will be newly constructed 3 story walk-ups that are contained in 14 residential buildings. The Development will also include an onsite Management Office/Community Center in a separate building located centrally on the site. The buildings will be constructed on scattered sites generally bounded by E. 43rd Street on the north, S. Calumet Avenue on the east, E. 50th Street on the south and S. Wabash Avenue on the west in Chicago, Illinois.

PAHEP will be offered a 99.99% percent investment interest in the LLC.

An Affordable Housing Syndicator

Whitney Weller
Legends South Phase C-3
July 26, 2013
Page | 2

The LLC has been allocated federal low-income housing tax credits ("Tax Credits") under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") from the Illinois Housing Development Authority in an annual amount of \$1,500,000. The development costs as confirmed by a cost certification will support a total annual Tax Credit allocation of at least \$1,500,000.

The Construction loan closing is scheduled to occur prior to November 30, 2013.

Construction is expected to be complete by December 31, 2014. ("Completion Deadline").

Occupancy by qualified tenants is expected to be 100 percent by May 1, 2015.

Tax Credits expected to be allocated to the Partnership are as follows:

\$ 449,271 in 2014
\$1,500,000 each year from 2015 through 2023
\$1,050,729 in 2024

Construction or bridge financing will be obtained in an amount of approximately \$ 9,500,000.

In addition to the equity funds generated, permanent financing shall be provided by the following sources:

Permanent First Mortgage	\$1,390,000
CHA Loan	\$8,730,000
City TIF Funds	\$3,030,091

The LLC shall fund, upon closing of the permanent financing, \$300 per unit/per year into a replacement reserve account.

The Economic Projections are based upon reasonable assumptions and are consistent with BMT-1, LLC's knowledge of the Development.

The LLC shall engage Interstate Realty Management Co., an affiliate of MDC, or such other firm or company as the Managing Member may select, and as PAHEP may approve, which approval shall not be unreasonably withheld, to manage the Development. The management agent shall receive a management fee payable by the LLC on an annual basis in such amount as the LLC shall approve.

CAPITAL CONTRIBUTIONS:

Based on the information described above, PAHEP proposes to make capital contributions to the LLC in the aggregate amount of approximately \$14,848,515 ("Capital Commitment") which is based on 99 cents per tax credit dollar. PAHEP will pledge its interest in the LLC

to secure its obligations to make its capital contributions. Such contributions will be made in the amounts and at the times specified below:

- 1) Depending upon the available funding from other sources, PAHEP will fund up to \$3,712,129 (25%) of the capital contribution upon admission ("Initial Funding") to the Partnership and satisfaction of all the following: (i) closing of the construction financing and/or acceptable construction loan, (ii) receipt of a valid reservation of Projected Credits from LHFA; and, (iii) acquisition by the Partnership of the Development and all required development rights. To the extent these funds are not used to meet approved closing costs, the remainder of the first installment shall be funded during construction to satisfy duly approved construction requisitions;
- 2) The second installment of the capital contribution ("Completion Funding"), in the amount of \$7,424,258 (50%), upon (i) construction completion, (ii) 90% qualified occupancy and (iii) issuance of a temporary certificate(s) of occupancy and all other required governmental permits and approvals for 100% of the units in the Development, but in no event earlier than May 1, 2015;
- 3) The third installment of the capital contribution ("Rent Stabilization Payment"), in the amount of \$ 2,969,703 (20%), upon the date it is determined that the Development has achieved at least three consecutive months of break-even operations, but in no event earlier than November 1, 2015;
- 4) The balance of the capital commitment in the amount of \$742,426 (5%), will be funded ("Final Funding") upon the later of (i) the accountant's cost certification, (ii) break even occupancy for at least 3 months, and (iii) issuance of 8609s and iv) 100% qualified occupancy, but in no event earlier than July 1, 2016.

The aggregate amount of capital contributions to be made by PAHEP will be reduced to reflect any reduction in the amount of Tax Credits allocable to PAHEP or any delay in the projected timing of Tax Credits to maintain the investor's yield.

GUARANTEE OBLIGATIONS:

PAHEP' investment is also subject to obtaining the following guarantees:

Completion Guaranty. A party acceptable to PAHEP will guarantee (the "Completion Guarantee") the delivery of a complete Development including all final certificates of occupancy and other required governmental permits and approvals, and Forms 8609 from the Illinois Housing Development Authority, free of all liens for labor and materials on or before the Completion Deadline. The guarantor shall fund any amounts necessary to satisfy this Completion Guaranty on demand by the LLC and/or the Investor.

Deficit Guaranty. The Michaels Development Company and Brinshore Development Company will guarantee (the "Deficit Guarantee") payment of operating deficits. This guarantee shall be unlimited until such time as (i) the Development is 93 percent leased to qualified tenants. Once this has been achieved, the Deficit Guarantee shall be limited to six months of operating expenses plus six months of debt service and six months of Replacement Reserve deposits (the "Deficit Cap") and shall continue for an additional three years. Any repayment of amounts advanced pursuant to the Deficit Guarantee shall be made by the LLC, with interest, out of excess operating cash flow and/or out of excess proceeds of a sale or refinancing. In no event, however, shall the payment of operating deficits from any reserve reduce the Deficit Cap hereunder.

A party acceptable to PAHEP will guarantee (the "Tax Benefit Guarantee") payment to PAHEP of an amount equal to any loss of the value of the Tax Credits anticipated by PAHEP in the Economic Projections, calculated to reflect final cost certifications, as a result of any of the following events; (i) substantial destruction of the Development which is not repaired because the Managing Member failed to maintain casualty insurance as required by the Illinois Housing Development Authority; (ii) foreclosure on the mortgage loan due, in whole or in part, to a default under the Completion Guarantee or Deficit Guarantee.

DEVELOPER FEE:

BMT-I, LLC. shall be the party responsible for developing the Development, and shall earn a total developer fee of approximately \$ 1,803,411 which is in accordance with the HUD Safe Harbor Provisions. Any developer fee which remains unpaid after Final Funding shall be evidenced by a deferred developer fee note and which shall be repayable out of available cash flow, but in no event repaid later than 12 years after the Development's in-service date. The Managing Member (with appropriate guarantees) will agree to contribute to the LLC an amount sufficient to pay any outstanding amounts due under the note at the end of such 12-year term.

ALLOCATIONS AND DISTRIBUTIONS:

The Tax Credits, depreciation, and all operating losses shall be allocated 99.99% percent to PAHEP or the investor.

Cash flow from operations for each year after payment of operating expenses, debt service and funding of required Replacement Reserves shall be used as follows:

- First, to PAHEP in the amount of \$7,500 each year and on a cumulative basis for asset management fees, which amount shall accrue;
- Second, to the payment of any loans made by PAHEP to the LLC;
- Third, to the payment of the remaining unpaid outstanding amount (if any) of the deferred development fee note;

- Fourth, to the payment of any unpaid Deficit Guarantee loans;
- Fifth, to the Managing Member or its affiliate, 50 percent of cash flow remaining after the above payments, as an incentive management fee; and
- Sixth, pro-rata distribution.

Proceeds from the sale or refinancing of the Development shall be distributed as follows:

- First, to the payment of all third party debts and liabilities;
- Second, to the payment of any outstanding loans made by PAHEP to the LLC or to the payment of any accrued asset management fees to PAHEP;
- Third, to the payment of any unpaid development fee;
- Fourth, to the payment of any unpaid Deficit Guarantee loans; and
- Fifth, 20 percent to PAHEP, 80 percent to the Managing Member.

REPORTING:

During construction, the LLC shall furnish to The PAHEP a quarterly status report on progress of construction. During initial lease-up, the LLC shall furnish to PAHEP a monthly status report on leasing including a copy of a current rent roll and tenant files which will be available for review during normal working hours.

Thereafter, the LLC shall furnish PAHEP with quarterly unaudited financial statements including current rent rolls, annual audited financial statements and tax returns prepared by an independent firm of certified public accountants which is familiar with reporting requirements applicable to Tax Credit properties, under a timetable to be specified in the legal documents and otherwise satisfactory to PAHEP.

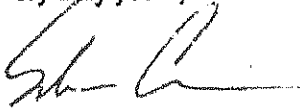
DUE DILIGENCE: We will have the opportunity to perform, and you and your professionals will assist us in the customary due diligence necessary in the acquisition of the Development and of the Investment by the investors in the LLC. As a condition of closing the LLC will cooperate in providing the following information: (1) market rental information, providing that projected rents will be achieved and the rent up will occur within a reasonable absorption period; (2) engineering report; (3) an environmental phase I report. Additionally, approval of the transaction is subject to the investors satisfaction and the completion of due diligence (including site visits and review and investment committee approval), receipt by the LLC of a tax credit reservation from the appropriate state agency.

This proposal is contingent upon the Partnership achieving the financing commitments that are set forth herein.

Whitney Weller
Legends South Phase C-3
July 26, 2013
Page | 6

Please indicate your acceptance of this proposal by executing where indicated. Upon allocation of the low income housing tax credits and commitment of other required permanent financing, PAHEP looks forward to proceeding with the Partnership to close this transaction as soon as possible. Prestige Affordable Equity Housing Partners is very pleased to present to you this proposal and if accepted we are dedicated to seeing this exciting Development to fruition.

Very truly yours,



Sebastian Corradino
President

Agreed:

Legends C-3, LLC.,



By: Legends C-3 Manager, LLC, A Managing Member
Whitney Weller, Member

Operating Proforma

Legends South Phase C-3	Per Unit Year 1	Esc. Rates	Year 1 2016
Residential Income	8,461	2.00%	600,756
Commercial Income	0	0.00%	1
Other Income	686	4.00%	48,684
Total Gross Income	9,147		649,441
Residential Vacancy	(677)	2.00%	(48,060)
Commercial Vacancy	-	0.00%	-
Other Vacancy	-	4.00%	-
Total Effective Income	8,470		601,381
Legal	14	3.00%	1,000
Accounting	221	3.00%	15,669
Office Supplies	35	3.00%	2,500
Telephone Service	56	3.00%	4,000
Marketing	35	3.00%	2,500
Property Manager	423	3.00%	30,000
Bad Debt	106	3.00%	7,500
Other Administration	261	3.00%	18,500
Administration Subtotal	1,150		81,669
Management Fee	624	3.00%	44,285
Management Fee Subtotal	624		44,285
Administrative	423	3.00%	30,000
Maintenance	845	3.00%	60,000
Employer Pd. Taxes & Benefits	408	3.00%	29,000
Payroll Subtotal	1,676		119,000
Real Estate Taxes	318	5.00%	22,550
Property Insurance	423	3.00%	30,000
Taxes & Insurance Subtotal	740		52,550
General Maintenance	176	3.00%	12,500
Pest Control	70	3.00%	5,000
Exterior/ Façade	-	3.00%	-
Maintenance Supplies	49	3.00%	3,500
Security	282	3.00%	20,000
Snow Removal	211	3.00%	15,000
Other Maintenance	7	3.00%	500
Maintenance Subtotal	937		66,500
Painting & Decorating	246	3.00%	17,500
Other Repairs	113	3.00%	8,000
Repairs Subtotal	359		25,500
Gas	63	3.00%	4,500
Electricity	254	3.00%	18,000
Water/ Sewer	254	3.00%	18,000
Utilities Subtotal	570		40,500
Replacement Reserves	300	3.00%	21,300
Reserves Subtotal	300		21,300
Other Tenant Services	-	3.00%	-
Tenant Services Subtotal	-		-
Grand Total Operating Costs	6,356		451,304
Net Operating Income			150,077
Total Loan Payments			110,972
Cash Flow			39,105
Debt Coverage Ratio			1.35

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

RESOLUTION NO. __ - CDC -

AUTHORIZATION TO ENTER INTO A NEGOTIATED SALE WITH Legends C-3, LLC or its related entity FOR DISPOSITION OF THE PROPERTY LOCATED AT 4822 S. Calumet Avenue, 4820 S. Calumet Avenue, 4730 S. Calumet Avenue, 4728 S. Calumet Avenue, 4726 S. Calumet Avenue, 4720 S. Calumet Avenue, 4718 S. Calumet Avenue, 4716 S. Calumet Avenue, 4328 S. Prairie Avenue, 4335 S. Michigan Avenue, 4325 S. Michigan Avenue, 109 E. 43rd Street, 119 E. 43rd Street, 4312 S. Michigan Avenue WITHIN THE 47th and King Drive TIF REDEVELOPMENT PROJECT AREA.

AND

AUTHORIZATION TO NEGOTIATE A REDEVELOPMENT AGREEMENT WITH Legends C-3, LLC or its related entity

AND

RECOMMENDATION TO THE CITY COUNCIL OF THE CITY OF CHICAGO FOR THE DESIGNATION OF Legends C-3, LLC or its related entity AS DEVELOPER

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

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

WHEREAS, the City Council, upon the Commission's recommendation pursuant to Resolution 02-CDC-03 and pursuant to the Act, enacted three ordinances on January 8, 2002, pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the 47th and King Drive TIF Redevelopment Project Area (the Area), designated the Area as a redevelopment project area and adopted tax increment allocation financing for the Area. The street boundaries of the Area are described on Exhibit A hereto; and

WHEREAS, the City owns the property located at 4822 S. Calumet Avenue, 4820 S. Calumet Avenue, 4730 S. Calumet Avenue, 4728 S. Calumet Avenue, 4726 S. Calumet Avenue, 4720 S. Calumet Avenue, 4718 S. Calumet Avenue, 4716 S. Calumet Avenue, 4328 S. Prairie Avenue, 4335 S. Michigan Avenue, 4325 S. Michigan Avenue, 109 E. 43rd Street, 119 E. 43rd Street, 4312 S. Michigan Avenue having the Property Identification Number(s) (PINs) 20-03-302-028-

0000, 20-03-302-010-0000, 20-03-301-014-0000, 20-03-302-004-0000, 20-03-302-006-0000, 20-03-303-021-0000, 20-10-104-019-0000, 20-10-104-020-0000, 20-10-104-021-0000, 20-10-104-024-0000, 20-10-104-025-0000, 20-10-104-026-0000, 20-10-110-022-0000, 20-10-110-021-0000 (the Property) and desires that it be redeveloped for Affordable Multifamily Housing; and

WHEREAS, staff of the Department of Housing and Economic Development of the City of Chicago (the Department) have entered into discussions with Legends C-3, LLC or its related entity (the Developer) concerning the sale of the Property for the development of The Legends South C-3 rental redevelopment consists of seventy-one (71) new construction, mixed income rental units built on land currently owned by the City of Chicago. These units are an important step toward achieving the Chicago Housing Authority's historic Plan for Transformation. The project will provide 30 units of replacement public housing subject to Low Income Housing Tax Credit (LIHTC) restrictions, as well as 23 affordable tax credit units also subject to LIHTC restrictions and 18 unrestricted market rate units. The development is located in the 3rd Ward, which is represented by Alderman Pat Dowell, and is a part of the 47th/King TIF district]; and

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

WHEREAS, the Developer has proposed to pay \$1 per parcel as consideration for the purchase of the Property, which is \$571,986 less than the appraised fair market value of \$572,000; and

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

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

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

WHEREAS, HED requests that the Commission recommend to City Council that the Developer be designated as the developer for the Project and that HED be authorized to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project, if no responsive alternative proposals are received by HED within thirty (30) days after publication of the first Notice or, if alternative proposals are received and HED in its sole discretion determines that the

Developer's Project is the best proposal; now, therefore,

BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF CHICAGO:

- Section 1. The above recitals are incorporated herein and made a part hereof.
- Section 2. The Commission hereby authorizes HED to publish the Notice.
- Section 3. The Commission hereby recommends to City Council that the Developer be designated as the developer for the Project and that HED be authorized to negotiate, execute and deliver on the City's behalf a redevelopment agreement with the Developer for the Project, so long as no responsive alternative proposals are received by HED within the time recited above or, if alternative proposals are received and HED in its sole discretion determines that the Developer's Project is the best proposal.
- Section 4. HED is hereby authorized to advertise the City's intent to negotiate the sale and redevelopment of the Disposition Parcels and to request responsive alternative proposals.
- Section 5. Said proposals must be submitted in writing Andrew J. Mooney, Commissioner, Department of Housing and Economic Development, Attn: Tamra Collins, City Hall- Room 1006, 121 North LaSalle Street, Chicago, Illinois 60602 within 30 days of the date of the first publication of the Notice and shall contain names of parties, offer prices for the Disposition Parcels, evidence of financial qualifications, and a timetable for redevelopment before said proposal will be considered.
- Section 6. In the event that no responsive proposals are received at the conclusion of the advertising period, or if alternative proposals are received and HED in its sole discretion determines that the Developer's Project is the best proposal, then the sale of the land described in Exhibit A shall be recommended to the City Council without further Commission action.
- Section 7. If any provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this resolution.
- Section 8. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.
- Section 9. This resolution shall be effective as of the date of its adoption.
- Section 10. A certified copy of this resolution shall be transmitted to the City Council.

ADOPTED: August __, 2013

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

Exhibit B, Form of Notice Requesting Alternative Proposals

EXHIBIT A

Street Addresses and P.I.N.s of Disposition Parcels
and
Street Boundaries of the
47th and Kind Drive Tax Increment Financing
Redevelopment Project Area

Address	P.I.N.
4822 S. Calumet Avenue	20-03-302-028-0000
4820 S. Calumet Avenue	20-03-302-010-0000
4730 S. Calumet Avenue	20-03-301-014-0000
4728 S. Calumet Avenue	20-03-302-004-0000
4726 S. Calumet Avenue	20-03-302-006-0000
4720 S. Calumet Avenue	20-03-303-021-0000
4718 S. Calumet Avenue	20-10-104-019-0000
4716 S. Calumet Avenue	20-10-104-020-0000
4328 S. Prairie Avenue	20-10-104-021-0000
4335 S. Michigan Avenue	20-10-104-024-0000
4325 S. Michigan Avenue	20-10-104-025-0000
109 E. 43rd Street	20-10-104-026-0000
119 E. 43rd Street	20-10-110-022-0000
4312 S. Michigan Avenue	20-10-110-021-0000

Tax Increment Financing Redevelopment Project Area

The Area is generally bounded by 40th Street on the north, St. Lawrence on the east, 51st Street on the south, and State Street on the west.

EXHIBIT B

PUBLIC NOTICE is hereby given by the Community Development Commission of the City of Chicago (the City) pursuant to section 5/11-74.4-4 (c) of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the Act), that the City's Department of Housing and Economic Development (HED) intends to negotiate a redevelopment agreement with Legends C-3, LLC or its related entity (the Developer) pursuant to which the City intends to provide financial assistance to the Developer in the amount of \$3,030,091 or 10.7% of the total project budget from tax increment financing bond proceeds and/or incremental tax revenues pursuant to the Act for eligible costs associated with Legends C-3 development project (the Project) to be located at 4822 S. Calumet Avenue, 4820 S. Calumet Avenue, 4730 S. Calumet Avenue, 4728 S. Calumet Avenue, 4726 S. Calumet Avenue, 4720 S. Calumet Avenue, 4718 S. Calumet Avenue, 4716 S. Calumet Avenue, 4328 S. Prairie Avenue, 4335 S. Michigan Avenue, 4325 S. Michigan Avenue, 109 E. 43rd Street, 119 E. 43rd Street, 4312 S. Michigan Avenue (the Property), located in the 47th King Drive TIF Redevelopment Project Area (the Area). The Project will consist of seventy-one (71) new construction, mixed income rental units built on land currently owned by the City of Chicago. The City also intends to negotiate a redevelopment agreement with the Developer for the sale of fourteen individual tax parcels, described in Schedule 1 attached hereto (the Disposition Parcels), for \$1 per parcel. The Property and Disposition Parcels are located within the Area established pursuant to the Act, and the Project is in compliance with the 47th King Drive TIF Redevelopment Plan. The Area is generally bounded as follows:

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

The documents listed below related to the Area, the Project and the Disposition Parcels are available for public inspection on or before September 16, 2013 at the offices of HED, Room 1006, 121 N. LaSalle, Chicago, Illinois between the hours of 9:00 a.m. and 4:00 p.m. Monday through Friday:

- (i) 47th and King Drive Tax Increment Financing Redevelopment Project and Plan, which constitutes the City's redevelopment plan for the Area;
- (ii) a terms sheet showing all proposed material terms of the redevelopment agreements as of the date hereof, including but not limited to an estimated Project budget setting forth the amount of financial assistance the City intends to provide to the Developer for the Project; and
- (iii) the terms of all bids and proposals received, if any, by the City related to the Project and the redevelopment agreements.

Please contact Tamra Collins at HED at (312)744-5623 to review these materials and for information regarding the form required, if any, for proposals submitted to the City. Proposals shall include the general plan for the redevelopment of the Disposition Parcels, the names of the party or parties making the proposal, the price offered, evidence of financial qualifications and capacity to complete said redevelopment, and the timetable for implementation. The City reserves the right to reject any and all proposals. Proposals will be received by the City at HED's offices, Room 1000, City Hall, 121 N. LaSalle, Chicago, Illinois 60602, until September 16, 2013 at 2:00 p.m., at which time all alternative proposals will be opened and reviewed.

Marina Carrott, Chairman
COMMUNITY DEVELOPMENT COMMISSION

Attach Schedule 1 - Disposition Parcels

SCHEDULE 1

The Disposition Parcels

Address	P.I.N.
4822 S. Calumet Avenue	20-03-302-028-0000
4820 S. Calumet Avenue	20-03-302-010-0000
4730 S. Calumet Avenue	20-03-301-014-0000
4728 S. Calumet Avenue	20-03-302-004-0000
4726 S. Calumet Avenue	20-03-302-006-0000
4720 S. Calumet Avenue	20-03-303-021-0000
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