

**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
July 10, 2012**

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name: Rosenwald Courts

Applicant Name: Rosenwald Courts Apartments LP

Project Address: 4600 South Michigan (Building)
4601 S. Michigan; 4609 S. Michigan; 4611 S. Michigan;
4638 S. Wabash; 4648 S. Wabash (Parking Lots)

Ward and Alderman: 3 (Alderman Pat Dowell)

Community Area: Grand Boulevard, 38

Redevelopment Project Area: 47th/King TIF Redevelopment Project Area

Requested Action: Negotiated sale of vacant City and designation of Developer

Proposed Project: The project will provide a total of 331 housing units for seniors and families. Of these, 165 will be senior units including 60 units with public housing ACC contracts from the CHA and 60 units with project-based rental assistance (Project Based Vouchers) from the CHA. The remaining 46 senior units will be affordable to seniors at or below 60% AMI with no subsidies.

The 165 family units will be available to families earning at or below 30%, 50%, or 60% AMI and 18 units with unrestricted (market rate) rents.

Additionally, there will be approximately 21,000 s.f. of commercial storefront space along 47th Street in the 4600 N. Michigan Avenue building.

Appraised Market Value:

\$155,000 (\$2.74 per square foot).—City-owned parcels
\$15,500,000 (Buildings)

Sale Price:

\$5.00 (Parking lots)

Acquisition Assistance:

\$154,995

TIF Assistance:

Maximum of \$25,000,000

II. PROPERTY DESCRIPTION

Address:

4600 South Michigan (building)
4601 S. Michigan, 4609 S. Michigan, 4611 S. Michigan,
4638 S. Wabash, 4648 S. Wabash (city-owned parking lots)

Location:

City block between 46th Street, 47th Street, Wabash Avenue,
and Michigan Avenue, and three surface lots for parking
along Michigan and two along Wabash

Tax Parcel Numbers:

Buildings: 20-03-319-007-0000; 20-03-319-008-0000
Parking Lots: 20-03-320-001-0000; 20-03-320-002-0000;
20-03-320-003-0000; 20-03-318-033-0000;
20-03-318-026-0000

Land Area:

203,105 square feet or 4.662 acres

Current Use:

The building(s) were constructed in 1929 by Julius Rosenwald. The complex included approximately 441 units of family workforce housing with a 2 acre interior courtyard. It was designated a national historic landmark by the National Park Service in 1981. However, the project is in need of major rehabilitation. The complex has been vacant, deteriorating, and largely open to the elements for a decade.

Landmark Status:

All buildings associated with the Rosenwald complex are listed on the National Register and the Developer would

support designation of the entire complex as a Chicago Landmark should the City's Landmark Commission vote to recommend designation.

Current Zoning:

Buildings: RM-5, B3-2, B3-3

Parking Lots: Lot A- R24, Lot B- C1-2, Lot C- RM-5

Building: The Rosenwald five-story building is in process of being uniformly rezoned to B2-3; building will be treated as a non-conforming development based on historical use.

The three-story walk-ups are zoned RM-5, which permit the proposed redevelopment without modification.

Parking Lots:

Lot A = RT-4 (parking is permitted use)

Lot B = C1-2 (parking is permitted use)

Lot C = RM-5 (requires special use)

Proposed Zoning:

The proposed B2-3 zoning amendment for the 5-story Rosenwald Building along with a special-use permit to allow parking on the "Lot C" parcels will be filed. They are anticipated to be approved by the Committee on Zoning at its August meeting with full City Council approval in September.

Environmental Condition:

Minimal lead remediation of windows must be done in the building; it is to be removed appropriately during the demolition process. A Phase II was submitted to HED on 6/26/2012. It has been forwarded for review. Environmental clearance will be a condition of closing. The developer will be responsible for paying for any environmental cleanup, which is included in the project budget.

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:	4648 S. Wabash:	Acquired in 1977; then re-acquired by Tax Foreclosure in 12/2000
	4638 S. Michigan:	Judgment 09/1973
	4601 S. Michigan:	Tax Deed 05/1999
	4609 & 4611 S. Michigan:	Acquired in Jt. Warranty Deed in 01/1978

III. BACKGROUND

Building

In 1929, educator Booker T. Washington requested that Sears president Julius Rosenwald develop decent affordable workforce housing for African-American families working in the Washington Park and Grand Boulevard neighborhoods. Pressure on the Bronzeville area from the Great Migration drove the demand for such a development, and the building prospered for decades as a home for the middle-class. Notable residents included poet Gwendolyn Brooks, singer Nat King Cole, producer Quincy Jones, and boxer Joe Louis. Unfortunately, the 1960s saw a transition to disrepair as crime started to plague the neighborhood. The building made the National Register of Historic Places in 1981 but has been shuttered since 1999, and in 2003, the National Trust for Historic Preservation listed the project as one of "America's 11 Most Endangered Historic Places." Several similar designations followed, ranging from the Chicagoland Watch List of Landmarks Illinois in 2005 to the "Chicago's Seven Most Threatened Buildings" list by Preservation Chicago in 2007. Accordingly, the City of Chicago has the developer's agreement that the project could be designated as a Chicago landmark should the City's Landmark Commission vote to recommend designation.

TIF District

The 47th/King Drive TIF District was designated on March 27, 2002. The TIF currently collects approximately \$7.1M of increment annually. Projects receiving TIF funding include: Cuisine of the Diaspora (a group of three restaurants located in one building--\$2.6M); Ounce of Prevention Fund (supporting an early childhood development Center--\$320,000); CPS ADA renovations to the Attucks School(\$1M) and the same to the Mollison School (\$750,000); and approximately \$1,460,500 in lighting improvements along 47th St. from State to Prairie; Indiana from 31st to 55th; King Dr. from 40th to 51st; and Michigan from 31st to 55th. \$500,000 has been allocated for the Small Business Improvement Fund (SBIF) and \$337,500 for protected bicycle lanes along King Drive.

IV. PROPOSED DEVELOPMENT TEAM

Owner Entity: Rosenwald Courts LP, its general partner is Landwhite Developers, LLC, GB Rosenwald, Lighten-Gale LLC, and The Burton Foundation and its limited partner, GB Rosenwald, LLC. An organizational chart is attached as an exhibit to this report.

Experience:

Developer: Rosenwald Courts Developer LLC whose members are Landwhite Developers, LLC and Lighten-Gale Group.

Managing General Partner: Three experienced developers – Landwhite Developers LLC, Jim Bergman, and Lighten-Gale Group– have partnered together specifically for the redevelopment of Rosenwald Courts, and will jointly be part of the managing general partner entity.

Landwhite's principals, David Roos and Jay Landesman have extensive experience with LIHTC projects and retail deals throughout the country. Mr. Landesman either directly or through his family trust has acted as the developer / owner of a substantial number of retail centers in the past 30 years. Mr. Landesman currently participates in ownership of 15 retail centers with 2,400,000 square feet. Mr. Roos, first as a staff member of The Sterling Group, based in Indiana and later as a consultant has managed the development process for 17 LIHTC projects in 5 states. Landwhite specializes in historic renovations and is involved in the development of three other historic renovations. Landwhite will manage the day-to-day responsibilities and provide the expertise around the historic renovation and managing the retail process.

Member: Jim Bergman has developed more than 35 LIHTC projects since 1991, including most recently Crown Hill Estates, an \$80 million dollar, three-phase development providing a total of 335, 1700 square foot single family homes in Gulfport, MS, including the development of the entire infrastructure for the 150 acre subdivision. Other recent family projects include 90 units in Waukee, IA, 72 units in Keokuk, IA, and 68 units in East Dundee, IL. Mr. Bergman has also recently developed independent elderly projects in Fox Lake, IL, Waukee, IA, Bettendorf, IA, East Moline, IL, and in East Dundee, IL totaling 494 units and 90 million of total development dollars. Mr. Bergman also participated in the historic renovation of the Roosevelt School in Decatur, IL. Mr. Bergman's Section 42 portfolio is comprised of more than 2200 units, developed between 1991 and present. Mr. Bergman will be responsible for arranging the required tax credit syndications for the deal and providing oversight of the general contractor.

Member: Lighten-Gale Group (LGG) provides development services and coordinates the financing for non-profit, for-profit and governmental real estate developers/owners. They have been the financial consultant on more than 60 affordable housing projects. LGG has extensive experience with mixed-finance Low-Income Housing Tax Credits (LIHTC) projects as well as working with the Chicago Housing Authority on a variety of projects in the last 10 years. LGG coordinated part of the financing for North Town Village (2000), Jazz on the Boulevard (2005), and Fountain View Apartments (2006), all of which used either Hope VI or CHA Capital Funds. LGG has also worked with several other housing authorities through Illinois on affordable housing, most recently a mixed-finance redevelopment in Litchfield. LGG will be responsible to coordinate all of the loans and grants for the project as well as the project-based vouchers and HUD mixed-finance application/subsidy layering review.

Member: The Burton Foundation (TBF), an Illinois based 501(c)3, currently has ownership in 12 low income housing tax credit developments around the Midwest. TBF is a charitable, tax-exempt, 501(c)(3) organization which creates and preserves high-quality affordable housing for family and senior residents of low and moderate income levels. Their central mission is to assist families in finding safe, secure, and affordable housing through participation in partnerships and management activities. They are also a philanthropic organization who builds permanent charitable capital through donations, grants, aid, and low-income interest loans to the poor for housing and health needs. They will participate in this project by facilitating certain financing and other grants for the project, including the Donation Tax Credit, FHLB and DCEO funds. They will also be responsible for hiring and oversight of the senior service coordinator.

Architect: Hartshorne Plunkard Associates. Founded in 1987, Hartshorne Plunkard Architecture is an award winning, full service architecture, interior and planning design firm located in Chicago's Fulton Market District.

General Contractor: TBD

Property Manager: Mercy Housing Management Group (MHM) – formerly known as Mercy Services Corporation (MSC) was established in 1983 to provide property management services for Mercy Housing's affordable housing communities. Today, they manage hundreds of properties across the United States for multiple ownership groups with a wide variety of product, regulatory and population types.

Historic Consultants: MacRostie Historic Advisors LLC provides historic preservation consulting services on a nationwide basis to developers, lenders, and investors active in the rehabilitation of historic income-producing real estate.

TIF Consultant: ERS Enterprises, Inc. is an urban economic development advisory and construction consulting services firm that serves users and developers of residential, commercial and institutional real estate in the Chicago area.

Attorneys : Charity & Associates P.C. was established in January of 1994 by Elvin E. Charity. The firm's areas of practice include real estate law, municipal law and finance, corporate and business law. The Real Estate practice group of DLA Piper has 175 US real estate lawyers provide a range of real estate services, including acquisitions and dispositions, construction, finance, land use and development, leasing, environmental, insurance, tax, and litigation services.

Market Analyst: Valerie S. Kretchmer Associates, Inc. (VKSA) has conducted numerous feasibility analyses in city, suburban and rural locations. VKSA is on the Illinois Housing Development Authority's (IHDA) list of approved consultants for site and market studies. Projects have included rental and for-sale, market rate and affordable, as well as senior and

special needs housing.

V. PROPOSED PROJECT

Project Overview:

The building was designated a national historic landmark by the National Park Service in 1981. The redevelopment will preserve the façade of the building, while undertaking a complete gut rehab and redesign of the interior space to create a floor plan appropriate for modern living. One section of the building (ten total units) will retain the original floor plans. All existing electrical, mechanical, HVAC and plumbing systems and fixtures will be removed and upgraded to current industry best practice standards.

The existing building consists of five-story walk-ups with 28 separate entrances. The redesign will create three separate entrances. Two entrances will solely serve the Senior Building and the third solely the Family Building. The two most prominent entrances will be on Wabash and Michigan Avenue and will each contain three elevators. The third entrance on 46th street will have two elevators. All three entrances will have secured entry and a station for property management staff/security personnel.

The balance of the site includes seven attached three-story walk up buildings located at 46th and Michigan Avenue. These were built prior to the five-story structure and will be incorporated into the family portion of the redevelopment. These buildings will remain three-story walk-ups and will have their own separate entrances and rear porches. They have common stairwells and will not have elevators or common space. These buildings will share a small backyard and will have a security fence with a key-fob secured gate to allow access into the courtyard. These three flat buildings are also historically significant, so will include a large amount of restoration to the façade and unit interiors. The floor plans will be updated.

Senior, 55+ Building

The Senior building with 166 units will face Wabash, and includes 148 one-bedroom units and 18 two-bedroom units. One hundred and twenty (120) of the senior units (72% of senior units) will have rent subsidies so that tenants pay no more than 30 percent of their income toward rent and utilities. These units include 60 units with public housing ACC contracts from the CHA and 60 units with project-based rental assistance (Project Based Vouchers) from the CHA. The remaining 46 units will be affordable to seniors at or below 60% AMI with no subsidies.

Family Housing Buildings

The 165 family units include 132 units in the five-story family wing accessed on Michigan Avenue and 33 units in the three-story walk-ups at the northeast corner of the site. There will be 57 one-bedroom units, 87 two-bedroom units and 21 three-bedroom units. Twelve units will receive the Long Term Operating subsidy so that the units will be affordable to households at 30% AMI. These units include 6 one-bedrooms, 4 two-bedrooms, and 2 three-bedrooms. A total of 135 units will be affordable to families with annual household incomes at or below 60% AMI. The remaining 18 units

will be unrestricted.

The rents for family units are sized to attract working families to the project. The original vision of the Rosenwald was to provide decent, safe and affordable housing for the working poor. The redevelopment aims to maintain this mission for the Bronzeville neighborhood.

Non-subsidized rents for the units range from \$600 to \$1,050. Assuming households do not pay more than 30% of their income toward rent, these units are affordable and available for households with incomes starting at \$24,000 per year (1 BR units), \$26,000 (2 BR units) and \$32,000 (3 BR units). Thus, the units are affordable for a household with one full time wage earner who receives an hourly wage of \$11.75 (1 BR), \$12.75 (2 BR) or \$15.70 (3 BR). The project will provide a preference, to the extent allowed by law, for working families.

Commercial Space

Approximately 21,000 square feet of commercial space will front Michigan Avenue. The commercial space will be marketed to a wide range of small retail tenants that would add vibrancy to the overall building.

Building and Unit Amenities

The redeveloped building will offer a robust amenity package not found in other properties in the market area. The entry points will serve as the central area of each building. The Senior entrance area will include a large lobby, a fully furnished community room, a reading room, a library with computers and an exercise room. The Family entrance area will include a community room, a larger exercise room, a cyber café with computers, and conference rooms. The 46th Street entrance will include a large community room with warming kitchen that will have glass walls that looks out onto the courtyard. This room can be made available to the neighborhood for special occasions. This entrance will also include three social service offices which will be used by an activities coordinator for the Family units and one for the Senior units. These coordinators will also function as liaisons for residents needing off-site social services. Both buildings will include on-site management offices and mail rooms. The entire building will be wired for Wi-Fi. There will be tenant storage and bike storage located in the basement. Twenty percent of all units are fully accessible; the accessible units are all located in the 5-story building.

The most significant amenity in the redeveloped Rosenwald Courts is the two-acre courtyard that will be retained, upgraded and improved. The Courtyard will contain different elements and amenities that will appeal to the different population groups. There will be at least one playground, as well as patio/barbeque areas and community gardens. There is not anticipated to be any public access to the Courtyard.

The unit amenities are significantly better than most other apartment buildings in the area. All units will have in-unit washer and dryer. The majority of the two-bedroom units will have two bathrooms, and all three bedroom units will have two bathrooms. All units will include refrigerator, microwave, stove and dishwasher. The owner will pay for heat, water heating, water/sewer and trash. Tenants

will be responsible for electricity and cooking electric. The building will have central air conditioning, which the tenants will pay for through their electric bill.

Security

In addition to the centralized entrances, there will also be key-coded entry devices and security cameras throughout the development, including at the entrances, parking lots and courtyard. Sprinklers will be installed throughout the buildings

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

Residential Unit Profile: The following table provides a detailed description of the proposed project. The subject property will provide a total of 331 rental units of which 313 units or 95% percent will be affordable for households earning no more than 60% percent of the area median income. These units will satisfy the Chicago affordable housing ordinance, which requires 10 percent 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	Size-sf	Monthly Rent paid by Tenant*	Market Rent received by Landlord
1 bed/ 1 bath – Family	2	Affordable at or below 30% AMI	630	\$315	\$800
1 bed/ 1 bath – Senior	10	Affordable at or below 60% AMI	620	\$600	\$800
1 bed/ 1 bath – Family	51	Affordable at or below 60% AMI	630	\$600	\$800
1 bed/ 1 bath – Senior	18	Affordable at or below 60% AMI	790	\$625	\$825
1 bed/ 1 bath – Senior	60	Affordable at or below 50% AMI (Project-based Sec. 8 units)	790	\$800	\$825
1 bed/ 1 bath – Senior	60	Affordable at or below 50% AMI (CHA ACC units)	620	\$550	\$800

1 bed/ 1 bath – Family	4	Market Rate	630	\$800	\$800
2 bed/ 2 bath – Family	8	Affordable at or below 30% AMI	800	\$388	\$850
2 bed/ 2 bath – Family	27	Affordable at or below 60% AMI	800	\$650	\$850
2 bed/ 2 bath – Senior	18	Affordable at or below 60% AMI	810	\$700	\$850
2 bed/ 2 bath – Family	42	Affordable at or below 60% AMI	875	\$725	\$850
2 bed/ 2 bath – Family	10	Market Rate	875	\$850	\$850
3 bed/ 2 bath	2	Affordable at or below 30% AMI	1,160	\$429	\$1,050
3 bed/ 2 bath	15	Affordable at or below 60% AMI	1,160	\$850	\$1,050
3 bed/ 2 bath	4	Market Rate	1,160	\$1,050	\$1,050

*Water/sewer, trash, and gas heating and hot water are included in rent. Tenants will pay for electricity.

The affordable rent paid by the tenant is based on the tenant’s income and not on market comparables. The maximum rent for each defined “affordable” income level is published annually by the US Department of Housing and Urban Development and listed according to building construction type (i.e. apartment, townhouse, house), number of bedrooms and household size. 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:

The project meets HED’s multi-family rental program requirements. The developer is adhering to the Chicago Green Homes Program and the Illinois Energy Efficient Affordable Housing construction Program. The project will achieve points in the following categories: sustainable sites, energy efficiency, energy star appliances, insulation, health and safety, and resource conservation.

VI. FINANCIAL STRUCTURE

Rosenwald Courts will be funded with a combination of public and private sources of funds – federal, state, and local. The majority of the funding will come from the tax credit equity from Historic and Low Income Housing Tax Credits.

HED will be providing multiple funding sources for the project – a \$5 million Neighborhood Stabilization Program (NSP) loan will fund almost 4.5% of the development costs, and with CDC approval, a maximum of \$25M in TIF. The TIF will be funded by area-wide increment from the 47th/King Drive TIF and will be made through cash payments during project construction. In addition to the TIF, the City is proposing a land write-down of five vacant parcels to be used for parking with a total value of \$155,995. This brings the total City level of assistance to a maximum of \$25,155,995 or 22.8% of TPC.

The City will issue approximately \$58.5 million in Tax Exempt Bonds which will be purchased by a lender, and after a period of stabilization and issuance of a Certificate of Completion, retired in part by TIF payments (\$16,250,000) and tax credit equity (\$39,000,000). The lender will retain a smaller permanent first mortgage (\$2,750,000). All other sources are used both during construction and for permanent financing.

The Owners are donating a portion of the building costs to the project. Fifty percent of the property’s donated value, or \$3,300,000, is the amount of the DTCs that are to be sold will generate \$2,970,000 in equity for the project. HED will award the DTCs.

The following tables identify the construction and permanent sources and the uses of funds:

Construction Sources

	<u>Amount</u>	<u>% of TPC</u>
Series A Bonds	2,750,000	2.51
Series B Bonds	15,300,000	13.97
Equity Bridge Loan	40,500,003	36.97
HOPE VI/ CHA Loan	18,000,000	16.43
Illinois Donation Tax Credits	2,970,000	2.71
FHLB AHP (Freedom Bank)	700,000	0.64

NSP Loan	5,000,000	4.56
LT Operating Subsidy	1,100,000	1.00
IL EEACHP DCEO	1,252,000	1.14
TIF Allocation	6,000,000	8.85
Deferred Developer Fee	3,524,207	3.22
Tax Credit Equity	12,446,547	7.98
Total Construction Sources	\$109,542,757	100.00

Permanent Sources	% of TPC	
Series A Bonds	2,750,000	2.51
LT Operating Subsidy	1,100,000	1.0
HOPE VI/ CHA Loan	18,000,000	16.43
Illinois Donation Tax Credits	2,970,000	2.71
FHLB AHP (Freedom Bank)	700,000	0.64
NSP Loan	5,000,000	4.56
IL EEACHP DCEO	1,252,000	1.14
TIF Allocation	25,000,000	22.8
Deferred Developer Fee	3,524,207	3.22
Tax Credit Equity	49,246,550	45.0
Total Permanent Sources	\$109,542,757	100.00

Uses	Amount	% of TPC*	PSF of Building**
Acquisition (\$35.83 per square foot of land)	\$7,277,495	6.6%	\$15.82
Acquisition (City-owned land)	\$ 5.00		
Site Preparation	\$2,612,204	2.4%	\$5.68
Hard Costs			
Construction	\$58,229,170	53.2%	
Contingency (12% of hard costs)	\$6,710,553	6.1%	
Subtotal Hard Costs	\$64,939,723	59.3%	\$141.17
Soft Costs			
Furniture, Fixtures and Equipment	\$350,000	0.3%	\$0.76
Building Permits and Expediter	\$400,000	0.4%	\$0.87
Construction Interest	\$4,350,000	4.0%	\$9.46

	Contractor Bond/LOC Fees	\$504,716	0.5%	\$1.10
	Other Lender Fees	\$4,000,000	3.7%	\$8.70
	Phase I Environmental Report	\$50,000	0.0%	\$0.11
	Construction Inspection	\$ 50,000	0.0%	\$0.11
	Environmental	\$1,900,000	1.7%	\$4.13
	Architect (2% of hard costs)	\$1,300,000	1.2%	\$2.83
	Engineering Fees	\$75,000	0.1%	
	Survey and Appraisals	\$150,000	0.1%	
	Consultants	\$398,658	0.4%	
	Accountant	\$150,000	0.1%	
	Legal—Organizational	\$900,000	0.8%	
	Lender Legal Fees	\$125,000	0.1%	
	Marketing & Leasing	\$496,500	0.5%	
	Application, Title and Recording Fees	\$ 95,000	0.1%	
	Hazard Insurance	\$640,000	0.6%	
	Real Estate Taxes	\$120,000	0.1%	
	Bond Fees	\$1,203,250	1.1%	
	Construction and Perm Loan Points	\$613,000	0.6%	
	Reserves	\$4,133,046	3.8%	
	Developer Fee	\$8,000,000	7.3%	
	Overhead	\$1,177,290	1.1%	
	Profit	\$3,531,870	3.2%	
	Subtotal Soft Costs	\$34,713,330		\$75.46
	Total Project Costs	\$109,542,757		\$379.31

*Total Project Costs

**Gross building area is 460,000 square feet

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits:

Affordable Housing: The project will provide 313 affordable housing units.

Environmental Features: The project will incorporate energy efficiency, energy star appliances, insulation, health and safety, and resource conservation items in its scope of work.

Construction Jobs: The project will produce 360 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 25 permanent jobs in building management, security and detail. 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). The project was presented to the community at meetings held on February 29, June 7, 2012. Further a task force formed with the purpose of monitoring the redevelopment of the property met April 24, May 22, and June 17, 2012

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the 47th/ King Redevelopment Project Area. The Redevelopment Plan for the 47th and King Redevelopment Project Area (the "Redevelopment Plan") has an overall goal of elimination of blighting factors. Specifically, the proposed project will satisfy the following goals of the area's redevelopment plan:

- Reduce or eliminate those conditions that qualify the Redevelopment Project Area as a Conservation Area
- Renovate the viable structures that do remain and create new residential opportunities in the Redevelopment Project Area
- Cultivate a successful and vibrant community in the Redevelopment Project Area, reminiscent of the area's cultural heyday in the 1920s and 1930s
- Create construction job opportunities in the Redevelopment Project Area

The implementation strategy for achieving the plan's goals envisions the sale of City land for mixed use development. The proposed project also conforms to the plan's land use map, which calls for mixed-use development at the subject site.

X. CONDITIONS OF 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.

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.

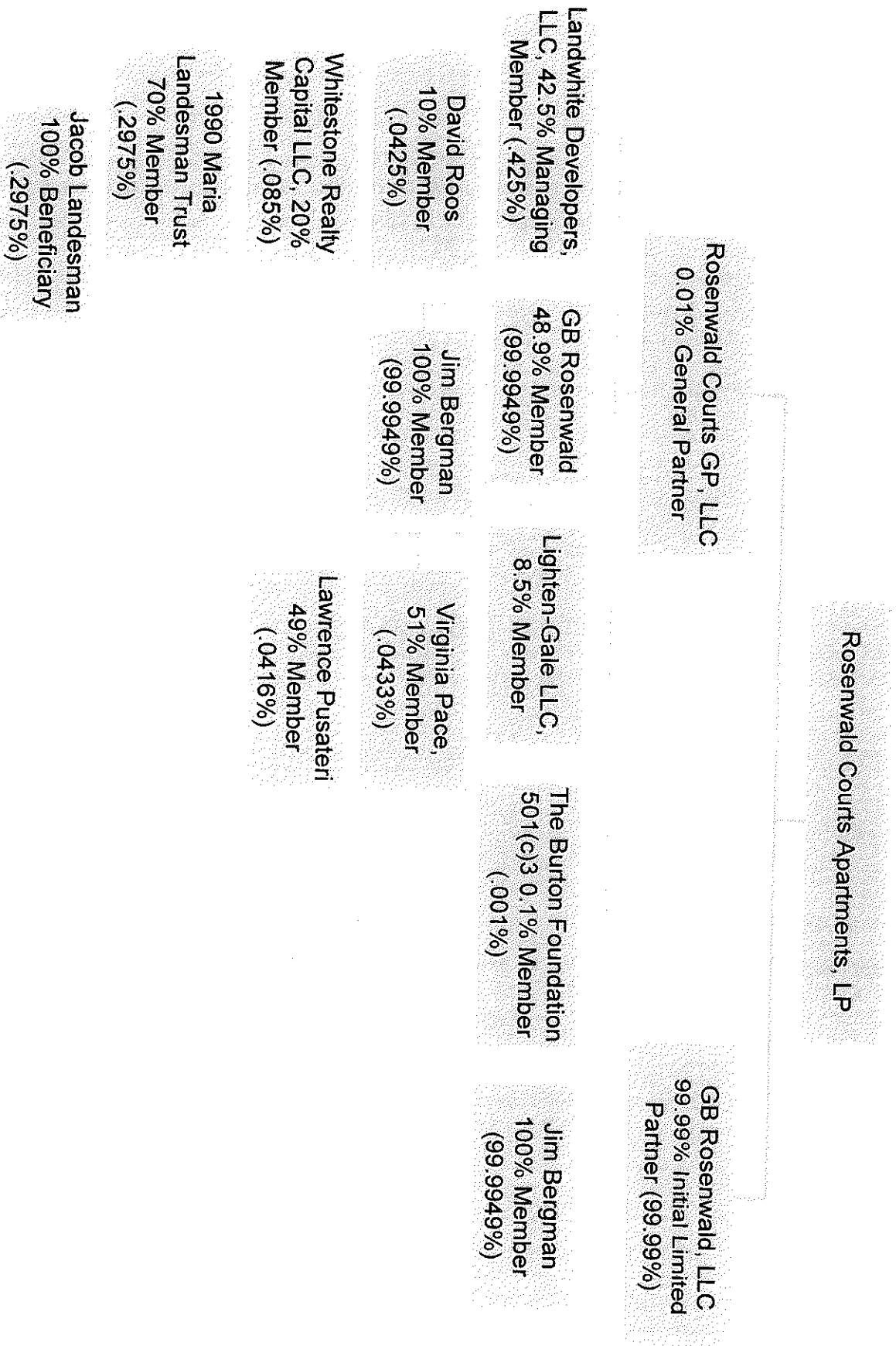
XI. RECOMMENDATION

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 4600 South Michigan, 4601 S. Michigan, 4609 S. Michigan, 4611 S. Michigan, 4638 S. Wabash, 4648 S. Wabash to Rosenwald Courts Apartments LP and/or a related entity and recommends the designation of Rosenwald Courts Apartments LP and/or a related entity as Developer for development of 331 affordable units.

EXHIBITS

Organizational Chart
TIF Project Assessment Form
Redevelopment Area Map
Neighborhood Map or Aerial
Survey or Plat
Site Plan
Typical Floor Plan
Front Elevation or Rendering
Sample M/WBE Letter
Copies of M/WBE Certified Letter Receipts
Copy of Residential Developer License
Community Letters of Support
Alderman's Letter of Support

Rosenwald Courts Ownership Chart



	City-Owned Land - \$155,000 CHA Funds - \$18,000,000 DCEO Grant - \$1,252,000
Financing Structure	Grant

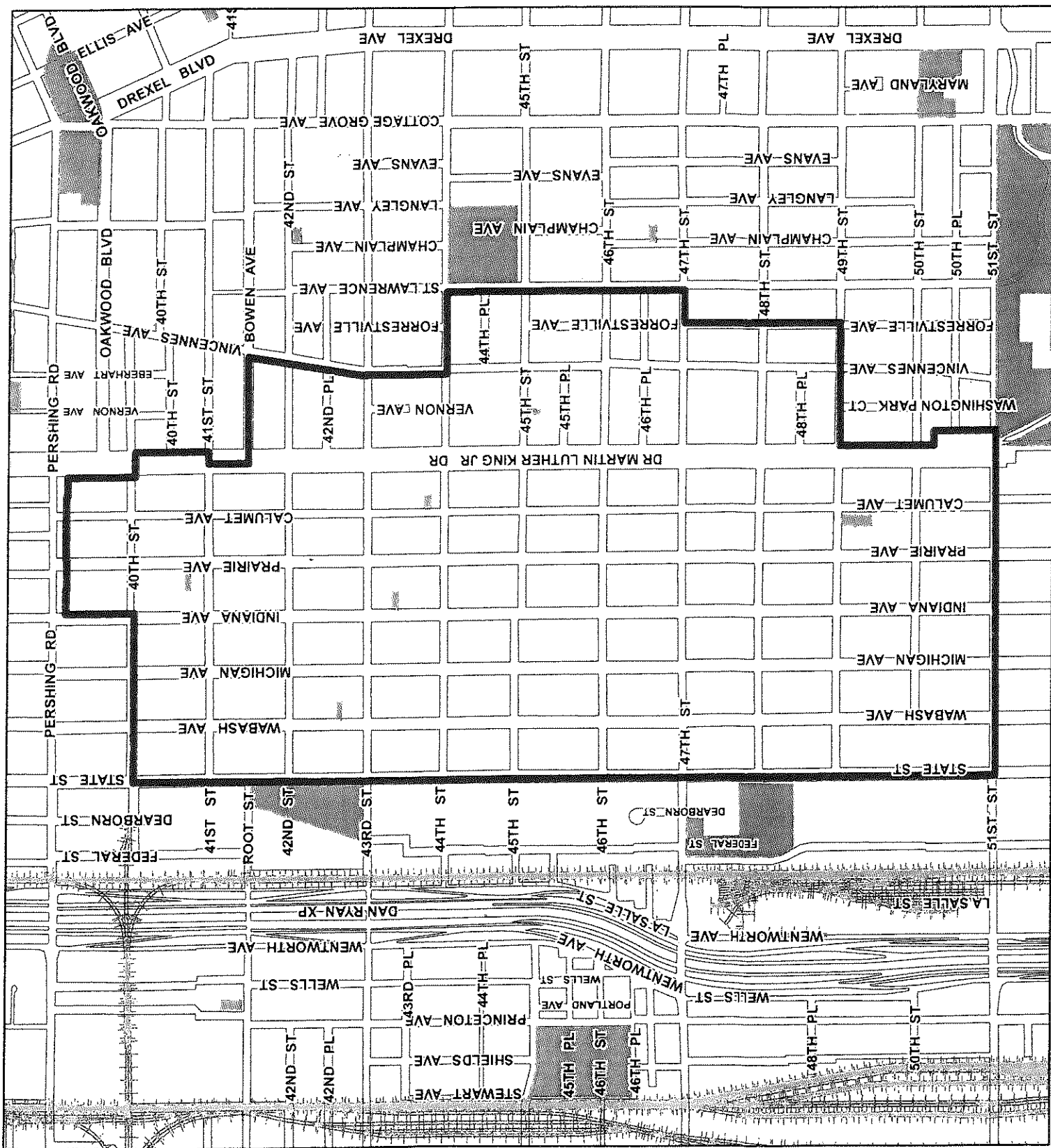
RDA Terms	
Payment Schedule	3 payments; first at 10% completion; second at the later of 100% completion or May 1, 2014; last payment one year later
Taxpayer Protection Provisions	Yes; developer repayment of TIF if project isn't completed
Monitoring Term of Agreement	10 years

Other Considerations

N/A

Existing Tax Increment Financing Districts

47th/King



Aerial



SITE NOTES

1. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
2. EXISTING BUILDING TO BE DEMOLISHED AND REPLACED BY NEW CONSTRUCTION.
3. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE IBC AND ALL APPLICABLE LOCAL ORDINANCES.
4. ALL UTILITIES SHALL BE MAINTAINED AND PROTECTED.
5. ALL UTILITIES SHALL BE DEEPENED AND COVERED AS NECESSARY.
6. ALL UTILITIES SHALL BE MAINTAINED AND PROTECTED.



THE ROSENWALD COURTS

CONCRETE MASONRY BUILDING
GROSS AREA: 10,000 SF

LW

LANDSCAPE ARCHITECT

12345 MARKET STREET
SUITE 100
DENVER, CO 80202
TEL: (303) 555-1234
WWW.LWLANDSCAPE.COM

NO.	REVISION	DATE
1	ISSUED FOR PERMIT	08/15/2024
2	REVISED TO REFLECT COMMENTS	09/05/2024
3	REVISED TO REFLECT COMMENTS	09/20/2024
4	REVISED TO REFLECT COMMENTS	10/10/2024
5	REVISED TO REFLECT COMMENTS	10/25/2024
6	REVISED TO REFLECT COMMENTS	11/05/2024
7	REVISED TO REFLECT COMMENTS	11/20/2024
8	REVISED TO REFLECT COMMENTS	12/05/2024
9	REVISED TO REFLECT COMMENTS	12/20/2024
10	REVISED TO REFLECT COMMENTS	01/05/2025

NO.	REVISION	DATE
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7	REVISED TO REFLECT COMMENTS	11/20/2024
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10	REVISED TO REFLECT COMMENTS	01/05/2025

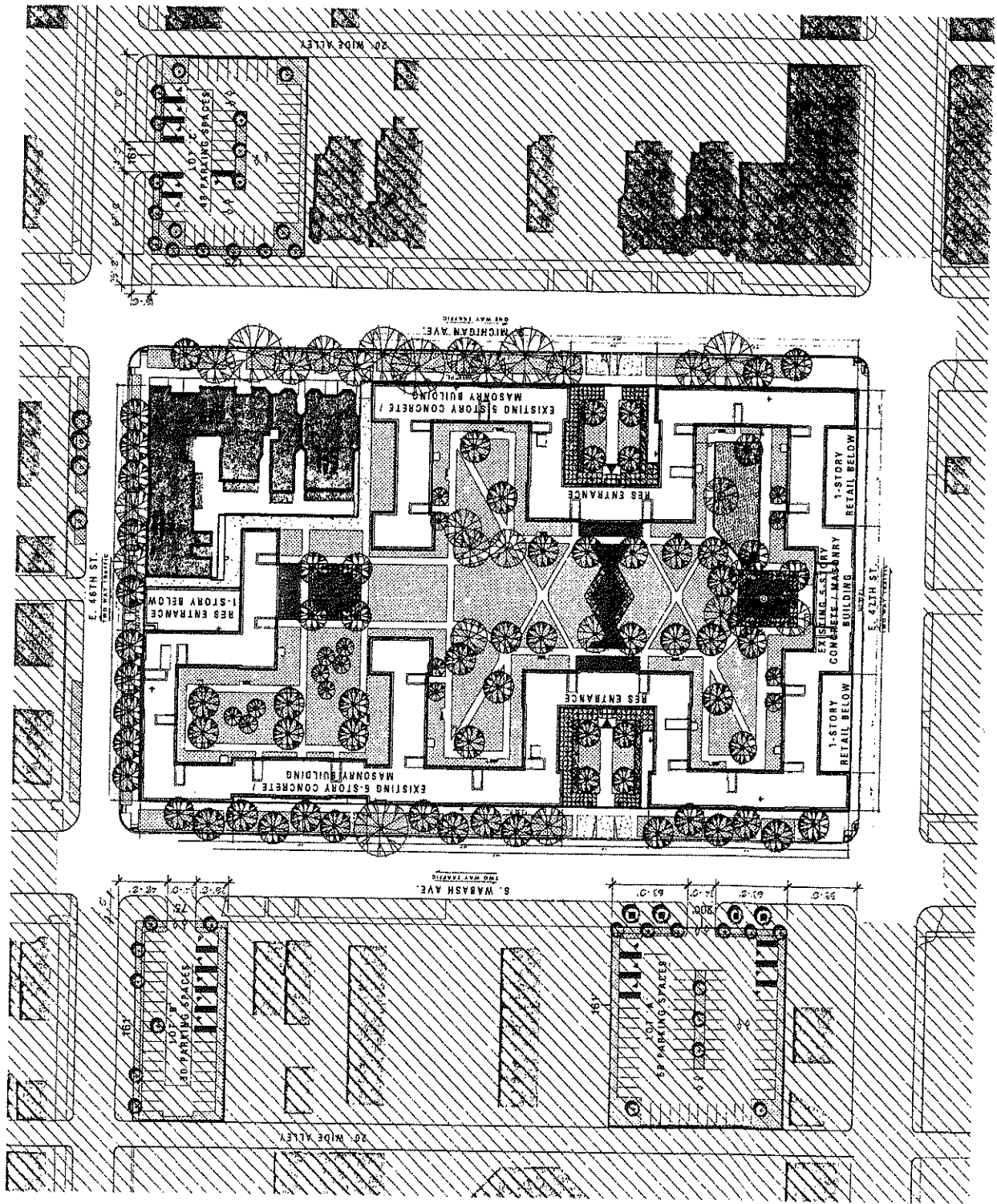
PHD

PHILIP H. DEWITT
ARCHITECT

12345 MARKET STREET
SUITE 100
DENVER, CO 80202
TEL: (303) 555-1234
WWW.PHDARCHITECT.COM

SITE PLAN

A0.1



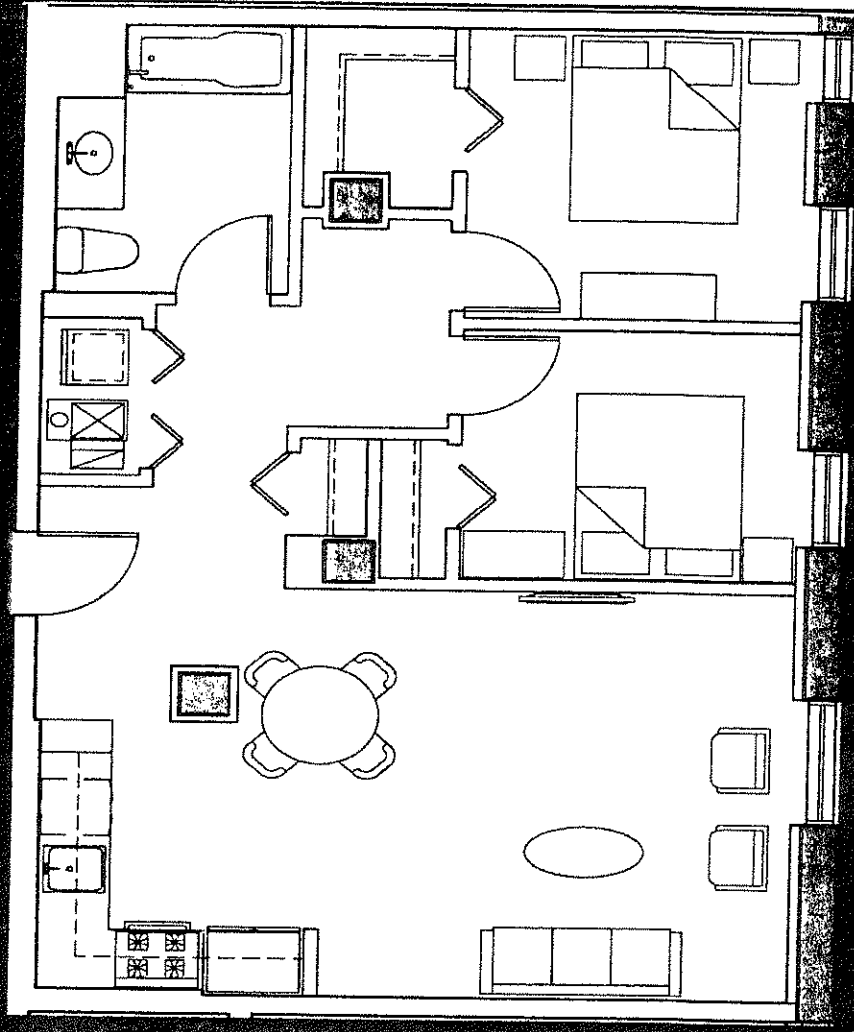
SITE PLAN
SCALE: 1/32" = 1'-0"



Unit Layout-Senior

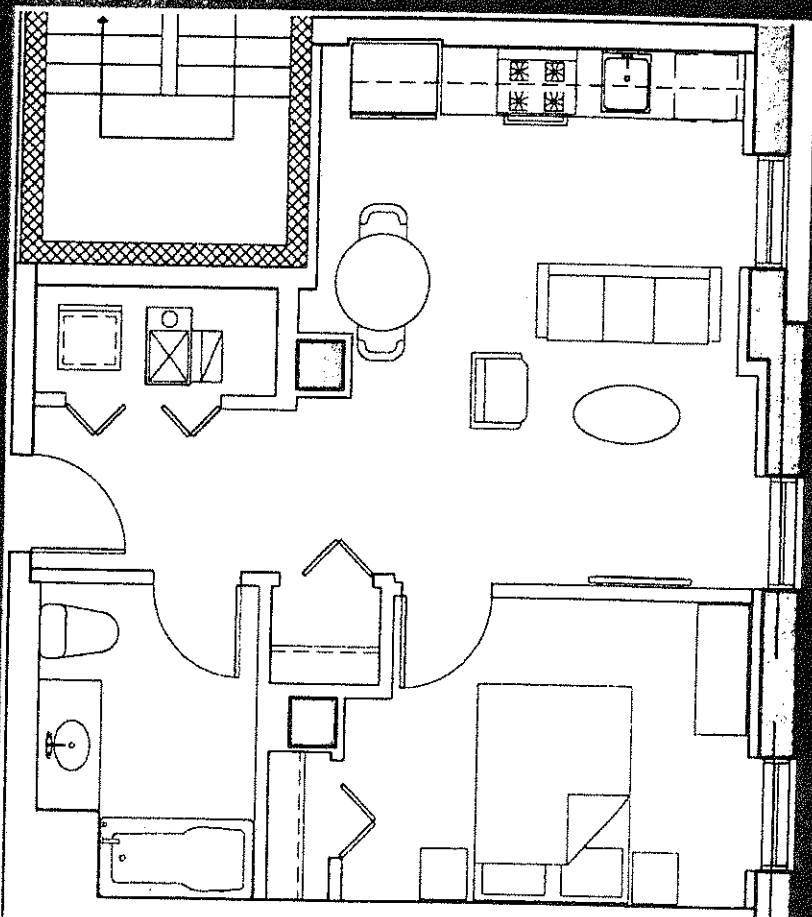


1 Bedroom Senior-620 sf

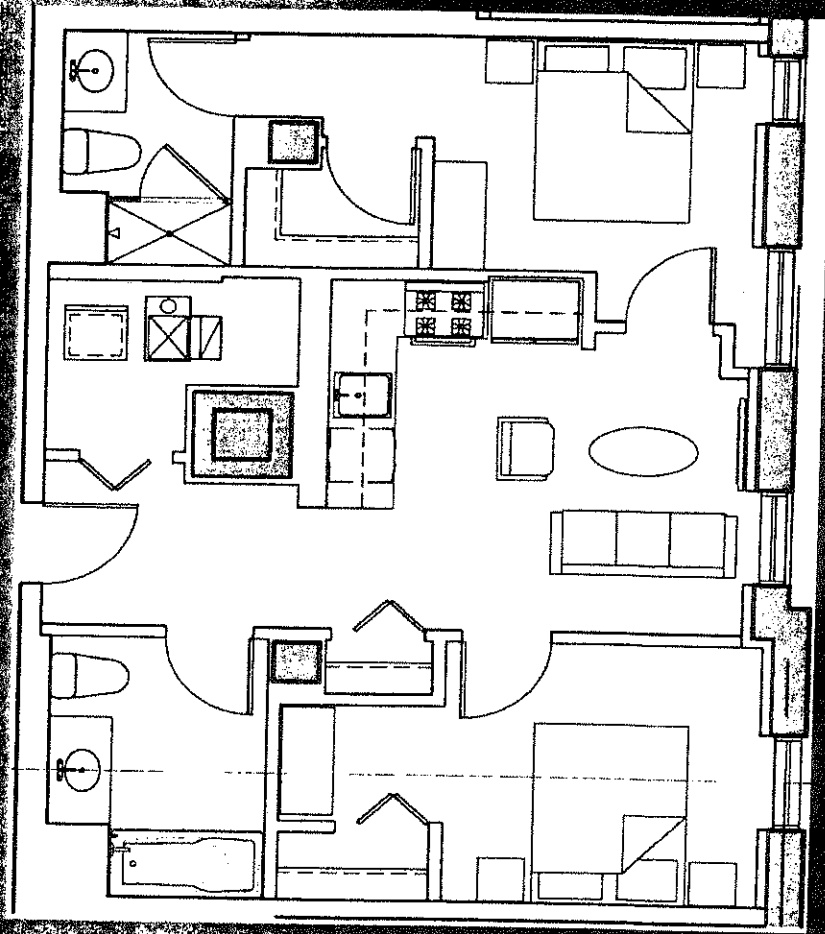


2 Bedroom Senior-810 sf

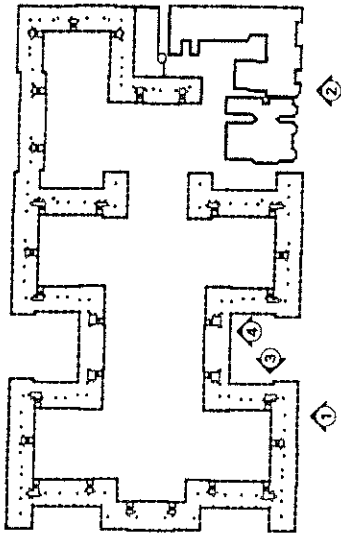
Unit Layouts-Family



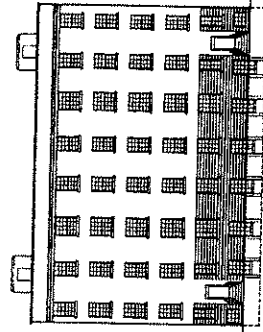
1 Bedroom Family-630 sf



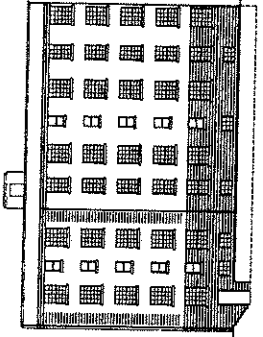
2 Bedroom Family-820 sf



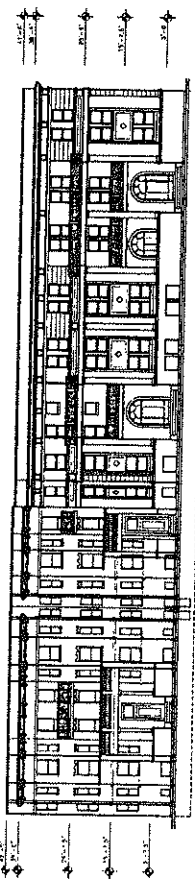
KEY PLAN



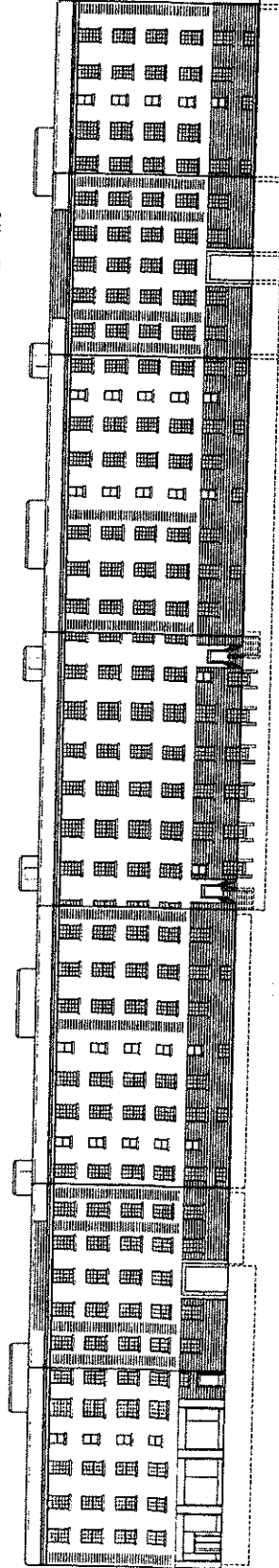
4 MICHIGAN AVENUE COURTYARD (EXISTING)
SCALE: 1" = 30'-0"



3 MICHIGAN AVENUE COURTYARD (EXISTING)
SCALE: 1" = 30'-0"



2 SOUTH MICHIGAN AVENUE STREET ELEVATION (CONTINUED)
SCALE: 1" = 30'-0"



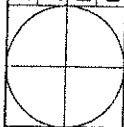
1 SOUTH MICHIGAN AVENUE STREET ELEVATION (EXISTING)
SCALE: 1" = 30'-0"

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SPECIFIC TO REVISIONS
OR REQUIRED NECESSARY OR
ADVISABLE BY BUILDER.
IMPERFECT, OR AS
REQUIRED BY LAW.

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Chicago, IL 60607
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ROSENWALD
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56-60 E. 47th STREET
CHICAGO, ILLINOIS

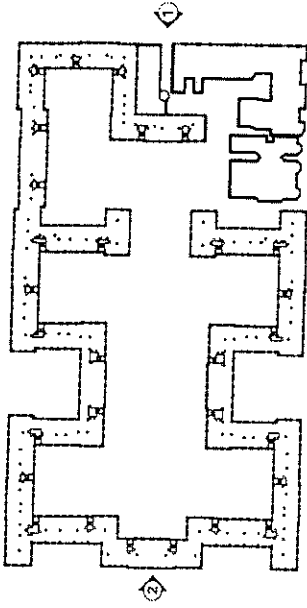


SCALE AS NOTED
DATE 05.26.11

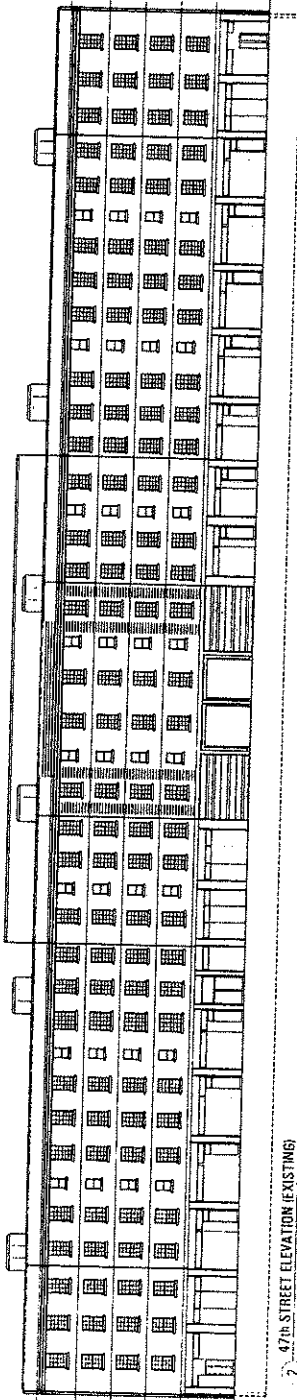
DRAWING SOUTH MICHIGAN
AVE STREET
ELEVATION

SK# D

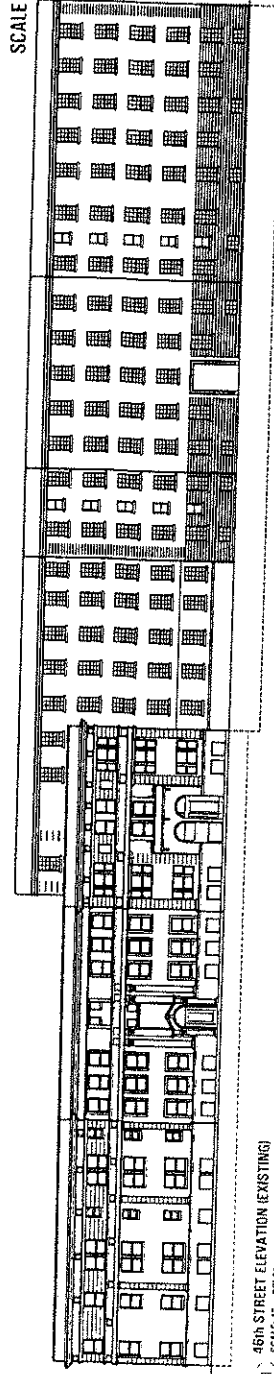
MAY 25, 2011 - 4:02PM



KEY PLAN



2 47th STREET ELEVATION (EXISTING)
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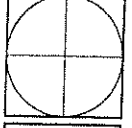


1 46th STREET ELEVATION (EXISTING)
SCALE: 1" = 30'-0"

252 North Capen
Chicago, IL 60610
P 312.238.4480
www.gpcarchitects.com
G
Gordon & Pappas Architects
100 West Madison, Suite 1100, Chicago, IL 60602

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REQUIRED BY LAW.

ROSENWALD
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56-60 E. 47th STREET
CHICAGO, ILLINOIS



SCALE AS NOTED
DATE 05.26.11

DRAWING SOUTH MICHIGAN AVE STREET ELEVATION

SK# E

May 25, 2011 1:20 PM



Ernest R. Sawyer Enterprises, Inc.

Consultants Planners, Program Managers, Developers, Tax Increment Financing Consulting, Economic Development Advisory Services
100 North LaSalle Street, Suite 1515 • Chicago, Illinois 60602 • Phone (312) 364-9292 • Fax (312) 364-9618 • www.ersenterprises.net

June 22, 2012

Edward McKinnie
Black Contractors United
12000 S. Marshfield
Calumet Park, IL. 60827

Re: Rosenwald Courts Apartments

Dear Mr. McKinnie,

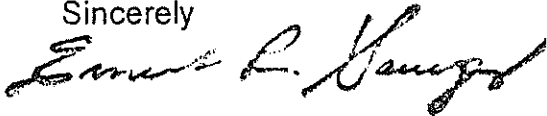
Ernest R. Sawyer Enterprises, Inc. (ERS) has been retained by Rosenwald Courts Apartments, LP as its TIF Consultants for the aforementioned project. It is with great pleasure that we, on behalf of Rosenwald Courts Apartments, LP announce the redevelopment of The Rosenwald Courts located at 4600 South Michigan Avenue within the 47th and King Drive TIF district.

The Project consists of remediation/selective demolition and redevelopment of the property previously known as the Michigan Avenue Garden Apartments. The Project will require the gut renovation and redevelopment of a five (5) story walk up building and several three (3) story walk-ups. The landmark building has a substantial interior courtyard that will be renovated and landscaped for residential use. Elevators will be constructed in the five (5) story walk up and the 1929 structure will be brought up to today's standards. When construction and renovation is complete, the main building will have three (3) entrances with a total 298 units. The three (3) story walk-ups will contain an additional 33 units. New residents will have access to three (3) neighbor parking lots that will be constructed at locations around the site.

The Rosenwald project will require participation of trades such as excavation, concrete, carpentry, electrical, mechanical, plumbing, paving, painting, roofing and others. We are requesting that you make your members aware of this exciting project. We are committed to doing everything possible to maximize subcontracting opportunities for MBEs and WBEs.

We are currently taking bids from prequalified general contractors and demolition/remediation contractors. You may contact Mishaune Sawyer at msawyer@ersenterprises.net or 312-364-9292 for further information regarding bid opportunities.

Sincerely

A handwritten signature in cursive script, appearing to read "Ernest R. Sawyer".

Ernest R. Sawyer
Principal

cc: Dinah Wayne, City of Chicago Department of Housing and Economic Development

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 City, State, ZIP+4 Calumet Park IL 60827

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Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 6.20	

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 American American Contractors
 Street, Apt. No., or PO Box No. 7445 S South Chicago
 City, State, ZIP+4 CHICAGO IL 60619

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7006 0810 0004 2219 2767

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Certified Fee	\$2.95	
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Restricted Delivery Fee (Endorsement Required)	\$0.00	
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06/22/2012

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Return Receipt Fee (Endorsement Required)	\$2.35	
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Total Postage & Fees	\$ 5.75	

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Total Postage & Fees	\$ 5.75	

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CITY OF CHICAGO

LICENSE CERTIFICATE NON-TRANSFERABLE

BY THE AUTHORITY OF THE CITY OF CHICAGO, THE FOLLOWING SPECIFIED LICENSE IS HEREBY GRANTED TO

NAME: ROSENWALD COURTS LP

DBA: ROSENWALD COURTS LP
AT: 15828 CLARENDON HILLS DR.
GRANGER, IN 46530

LICENSE NO.: 2084439

CODE: 1020

FEE: \$****250.00

LICENSE: Residential Real Estate Developer

PRINTED ON : 07/08/2011

\$****250.00

THIS LICENSE IS ISSUED AND ACCEPTED SUBJECT TO THE REPRESENTATIONS MADE ON THE APPLICATION THEREFOR, AND MAY BE SUSPENDED OR REVOKED FOR CAUSE AS PROVIDED BY LAW. LICENSEE SHALL OBSERVE AND COMPLY WITH ALL LAWS, ORDINANCES, RULES AND REGULATIONS OF THE UNITED STATES GOVERNMENT, STATE OF ILLINOIS, COUNTY OF COOK, CITY OF CHICAGO AND ALL AGENCIES THEREOF.

WITNESS THE HAND OF THE MAYOR OF SAID CITY AND THE CORPORATE SEAL THEREOF
THIS 07 DAY OF JULY, 2011

ATTEST: EXPIRATION DATE: **JULY 15, 2013**



Rahm Emanuel
MAYOR

ACCOUNT NO. 360263
TRANS NO. SITE: 1

Sumant Mendy
CITY CLERK



THIS LICENSE MUST BE POSTED IN A CONSPICUOUS PLACE UPON THE LICENSED PREMISES

Laurel Lipkin
Principal
LL Consulting
339 West Barry Ave.
Chicago, IL 60657
p/773.281.7873
c/773.273.5609
www.LLConsultingChicago.com

June 27, 2012

Re: Rosenwald Courts

David L. Roos
Executive Vice President
Rosenwald Courts Apartments LP
15828 Clarendon Hills Drive
Granger, IN 46530

Dear Dave,

I am pleased to provide this letter of support for the Rosenwald Courts. As you know, Alderman Dowell asked me to staff the Rosenwald Transformation Task Force, which consists of adjacent homeowners, other members of the community and local organizational representatives. We meet monthly and have now met three times.

It's clear from our discussions over these past months that all members are very invested in the redevelopment of the Rosenwald and see it as essential to stabilizing that part of the ward as well as preserving and respecting important community history. The high quality of management and programming you are committed to providing will be an important asset.

I have been impressed by your responsiveness in this process and the thoroughness with which you've answered questions and addressed concerns. Your commitment to transparency in the development decision-making through this community process has engendered respect from members of the task force. It is also clear that you have been sensitive to particular issues that arise in an undertaking of this nature including matters of local hiring, security, tenant screening, leasing, tenant composition and so on.

I look forward to working with you in the months to come and am available to help in any way to ensure the project's success.

Regards,



Laurel

Homeowners and Neighbor Statement: Rosenwald/Michigan Ave Apartments

Date: May 21, 2012

Reference: Rosenwald Development- Michigan Avenue Apartments

CC: Residents within 1-2 blocks Radius of the Rosenwald, other 3rd Ward residents and members of the Rosenwald Transformation Task Force

TO: HONORABLE 3RD WARD ALDERMAN PAT DOWELL,

On behalf of the Rosenwald Homeowner Area Residents listed in this letter, we are submitting this "Homeowners and Neighbor' Statement" to clearly document the concerns we have with the current Rosenwald Plans and our inability to support the current plans in their current manifestation. This by no means implies that we are not committed to working with you and the developer on a plan that we can embrace as a group of homeowners and residents most impacted by the Rosenwald, and in fact, below we provide some details about the types of initiatives we would be willing to support. We hope you will give them serious consideration.

The Rosenwald/Michigan Avenue Apartment building has been vacant and unused for 12 years. On February 29, 2012 Landwhite Associates and AM Realty (the "Developer") with the support of Alderman Dowell, presented a plan for redevelopment of the building. There was a follow-up meeting on April 24, 2012. The Rosenwald Courts LP redevelopment plan for Rosenwald Courts, as set forth in the presentations provided by the Developer at those meetings (the "Plan") consists of the following:

- 331 rental units:
 - Seniors (166 units)
 - 148 - 1 bedroom/1 bath units ranging from 620 to 800 sf
 - 18 - 2 bedroom/2 bath units averaging 820 sf
 - Families (165 units)¹
 - 57 – 1 bedroom/1 bath units averaging 630 sf
 - 87 – 2 bedroom/1 bath units averaging 875 sf
 - 21 – 3 bedroom/2 bath units averaging 1160 sf
- 95% Working Poor/Low-Income (Section 42 - @ or below 60% AMI) (See explanation on page 2):
 - 6 units at or below 15% AMI
 - 18 units at market rate
 - 307 units at or below 60% AMI (this excludes the 6 15% AMI units)

¹The largest unit size (3BR/2BA) is 1160 square feet in the building and the average unit size in the 3-story walk-up is 1500 square feet.

Homeowners and Neighbor Statement: Rosenwald/Michigan Ave Apartments

- 2 1-story retail sites located on the ground floor on 47th Street. (20,000 sf)
- 136 off-site parking spaces for a 331 unit residential rental and retail development.
- \$109,000,000 total debt and equity.

Characterization as a 95% Working Poor/Low-Income Project is based on the following factors:

The Rent Range page of the Plan indicates that Market Rents in the area are well below the rent that can be charged for the maximum income level in a Section 42 low-income housing tax credit project (60% AMI). For example, the market rent for a 1 bedroom unit is \$742, which is below the 60% AMI/rent of \$853. So, these units can be identified as both “market-rate units” and “tax-credit units” without being incorrect, although it is certainly misleading. As a result, on one hand, the Developer originally marketed this Plan to the community as consisting of only 12 low-income units, with the remaining 319 as “market-rate units”, and on the other hand, to government lenders and tax credit investors as a **95% low-income project**, since the “market-rate units” in this area fall below the Low-Income Housing Tax Credit income/rent cap. However, in order to obtain the low income housing tax credits required by the Developer’s financing plans, one or more restrictive covenants will be recorded against the property meaning that even if the neighborhood improves, and the market rate rents increase, rents for 95% of the units in the Rosenwald will be locked at the low income rates for at least 30 years. If this were truly a “market rate” project, rents would be allowed to increase as the market improved.

STATEMENT

From the perspective of the building’s closest neighbors, the Plan does not take into account the wishes of the surrounding community which has been, for better and worse, directly impacted by the Rosenwald building in its previous state of grandeur and current state of disrepair.

Specifically, the Plan raises the following concerns:

1. **Unit-Mix**. Bronzeville has the greatest concentration of subsidized low-income and public housing in the City², yet Bronzeville does not have the necessary support systems in place to serve this population (e.g. jobs/job training, safe public transit, high quality public schools, social service programs, and effective policing). Therefore, locating a new **95% working poor/low-income project** in Bronzeville will only further strain the fragile support systems currently in place and eventually become another mark of failure for the neighborhood. Many in the community feel that the Plan re-creates the concentrated poverty that existed on State Street at Robert Taylor, Stateway Gardens and the Ickes Apartments, which can result in re-creating dysfunctional social norms that are antithetical to the overall growth and redevelopment of

² Metropolitan Planning Council Recommendation Report 2012 for Developing Vibrant Retail in Bronzeville, pg. 8

Homeowners and Neighbor Statement: Rosenwald/Michigan Ave Apartments

Bronzeville and this historic 47th Street corridor. Furthermore, based on the income tiers set forth in the Plan, and the financing and operating subsidy information provided at the second meeting **additional public housing units will be developed as part of the building.** This concentration of poverty is in direct contradiction to every hard lesson learned in the previous fifty years³ and in fact would re-create the kind of living situation that the CHA's Plan For Transformation is spending hundreds of millions of dollars to eradicate.

From the first presentation to the second there was an elimination of 6 units at the 15%-30% income tier and designated grandparent units. Despite designation as "Market Rate" units there is little to no belief in the community that someone would pay market rate rent to live in a building that is 95% low income, particularly since there is no surrounding infrastructure to support the Rosenwald population. Although the increase in Market Rate units is a step in the right direction, we believe it will have very little practical effect to shift the project away from being essentially a 100% low-income project.

2. **Commercial/Retail Component.** As indicated by the fact that market rents in the area are well below the Low Income Housing Tax Credit rent ceilings, this area is already overwhelmed by low income residents. Therefore, locating a 95% low-income housing development at the gateway to Bronzeville (immediately off the Dan Ryan at 47th Street and Michigan Avenue), creates further obstacles to the community's ability to attract a variety of retailers to the area. Attracting good retailers to serve what they might perceive as a limited low-income market would be far too risky, such that they will just choose not to come, or come and then not survive, leaving vacant store-fronts. As indicated in the 2012 Recommendation Report for Developing Vibrant Retail in Bronzeville, "[middle income households are on a steady rise, contributing to an overall diversification of neighborhood incomes." (pg. 7) Further, "Bronzeville boasts \$175 million worth of concentrated buying power per square mile, which exceeds the City of Chicago's average of \$168 per square mile." Despite these positive statistics, there is growing dissatisfaction among Bronzeville's middle income residents stemming from, among other things, loss of property value and a perceived lack of safety, and indeed many are already involved in some assessments of whether remaining in Bronzeville is a serious long-term alternative. Therefore, to make Bronzeville, in general, and 47th Street, in particular, attractive to new retailers (local and national) requires showcasing a more economically diverse neighborhood, rather than a "working poor/low-income" neighborhood. The redevelopment of the Rosenwald has the potential to kick-start this effort by including a significant commercial/retail component, however, what is currently contemplated in the Plan, 2 store-front sites on 47th Street, is woefully inadequate to begin meeting the needs of the area or to provide any creative spark. A decrease in residential space coupled with an increase in commercial space would be needed to strike better balance and one that will help strengthen the Plan.

³ See A. Polikoff, "The Lessons of Gautreaux" Journal of Affordable Housing & Community Development Law Vol. 20 Nos. 3 & 4 p. 257.

Homeowners and Neighbor Statement: Rosenwald/Michigan Ave Apartments

3. **Architectural Design.** The current design plans for the Rosenwald are conventional, unimaginative and lackluster, with marginal curb appeal. If built per the current design plans, it would not bring any new energy or excitement to Bronzeville. The Rosenwald was constructed at a time when Blacks were confined to a limited area of the City, and it made sense to have a very dense living space for working people. This is no longer the case. The Rosenwald should serve the needs of these times, as an eye-catching building that welcomes people to Bronzeville and the 47th Street corridor, while also serving as a destination point for other Chicagoans and visitors to the City.

4. **Amenities.** As currently configured, the unit sizes seem woefully inadequate for the number of people potentially residing in those units. For example, for the main building, the 3 bedroom units are less than 1200 square feet. We are concerned that the current Plan would force families to reside in cramped units, which would naturally cause residents to seek additional space, however the Plan does not contemplate much in terms of amenities, other than a fitness room, 3 community rooms and a computer/education center. The Plan does not offer any outdoor recreational options, therefore, the courtyard will serve as the only social and recreational outlet for families and seniors. Since most apartments are small to begin with, children will have no choice but to play outside in the courtyard. The closest park in the area is 3 blocks away and frequent users of that park are not necessarily welcoming to newcomers. Young people without real outlets will only disrupt the social order of an already challenged corridor where many illegal activities take place every day. It is nearly impossible for children to feel safe without supervision on 47th Street. Residents, especially seniors and families with children, will be land-locked, limited and marginalized in every way within the boundaries of the building. Further, as stated above, the Plan calls for 136 parking spaces for a 331 unit residential development. This is insufficient. While the Building may not have had parking when first built and used, current needs and design standards warrant more parking, particularly when the residents will likely have to conduct significant portions of their shopping outside of the neighborhood. Additionally, locating the parking off-site in an area that is already challenged with frequent street-level criminal activity places seniors and children in harm's way.

5. **Public Resources.** As currently conceived, a substantial amount of public resources (\$30M TIF/NSP funds and \$7M tax-exempt bonds) are being used to leverage tax credit investment (\$35.5M housing tax credits, \$16.5M historic tax credits, and \$3.8M donation tax credits) and other loans and grants (\$16.2M), not for an entire neighborhood which is in desperate need of a comprehensive commercial development plan, but instead for just one building. This is an astounding and unwise concentration of public resources in a neighborhood filled with vacant and underutilized property.

6. **Track-Record of the Developer.** The Developer has not demonstrated any capacity to complete the development, construction, and operation of a project of this magnitude, which raises several concerns for neighbors of the Rosenwald. Despite the pictures of so-called

Homeowners and Neighbor Statement: Rosenwald/Michigan Ave Apartments

representative projects presented at the second meeting, there is no real apple to apple comparison of a similar project that we can find in Chicago elsewhere in the United States. We believe the reason for this is that a project with these characteristics is simply not practical with the challenges in today's urban communities. This project has the same characteristics as the previously failed housing projects of the past.

The Path Forward: Innovation and Collaboration

We believe the Alderman is on the right track with respect to re-asserting the rich legacy of both Julius Rosenwald and Booker T Washington in Bronzeville. We believe that shareholders like us can partner with other stakeholder-tenants, the Alderman, and real estate resources, by pulling together wide-ranging funding resources at significant savings, when compared to the cost of Developer's proposal. The Rosenwald building, as a potential anchor in a community that is working hard to re-brand and re-build itself, is in need of a plan that will root the community in economic prosperity and social cohesion, not weigh it down in poverty and lost opportunities.

We will work with any and all parties in good faith to ensure that the Rosenwald development project could result in any number of possible options that would benefit and improve the community, including but not limited to a LEED certified building with 50% residential, 30% retail and 20% commercial allocation. Homeowners will support an approach that would turn a community eyesore into a magnificent facility that would better enable our historic neighborhood to consistently attract local and (inter)national consumers. Local shareholders would likely support mixed-use plans consisting of: ethnic restaurants, live music facilities, aquaponic and organic farms, and/or college housing, to name just a few possible uses. There are many in the community who believe that the building is beyond repair and that any use of public money to renovate it would be wasteful. Yet, many of these same people are willing to support renovation if it will result in something new and economically beneficial. A new residential facility with the proposed level of density, in a neighborhood already home to an over abundance of subsidized housing, is not new, and is unlikely to be economically beneficial to anyone except the development team. The neighborhood is willing to support the right project, but this is not the right project.

We stand ready to meet and collaborate with the Alderman and the Developer on a plan that will produce a crown jewel that will exist long after our existence here in Bronzeville. Let us leave something that future generations can talk about like our elders talk about the Rosenwald of yesterday. Let us not re-create the dysfunctional Rosenwald that many of us remember from 12 years ago. We are in a unique position to deliver something that would become not only a major attraction for visitors to our community but also a place where people would be proud to say; "I live in the Rosenwald".

We trust that this letter will be received in the spirit in which it was written and that is in the spirit of collaboration, transparency and building a plan that we can all embrace.

Homeowners and Neighbor Statement: Rosenwald/Michigan Ave Apartments

Sincerely,

Submitted by

Byron Williams 773-875-448 and Jonese Burnett 773-882-4011 or via email
rosenwald4all@gmail.com

Endorsed by Rosenwald for All – *Concerned neighbors working towards a better Rosenwald.*

NOTE: An electronic copy of this position statement can be found at: <http://tinyurl.com/Rosenwald-Position>

1. Byron Williams 4633 S. Michigan	2. 19. Jonese Burnett 4600 S. Indiana
3. Blake Fields 4560 S. Michigan Avenue	4. Lori Wyatt 4560 S. Michigan Avenue
5. Kevin Hutchinson 4602 S. Indiana Avenue	6. Mell Monroe 4563 S Michigan Ave
7. Terryn Murphy 4553 S Michigan Ave	8. Angie Monroe 4563 S Michigan Ave
9. Thelma Hughes 4633 S. Michigan	10. Sheila Carter 4832 S.Indiana Avenue
11. Laurie Webb 4629 S. Indiana 3S	12. Haroon Rajee 4500 S. Wabash
13. Tomeka Reid 4535 S. Wabash	14. Sesalee Moore 4500 S. Wabash
15. Angela Hill 4636 Prairie	16. Teshera Hull 4700 S. Michigan
17. Curtis Hill 4636 Prairie	18. Annie Pedret 4602 S.Indiana
19. Dr. Sharon Baker 4633 S. Michigan	20. Ephraim Lee 4500 S Wabash
21. Christopher Williams a. 4633 S. Michigan	22. Toya Johnson 4623 Indiana unit 2N
23. Stacy Ward 4722 S St. Lawrence #2	24. Retonja Harvey 4623 S. Indiana unit 1S
25. Jef Johnson 4718 S. St. Lawrence Ave #1	26. Jason Ward 4629 S. Indiana 1N
27. Allen Nichols 4718 S. St. Lawrence Ave #1	28. Retunja Cleggett 4629 S. Indiana 2S
29. Bretta Miller 4623 S. Indiana unit 1N	30. Faith Dobbins 4623 S Indiana
31. Steve Mitchell 4744 S Prairie	32. Jeff Downing 4600 Indiana condo

Homeowners and Neighbor Statement: Rosenwald/Michigan Ave Apartments

33. Gregory Nelson 4600 Indiana condo	34. Jacqueline Nelson 4600 Indiana condo
35. April Lowery 4631 S. Indiana 3S	36. Greg Nelson 4631 Indiana condo
37. Ghana Cooper 4553 S Michigan Ave	38. Felicia Dixon 123 East 46th Street
39. Michael Altheimer 4810 S. Michigan	40. Robin Williamson 4810 S. Michigan
41. Stephen Mitchell 4744 S. Prairie Ave. Unit 3N	42. Jami Montgomery 5100 S. Michigan



CITY COUNCIL

CITY OF CHICAGO

COUNCIL CHAMBER
CITY HALL-ROOM 200
121 NORTH LA SALLE STREET
CHICAGO, ILLINOIS 60602
TELEPHONE: 312-744-8734

COMMITTEE MEMBERSHIPS

HOUSING AND REAL ESTATE
(VICE-CHAIRMAN)

AVIATION

BUDGET AND GOVERNMENT OPERATIONS

COMMITTEES, RULES AND ETHICS

EDUCATION AND CHILD DEVELOPMENT

FINANCE

HEALTH AND ENVIRONMENTAL PROTECTION

TRANSPORTATION AND PUBLIC WAY

PAT DOWELL

ALDERMAN, 3RD WARD
3RD WARD SERVICE CENTER
5046 SOUTH STATE STREET
CHICAGO, ILLINOIS 60609
TELEPHONE: (773) 373-9273
FAX: (773) 373-6852

E-MAIL: WARD03@CITYOFCHICAGO.ORG

June 26, 2012

Commissioner Andrew Mooney
Department of Housing and Economic Development
121 North LaSalle Street Room 1000
Chicago, Illinois 60602

Re: Rosenwald Courts Support of TIF funding and negotiated sale

Dear Commissioner Mooney,

I am pleased to express my support of the proposed developer, Rosenwald Courts Developer LLC. on the planned redevelopment project, Rosenwald Courts, at 4600 S. Michigan Avenue. Previously, Rosenwald Courts Apartments LP had worked with my office on the housing bond aspect of this project.

The proposed multi-family mixed income senior and family development will help address the increasing demand for market rate and affordable rental housing in the City of Chicago. The redevelopment of the Rosenwald property is a key to the long term improvement of the 47th Street corridor.

By providing TIF funding and executing a negotiated sale of five city-owned parcels, the City of Chicago will provide much needed mixed income housing for the residents of Chicago.

If I can be of further assistance, please do not hesitate to contact me or my staff at 773-373-9273.

Sincerely,

Pat Dowell
Alderman, 3rd Ward

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

RESOLUTION NO. 12-CDC-__

AUTHORIZATION TO ENTER INTO A NEGOTIATED SALE WITH ROSENWALD COURTS APARTMENTS LP FOR DISPOSITION OF THE PROPERTY LOCATED AT 4600 S. MICHIGAN WITHIN THE 47TH/KING REDEVELOPMENT PROJECT AREA

AND

AUTHORIZATION TO NEGOTIATE A REDEVELOPMENT AGREEMENT WITH ROSENWALD COURTS APARTMENTS LP

AND

RECOMMENDATION TO THE CITY COUNCIL OF THE CITY OF CHICAGO FOR THE DESIGNATION OF ROSENWALD COURTS APARTMENTS LP 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 8th, 2002, pursuant to which the City approved and adopted a certain redevelopment plan and project (the "Plan") for the 47th/King 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 4601 S. Michigan, 4609 S. Michigan, 4611 S. Michigan, 4638 S. Wabash and 4648 S. Wabash having the Property Identification Number(s) (PINs) 20-03-320-001-0000, 20-03-320-002-0000, 20-03-320-003-0000, 20-03-318-033-0000, and 20-03-318-026-0000 (the "City Property"); and

WHEREAS, Rosenwald Courts Apartments LP and/or a related entity (the “Developer”) owns the property located at 4600 S. Michigan having the PINs 20-03-319-007-0000 and 20-03-319-008-0000 (the “Developer Property”); and

WHEREAS, staff of the Department of Housing and Economic Development of the City of Chicago (the “Department”) have entered into discussions the Developer concerning the sale of the Property for redevelopment as parking in connection with the development of 331 units of family and senior housing on the Developer Property; 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 \$5 as consideration for the purchase of the City Property, which is \$150,000 less than the appraised fair market value of \$155,000; 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 City Property and to request responsive alternative proposals.

Section 5. Said proposals must be submitted in writing to Andrew J. Mooney, Commissioner, Department of Housing and Economic Development, Attn: Dinah Wayne, City Hall- Room 1000, 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 City Property, 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: _____, 2012

Attachments: Exhibit A, PINs and Street Addresses of City Property and TIF Area Street Boundary Description

Exhibit B, Form of Notice Requesting Alternative Proposals

EXHIBIT A

Street Addresses and P.I.N.s of City Property
and
Street Boundaries of the
47th/King Tax Increment Financing
Redevelopment Project Area

Address	P.I.N.
4601 S. Michigan	20-03-320-001-0000
4609 S. Michigan	20-03-320-002-0000
4611 S. Michigan	20-03-320-003-0000
4638 S. Wabash	20-03-318-033-0000
4648 S. Wabash	20-03-318-026-0000

47th / King Tax Increment Financing Redevelopment Project Area

The Area is generally bounded by Pershing on the north, Cottage Grove on the east, 51st Street on the south, and Martin Luther King Drive 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 Rosenwald Courts Apartments LP and/or a related entity (the "Developer") pursuant to which the City intends to provide financial assistance to the Developer in the maximum amount of \$25,000,000 or 23% 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 the Rosenwald Courts Apartments development project (the "Project") to be located at 4600 S. Michigan (the "Developer Property"), located in the 47th/King TIF Redevelopment Project Area (the "Area"). The Project will consist of 331 units of family and senior housing on the Property. The City also intends to negotiate a redevelopment agreement with the Developer for the sale of five individual tax parcels, described in Schedule 1 attached hereto (the "City Property"), for \$5. The Developer Property and City Property are located within the Area established pursuant to the Act, and the Project is in compliance with the 47th/King TIF Redevelopment Plan. The Area is generally bounded by Pershing on the north, Cottage Grove on the east, 51st Street on the south, and Martin Luther King Drive on the west.

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

The documents listed below related to the Area, the Project and the City Property are available for public inspection on or before July 11, 2012 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/King 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 Dinah Wayne at HED at (312) 744-8003 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 City Property, 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 August 10th, 2012 at 4:00 p.m., at which time all alternative

proposals will be opened and reviewed.

Marina Carrott, Chairman
COMMUNITY DEVELOPMENT COMMISSION

Attach Schedule 1 - City Property

SCHEDULE 1

The City Property

Address	P.I.N.
4601 S. Michigan	20-03-320-001-0000
4609 S. Michigan	20-03-320-002-0000
4611 S. Michigan	20-03-320-003-0000
4638 S. Wabash	20-03-318-033-0000
4648 S. Wabash	20-03-318-026-0000