
REQUEST FOR QUALIFICATIONS

from a Master Developer for Revitalization of the Julia C. Lathrop Homes as a model for sustainable affordability and CHA's first community to obtain LEED-ND Gold or Platinum certification



January 7, 2010

RFQ AT-A-GLANCE

REQUEST MADE BY	The Chicago Housing Authority (CHA) and The Habitat Company (Habitat), in its official capacity as Receiver for development of new, non-elderly public housing.
REDEVELOPMENT SCOPE	Approximately 800-1200 units of market quality, new and/or rehabilitated mixed-income housing, both ownership and rental, approximately 1/3 of which must be public housing.
PROPERTY TYPE/LOCATION	The Lathrop Homes development is a low-rise family property on approximately 32 acres of land on the north side of Chicago and bounded by Clybourn Avenue, Damen Avenue and the Chicago River. At present, Lathrop Homes consists of 925 units spread across thirty-two (32) two-story town homes and three-story walk-ups. There are also three (3) non-residence buildings, housing the central heating plant, The Daniel A. Cotter Boys and Girls Club of Chicago, and the property management offices.
COMMUNITY AREAS	North Center and Lincoln Park. Immediately adjacent to North Center, Avondale, Hamlin Park, and Logan Square neighborhoods.
WARD AND ALDERMAN	1st Ward, Alderman Manuel Flores.
KEY GOALS	<ul style="list-style-type: none"> • Sustainable Affordability and Opportunity (See Section III, Vision). • LEED for Neighborhood Development Gold or Platinum Certification. • Mixed Income Community. • Preservation of historically significant properties. • Diversity and Continuity
MASTER DEVELOPER QUALIFICATIONS	<p>The successful team will demonstrate experience and expertise in:</p> <ol style="list-style-type: none"> 1. <u>Sustainable Development</u>, especially LEED-ND and Clean Technology. 2. <u>Affordable Housing Development</u> – especially in the development of large-scale mixed-income, mixed-use housing developments and HUD mixed finance regulations. 3. <u>Community Development Planning</u> – especially those with demonstrated ability to manage an open, public planning process with a wide range of participants. 4. <u>Revitalization of Historic Properties</u> - including use of Historic Preservation Tax Credits. 5. <u>Residential Property Management</u> – especially large mixed-income developments. 6. <u>Community Building</u> – especially in a mixed-income setting. 7. <u>Supportive Services</u> – especially services aimed at low-income families. 8. <u>Job Creation</u> – a proven track record of consistent section 3 resident hiring and providing MBE/WBE/DBE certified firms business opportunities. 9. <u>Accessibility</u> – expertise in ADA/ Uniform Federal Accessibility Standards according to Section 504 of the Rehabilitation Act of 1973.
FINANCIAL INCENTIVES	CHA plans to make funds available for public housing units, subject to HUD Total Development Cost limits. The public housing units in the mixed-income site will be eligible for public housing operating subsidy. The selected team is expected to seek additional financing from the city and state. In addition, the Federal Historic Tax Credit Program can be utilized to rehabilitate buildings on the National Register of Historic Places. The 20% tax credit benefit is offered by the Internal Revenue Service and administered through the State Historic Preservation Office and the National Park Service, which issues detailed regulations for rehabilitation work.
EVALUATION AND SELECTION	The Lathrop Homes Working Group will review submissions based on criteria and requirements outlined in this RFQ, and serve as the Evaluation Committee. Among the criteria to be considered will be the completeness of the submission, and responsiveness to the goals of the Solicitation. The Evaluation Committee recommend to CHA/Habitat a short-list of the respondents and the highest-ranked team will be asked to lead an open community planning process for the redevelopment of Lathrop Homes.
KEY DEADLINES	<p>Notice of Intent to submit February 7, 2010 Pre-Submittal Conference January 20, 2010 Green Development Forum and Vendor Fair TBD Final Deadline for Submission March 8, 2010</p>

INVITATION

The Chicago Housing Authority ["CHA"] and The Habitat Company LLC ["Habitat"] in its official capacity as Receiver for the development of new, non-elderly public housing, invite submissions of qualifications to become the development and property management team ["Master Developer"] to lead the multi-year, multi-phase revitalization of the Julia C. Lathrop Homes, in order to achieve the vision of the Lathrop Homes Working Group for **sustainable affordability and opportunity in the heart of Chicago, becoming the first large scale, affordable community in the U.S. to achieve LEED-ND Gold or Platinum.**

The complete RFQ presents basic background, history, vision, process objectives, and technical requirements for the revitalization and for the revitalization process. In the RFQ, we have clearly marked and numbered specific requests for you to share your team's experience, qualifications and perspective. If you wish to be considered for selection, you must respond fully to all of these requests. **Submissions are due on March 8, 2010. A checklist of evaluation criteria that is linked to submission requirements is provided for your assistance on pages 35 and 36.**

RFQ AVAILABLE ELECTRONICALLY OR IN-PERSON

The RFQ and its exhibits can be requested electronically by emailing Rowena Biermann of The Habitat Company, at rbiermann@habitat.com. The request should be labeled LATHROP RFQ REQUEST, and should include the name and address of the firm requesting the RFQ.

Within one day of receiving the request for the RFQ, access to an FTP site containing the RFQ and all of its exhibits will be provided. Those having difficulty accessing the FTP site may further request that a DVD copy of the RFQ and its exhibits be provided via mail or for in-person pick-up.

NOTICE OF INTENT TO RESPOND

If you intend to submit a response to this RFQ, you must fully complete the "Notice of Intent to Respond" on page 5, and return by email or fax to rbiermann@habitat.com or Fax: (312) 527-5863. If you do not register, you will not receive further communication regarding the RFQ, including addenda and/or clarifications.

PRE-SUBMITTAL CONFERENCE

A pre-submittal conference will be held on January 20, 2009 at 10:00 am at the offices of the CHA at 60. E. Van Buren. Attendance at the pre-submittal conference is not mandatory, but is strongly encouraged, since questions about the RFQ will be addressed only at the pre-submittal conference.

GREEN DEVELOPMENT FORUM AND VENDOR FAIR

In addition, because this development is aiming at LEED-ND certification, Habitat/CHA will host a Green Development Forum and Vendor Fair for all interested development teams. The Forum will be announced as part of an addendum to all interested parties who have registered as (people filled out the letter of intent) interested. The forum will allow interested an additional opportunity to ask questions. Attendance is highly encouraged. Speakers will review the LEED-ND rating system, share case studies and describe emerging best practices in environmentally friendly neighborhood development, architecture, construction and operations. *Attendance at the Green Development Forum and Vendor Fair is encouraged for all development teams.*

SELECTION PROCESS OVERVIEW

The process we will follow to select a Developer is as follows:

- Issue Request For Qualifications1/07/10
- Pre-Submittal Conference (at CHA, 60 E. Van Buren)10:00am 1/20/10
- Submit *Notice of Intent to Respond* (via Buyspeed or Fax).....5:00pm 2/07/10
- Green Development Forum and Vendor Fair..... To Be Announced
- RFQ responses due (see response checklist on page XX)3:00pm 3/08/10
- The CHA/Habitat announce selection.....May 2010

CONTACT INSTRUCTIONS

All questions during the developer selection process must be directed to Rowena Biermann, at rbiermann@habitat.com. Her fax number is (312) 527-5863. All other contact during the developer selection process with the CHA, Habitat or members of the Lathrop Working Group may jeopardize a respondent’s eligibility to be selected as developer.

NOTICE OF INTENT TO RESPOND

We intend to respond to the Request for Qualifications from a Master Developer for revitalization of The Julia C. Lathrop Homes. Please include us in all further communications regarding this opportunity.

Organization or team name _____

Authorized representative _____

Authorized representative contact information

Organization _____

Street address/ P. O. Box _____

Suite or Floor # _____

City _____ State _____ Zip _____

E-Mail Address _____

Telephone _____ Extension _____ Fax _____

This one-page *Notice of Intent to Respond* should be sent as a PDF via email to Rowena Biermann (rbiermann@habitat.com) at the Habitat Company not later than 5:00pm on February 7, 2010.

All respondents should complete and file this Notice of Intent to Respond. Doing so does not obligate you to respond to the RFQ, but it will help the CHA and Habitat manage communications. Communication targeted to potential respondents, such as answers to questions submitted during the selection process and amendments to the RFQ, will be sent to organizations that have completed and returned this Notice of Intent to Respond by close of business on February 7, 2010. Organizations and individuals may submit later than this deadline and be added to the list of those who receive continuing communications about the RFQ, but the CHA will not initiate communications with any organization or individual that has not submitted a Notice of Intent to Respond. After February 7, 2010, the CHA will only respond to and provide continuing communications with organizations and individuals who take the initiative to contact the CHA. The Authorized Representative specified the Notice of Intent will function as our single point of contact throughout the selection process, and we will address all communications to that person. Questions, comments and requests may be sent to Rowena Biermann via fax (312-527-5863) or email (rbiermann@habitat.com). We will not respond to questions, requests or comments received in any other manner.

HOW THE RFQ IS ORGANIZED

The RFQ is organized to help your team prepare and submit the best possible qualifications. In each section we present information and solicit specific requests for information.

I. INTRODUCTION & BACKGROUND	p. 7
Presents revitalization facts and identifies significant decisions not yet made. Requests basic information regarding your team – both individuals and firms	
II. HISTORY AND RESOURCES	p. 11
Presents the history and unique resources of the Lathrop Homes Requests your qualifications for historically and culturally sensitive revitalization	
III. REVITALIZATION VISION	p. 13
Presents a Vision for the new Lathrop Homes crafted by the Working Group Requests project case studies that demonstrate your ability to realize this Vision	
IV. PROCESS OBJECTIVES	p. 19
Presents the Working Group’s objectives for the revitalization process Requests your experience with and methodology for the kind of process described	
V. DETAILED QUALIFICATIONS	p. 21
Presents the Working Group’s current thinking on a variety of specific challenges Requests your team’s perspective on and experience with these issues	
VI. SELECTION PROCESS AND EVALUATION MATRIX	p. 36
Presents a summary of detailed requirements for submission of qualifications, and describes the selection process and evaluation matrix	
VII. EXHIBITS	p. 41
Presents supplemental information, including maps, photographs, studies, and supporting policy documents that may help your team respond more effectively	

To help you organize your response, we have used a simple box and numbering scheme to indicate where a response is expected and to guide you in making your response. We expect that your submission will be sequenced and organized according to this numbering scheme.

0 (EXAMPLE)

Inside each numbered box, you will find specific requests for information, relevant to each section of the RFQ. Please respond to each request as part of your complete submission.

I. INTRODUCTION & BACKGROUND

To clarify the scope and nature of this revitalization effort, and to help your team calibrate its response, in this section, we share what is known at present as well as significant items that will be determined once a Master Developer has been selected.

In light of information shared in this section, please describe the team of individuals and firms you are prepared to bring to this revitalization effort if selected as Master Developer.

1-1

For each individual on your team please include a two-page-or-less overview of:

- Relevant professional experience
- Likely role or contribution to your team
- % of time dedicated to this effort if your team is selected
- Other projects or commitments that will impact ability to support this effort

1-2

For each firm that is part of your team please include a one-page-or-less overview of:

- Firm locations, size, history and leadership
- Relevant areas of practice
- Relevant project experience
- Likely role or contribution to your team
- Other projects or commitments that will impact ability to support this effort

Revitalization Scope

This revitalization must provide both ownership and rental, new and rehabilitated housing – on the site of the present Lathrop Homes property. In addition, it must provide appropriate space for existing on-site community institutions, including The Mary Crane Center and The Daniel A. Cotter Boys & Girls Club of Chicago or successor institutions. The CHA has committed to return public housing rental units of which are to be no more than one-third of the total units of the development. Revitalization may take the form of rehabilitation, renovation and/or new construction. The nature, type and desired affordability of other housing and other potential amenities or complementary development is discussed further in SECTION III-D and in SECTION V-A.

The Lathrop Homes Property

Built in 1938, the Lathrop Homes development is low-rise, family housing situated on approximately 37 acres of land on the near north side of Chicago; bounded by Clybourn Avenue, Damen Avenue and the Chicago River. At present, Lathrop Homes consists of 925 units in thirty-two (32) structures, including three-story walk-up buildings and two-story structures that encompass 108 row houses. Over half of the units are one-bedrooms. There are also three non-dwelling buildings that are part of the development: the central heating plant, the Daniel A. Cotter Boys and Girls Club of Chicago, and the property management building. The Lathrop Homes physical revitalization proposal will not include the Lathrop Elderly building located at 2717 N. Leavitt. At present, fewer than 250 of these units are occupied. The current Property Manager is East Lake Management Group. The Chicago River adjoins the site, and the City has recently opened the Lathrop Homes Riverwalk and nature trail as part of the Chicago River Bike Trail and Walking Path. Lathrop Homes occupies Census Tract Blocks: 514.2003, 514.2005, 707.2008, and 707.2009. Zoning is R-4.

The Surrounding Community

Lathrop Homes is in Chicago's First Ward on the near north side of the city. It is at the intersection of five community areas: Lakeview, North Center, Avondale, Logan Square and Lincoln Park. The development technically lies in the Lincoln Park and North Center community areas. It also lies adjacent to the Hamlin Park neighborhood. In recent years, these areas have seen significant private investment in housing, retail and commercial development.

Lathrop Homes Demographics

Lathrop Homes is, and has historically been, the most ethnically diverse family public housing development in Chicago. The current racial mix is approximately 23.5% Latino, 59% African-American, 16.5% Caucasian and 0.7% other. While historically Lathrop Homes has had high levels of employment and significant age diversity, at present 14% of heads of households are employed, and the mean household income is \$5,941. Close to 60% of the Lathrop residents are seniors and near seniors – ages 50 and older.

Financial Incentives

CHA plans to commit available funds in the form of mortgage loans within applicable limits set forth in HUD Total Development Cost requirements. The public housing units in the mixed income site will be eligible for public housing operating subsidy. Developers will be expected to seek grant and government funds that exist to support Historic Preservation, Affordable Housing, Economic Development and Sustainability efforts. Naturally, we would expect the Master Developer to seek additional financing from the city, the state and any other available sources.

The Plan for Transformation

The Lathrop Homes revitalization is being implemented within the context of CHA's *Plan for Transformation*, which calls for increased mixed-income housing, professional property management, and greater integration of city services such as police, social services and physical infrastructure. Under the Plan, public housing units should be dispersed throughout the entire area to the maximum extent possible, not only within blocks but also within buildings in a variety of housing types.

Role and Composition of the Lathrop Homes Working Group

Also in accord with The Plan For Transformation, we constituted a diverse Working Group to represent key participants and advise CHA/Habitat throughout the process. The Lathrop Working Group has set an overall vision for revitalization, shared below. The Working Group will review submissions based on the evaluation criteria and submission requirements outlined in this RFQ, and act as the Evaluation Committee. The Working Group will work closely with the Master Developer throughout the process. The Lathrop Working Group includes representatives from the CHA, Habitat (as Receiver), the Lathrop Homes Local Advisory Council (LAC), Business & Professional People for the Public Interest (BPPI) (as Plaintiff Counsel in *Gautreaux vs. CHA*), the City of Chicago, the First Ward Alderman (ex-officio), and community representatives from nearby neighborhoods of Logan Square and Hamlin Park.

The Working Group role in the selection process

The Working Group will review submissions based on the evaluation criteria and submission requirements outlined in this RFQ, and act as the Evaluation Committee. Habitat is authorized by the federal court to make decisions on development matters for CHA. It is the well established practice on mixed-income housing developments in Chicago that Habitat and CHA jointly manage and participate on the Working Group, jointly review the recommendations of

the Working Group on the selection of a respondent, jointly make all final decisions on respondent selection, and jointly enter into a Master Development Agreement with the selected respondent team. The Working Group will recommend to the CHA and the Habitat Company its recommended developer. The CHA/Habitat may accept, modify or reject the recommendations of the Working Group. The Working Group will work closely with the Master Developer throughout the planning and initial lease up process.

Vision for the outcome of the revitalization

The Lathrop Working Group has spent considerable time working to achieve consensus about this vision. It is presented in REDEVELOPMENT VISION in SECTION III.

Role and Responsibilities of the Master Developer

The Master Developer, once formally selected, will assume a leadership role in the revitalization, in collaboration with Habitat, CHA and in consultation with the Lathrop Working Group. Specifically, the Master Developer will be expected to:

1. Design and lead an inclusive, empowering community planning process that richly engages all key participants – the Lathrop Local Advisory Council, current residents, former residents with a right to return, other Lathrop alumni and the surrounding community, historic preservation advocates, sustainable development advocates and others – as described in the PROCESS OBJECTIVES in SECTION IV.
2. As an outcome of this community planning process, and approximately 90 days after selection, produce a Revitalization Plan for consideration by the Working Group. Pursuant to 36 CFR Part 800, the plan will be submitted to the Illinois State Historic Preservation Office and HUD. This Plan must include at minimum the following components:
 - a. Neighborhood Plan.
 - b. Site Master Plan (buildings, size, type, intended use, traffic patterns, etc.).
 - c. Schematic Designs for New and/or Rehabilitated buildings.
 - d. Finance Plan (funding sources, business plan).
 - e. Plan to address LEED ND at a minimum of Gold Certification.
 - f. Plan to address meeting the historic rehabilitation standards of the National Park Service as found in 36 CFR part 67 to achieve historic certification.
 - g. Market Study.
 - h. Overall Project Schedule and Phasing Plan.
 - i. Property Management Plan.
 - j. Plan for Community Building.
 - k. Transition Plan for Existing and Returning Residents.
 - l. Community and Supportive Service Plan.
 - m. Resident Hiring and Participation Plan.
3. Once a Revitalization Plan is accepted, and a Master Development Agreement is executed, the Master Developer will assume revitalization responsibilities as necessary to implement the Plan, i.e., develop, own and manage new and/or rehabbed rental units (including public housing units), develop new and/or rehabbed for sale units and community facility(ies). Specifically, the Master Developer will be expected to:
 - a. Help CHA and Habitat prepare Rental Term Sheets and Mixed Finance Proposals for submission to HUD, as well as all required evidentiary materials.
 - b. Secure financing from multiple sources including non-public sources - for development of affordable rental and for sale housing, retail and community facilities.

- c. Work with the CHA and the Receiver to facilitate Lathrop Working Group meetings, and other community outreach efforts and meetings.
- d. Ensure proper management of all property included in the new development.
- e. Create business and employment opportunities for CHA residents, community residents and MBE/DBE/WBEs, in accordance with CHA and applicable City policies, and provide compliance reports to CHA, the City, and the Receiver.
- f. Work with the CHA, Receiver, and the Working Group to establish admissions criteria, a tenant selection plan, and a uniform lease that will apply to all who rent units in the revitalization.
- g. Provide and coordinate Community Social Services for all residents, and report on these regularly to the Lathrop Working Group and CHA.
- h. Work with participants to create and implement detailed plan for community-building.
- i. Actively facilitate the creation of a neighborhood organization that reflects the diversity of the neighborhood and in which all residents can have an equal voice in neighborhood matters. A recent, CHA-relevant example of this type of organization is the Bronzeville Oakland Neighborhood Association associated with Oakwood Shores.
- j. Work with the City and the CHA on infrastructure improvements and environmental remediation.
- k. The selected Master Developer and its partners will be expected to take an ownership position in the rental property. The exact nature of that position may vary depending upon proposed financing and upon roles and responsibilities of each participating party. The selected Master Developer will be expected to bring its own and investor equity to the project, assemble other financing, and take an ownership interest and risk position with respect to the rental property's long-term performance.

Due to the nature and scope of this revitalization, we expect that successful respondents will have team members with significant experience in the following areas:

- Community Development Planning – especially the demonstrated ability to manage an open and public planning process that includes a wide range of participants.
- Green Technology and Housing Design, including LEED Platinum certification.
- Affordable Housing Development – especially the financial structures required to develop a community that includes public and affordable housing units, in addition to affordable homeownership within 30-120% AMI.
- Historic Property Revitalization – including demonstrable successful certification for historic tax credits.
- Property Management – especially of large mixed-income housing developments.
- Community Building – especially in mixed income developments.
- Supportive Services – especially services aimed at low-income families.
- Job Creation – local and/or resident hiring, MBE/WBE/DBE certified firms business opportunities, and inclusion of resident-owned businesses.
- Accessibility – expertise in ADA/ Uniform Federal Accessibility Standards according to Section 504 of the Rehabilitation Act of 1973.

II. HISTORY AND RESOURCES

In this section, we present history and background of Lathrop Homes and the people who have made their lives there. Our objective with this section is to convey how important it is to the revitalization that we respect and build upon this history.

2

We request that your team read this section carefully, and in light of this unique history, briefly share your team's qualifications and expertise with regards to:

- Culturally-sensitive revitalization in light of Lathrop's unique culture described below
- Historic Preservation, in particular securing and applying historic preservation tax credits

The revitalization of Lathrop Homes is more than a simple matter of housing. Successful revitalization will incorporate the unique history, location, resources and residents of Lathrop Homes and the areas of the city that surround it.



History and Community

Families have made their lives in Lathrop Homes since 1938. It is one of the earliest public housing projects in the country, and it is considered a significant example of the Public Works Administration's experimental demonstration projects for low-income public housing. For the past seventy years, Lathrop Homes has witnessed significant change in the world surrounding it and in the people who live there, but Lathrop's classic red-brick row houses (with duplex units) and three-story walk-up buildings, set in extensive green space, still reach down to meet the Chicago River.

Part of the development – south of Diversey Parkway – is in the Lincoln Park official community area. Most of the development, north of Diversey, is in the Hamlin Park neighborhood, part of the North Center official community area. The entire development is located in Chicago's First Ward. Located less than a 10 minute's drive from downtown Chicago, Lathrop is one of the few public housing developments located on the City's more affluent near north side.

Lathrop began as an all-white housing development. But in 1956, the first African American families moved into Lathrop Homes. In the 1960s, a steady influx of Puerto Rican families began. Since the 1970s, Lathrop has been the city's most racially diverse public housing development, a blend of African-American, Latino and white families. Lathrop has long had a healthy percentage of tenants with full-time employment, due to its close proximity to manufacturers (and, in recent years, to a number of "big box" retailers)

Other Community Resources and Services

Two private social service institutions, The Daniel A. Cotter Boys & Girls Club of Chicago and the Mary Crane Center, a childcare center, have long been located within Lathrop Homes. Both agencies bring significant private funding, strong board leadership and professional staff to Lathrop. The Mary Crane Center, which provides Head Start and other child development programs, has long served diverse families from both Lathrop and the surrounding area; The Daniel A. Cotter Boys and Girls Club of Chicago has recently begun off-site programs at several local schools.

The Lathrop Homes Local Advisory Council (LAC) has been the elected residents' organization for Lathrop residents for more than 30 years. It is the resident-elected leadership and exists to represent the public housing residents. The CHA, master developer and Working Group will collaborate with the public housing representatives as valued and essential voices for public housing residents in the revitalization of Lathrop.

The Logan Square Neighborhood Association (LSNA) is a nonprofit, multi-issue, grassroots community organization serving the multi-ethnic communities of Logan Square, Avondale and the Lathrop Homes/Hamlin Park area. Schneider Elementary School, located half a block from Lathrop Homes, has been enhanced in recent years through an after-school Schneider Community Learning Center, operated by LSNA with support from the Illinois Community College Board, the U.S. Department of Education and private sources. The Learning Center provides GED classes for adults and arts and enrichment classes for kids.

FamilyWorks is a CHA-sponsored service initiative that operates on-site at Lathrop Homes that focuses on identifiable outcomes with an intensive concentration on permanent housing choices, lease compliance, employment preparation and employment retention. The current *FamilyWorks* provider for Lathrop Homes is Jane Addams Hull House Association

Moving Toward a Sustainable Community

Chicago Mayor Richard M. Daley has been a leading advocate for urban green development, and Chicago has been identified as an innovator in both the promotion and implementation of sustainable design. Under the leadership of 1st Ward Alderman, Manny Flores, the area surrounding Lathrop Homes has emerged as a hub for both design and implementation of clean technology-related economic development programs.

Less than a mile west of Lathrop Homes is the Green Exchange, a 272,000 square foot conversion of the historic Cooper Lamp manufacturing facility. The Alderman, the LSNA and the Local Economic and Employment Development (LEED) Council worked to help secure support and financing to create the Green Exchange. Over time, the Green Exchange will serve as the country's largest sustainable business incubator.

Alderman Flores has also proposed reshaping a swath of land surrounding North Branch of the Chicago River. The revitalization of the South Addison Industrial Corridor will leverage the area's historic role as leading industrial center to become a 21st Century district for Green Industry that would assemble a cluster of independent clean technology businesses. This clean technology and Green Business Park Zone would feature unique land use, transportation, streetscape, infrastructure, landscape and architecture that would enhance existing businesses and attract new ones, thus increasing the number of jobs in the area.

III. REVITALIZATION VISION

The Lathrop Working Group has aligned to create an ambitious, achievable vision for the future of Lathrop Homes – emphasizing affordability, diversity, historic preservation and economic opportunity. As we proceeded, we discovered a framework already in place that aligns with and will reward our vision for revitalization – a framework that recognizes the linkage between successful mixed income communities, economic development and environmental responsibility. This framework is the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND) rating system. In this section, we directly relate the Working Group vision to LEED-ND.

LEED-ND, AN OVERVIEW

“The LEED for Neighborhood Development Rating System integrates the principles of smart growth, urbanism and green building into the first national system for neighborhood design. LEED certification provides independent, third-party verification that a development's location and design meet accepted high levels of environmentally responsible, sustainable development.” *USGBC website*

LEED-ND RECOGNIZES IMPACT ACROSS FOUR CATEGORIES

Smart Location and Linkages | How the location of the neighborhood sustains people and the environment while it creates links to vital natural and human resources.

Neighborhood Patterns and Development | How the plan for the neighborhood creates the conditions for a self-sustaining community – economically, environmentally and socially.

Green Infrastructure and Buildings | How buildings and infrastructure apply innovative technology to sustain the natural environment and responsibly use resources.

Innovation and Design Process | How the overall project and the process that delivers it creates new possibilities and benefits for natural and human communities.

For further information on LEED-ND, consult www.usgbc.org/leed/nd/

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We request that your team read the following section carefully, and in response, submit three (3) case studies of your team's past work that have targeted and achieved results similar to those we envision. Each case study should be no longer than two pages, and should include contact information for an external reference who can speak objectively about the contribution your team made to the results.

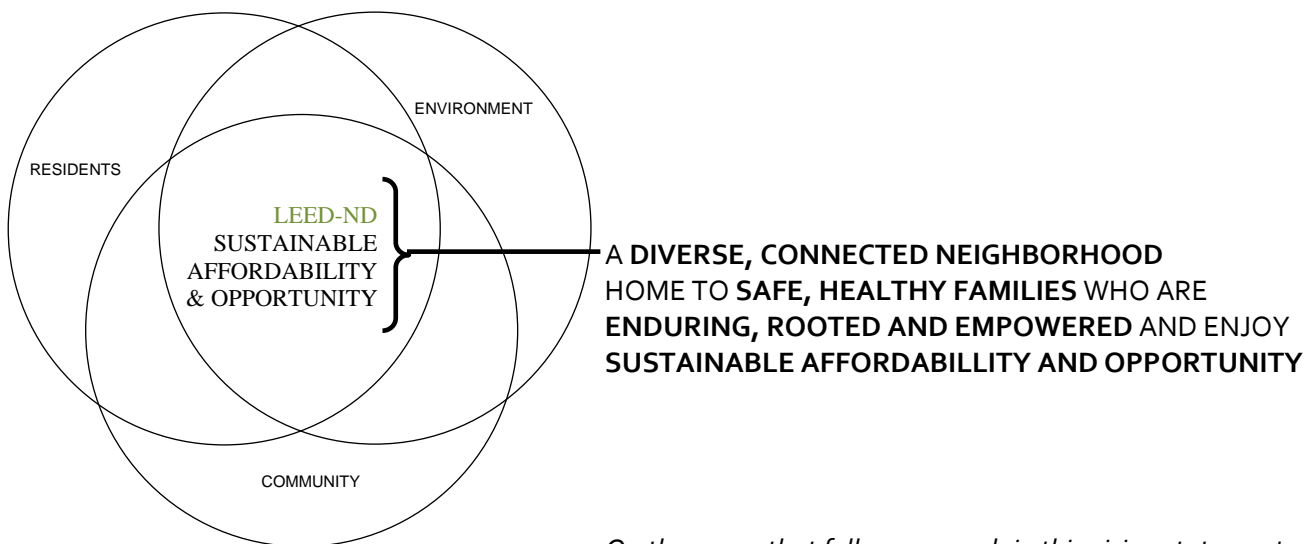
Please select case studies that emphasize:

1. How your team developed successful affordable, mixed-income communities.
2. How you collaborated with residents and other community members.
3. How your team fulfilled its role as Property Manager, not solely as developer.

The **Future History** of Lathrop Homes: LEED-ND for Sustainable Affordability and Opportunity

As the story of the Lathrop Homes revitalization is written, this is what we want the world to say about what we've achieved.

The Lathrop Homes revitalization has leveraged unique and valuable assets – its people, their rich history, community institutions, the Chicago River and the Green Exchange – to dramatically improve the lives and livelihoods of both new and long-time residents, to weave Lathrop Homes tightly into its surroundings, and to set a new standard for how urban development positively affects the environment. The result is a model of sustainable affordability and opportunity, achieved with minimal disruption. It is the first large scale, mixed-income community in the U.S. to receive LEED for Neighborhood Development at either the Gold or the Platinum level.



On the pages that follow, we explain this vision statement further, sharing ideas discussed in Working Group sessions and drawing the connection between this vision and the criteria for achieving LEED-ND certification.

A DIVERSE, CONNECTED NEIGHBORHOOD HOME TO SAFE, HEALTHY FAMILIES WHO ARE ENDURING, ROOTED AND EMPOWERED AND ENJOY SUSTAINABLE AFFORDABILITY AND OPPORTUNITY.

The new Lathrop Homes is a vital part of a thriving neighborhood that reaches to Hamlin Park and Logan Square. It is linked to its neighbors physically, economically and culturally. It retains a unique character, just as any other block or section of the neighborhood might, but there is no “border” – physical or otherwise – to isolate Lathrop Homes from its neighbors. Lathrop Homes actively contributes diversity – of age, race, ethnicity, physical ability and income – to the neighborhood. At the same time, it actively discourages segregation or isolation by any of these categories. To the greatest extent possible, this is a “whole” neighborhood that contains convenient opportunities to live, work, play, shop, worship, learn and relax.

How the revitalization might support a diverse, connected neighborhood:

- Plan in terms of the wider neighborhood, leveraging and linking to its assets, seeking opportunities to complement and complete it.
- Facilitate revitalization of on-site community institutions that serve the wider neighborhood, including The Mary Crane Center and The Daniel A. Cotter Boys and Girls Club of Chicago.
- Engage and partner with neighboring institutions, including Schneider School, Lathrop Senior Housing and the Green Exchange.
- Partner with active community organizations and institutions such as the Lathrop Homes LAC, Logan Square Neighborhood Association (LSNA), Local Economic and Employment Development Council (LEED Council) and others.
- Seek out and work with other community organizations in the area.
- Create a sustainable physical connection that leads into and out of Lathrop that provides seamless integration with the broader community and natural habitat.
- Foster destination amenities, such as a community center, library or river walk that will attract neighbors fully into (not just through) the redeveloped site. Encourage pedestrian access to these amenities.
- Develop landscaping plan for Lathrop Homes that uses site’s proximity to the river.
- Integrate senior citizens into the general housing mix.
- Integrate public housing with other rental housing (unit by unit) and integrate renters and owners (building by building) where possible.
- Market affirmatively to attract historically excluded groups.
- Promote the use of public transportation.
- Eliminate or work around physical barriers (major streets for instance) to connect Lathrop Homes with Hamlin Park and Logan Square.

RELATED LEED-ND CREDITS

Smart Location and Linkages | PREREQUISITES: 1-Smart Location | CREDITS: 1-Preferred Locations; 5-Housing & Jobs Proximity

Neighborhood Patterns and Development | PREREQUISITES: 1-Walkable Streets; 2-Compact Development; 3-Connected and Open Community | CREDITS: 1-Walkable Streets; 2-Compact Development; 3-Mixed-Use Neighborhood Centers; 4-Mixed-Income Diverse Communities; 6-Street Network; 7-Transit Facilities; 9-Access to Public Spaces; 10-Access to Recreation Facilities; 11-Universal Accessibility; 12-Community Outreach and Involvement; 15-Neighborhood Schools

A DIVERSE, CONNECTED NEIGHBORHOOD HOME TO **SAFE, HEALTHY FAMILIES** WHO ARE ENDURING, ROOTED AND EMPOWERED AND ENJOY SUSTAINABLE AFFORDABILITY AND OPPORTUNITY.

Safety and health are the bedrock of what any successful community offers. And in the new Lathrop Homes, families of all types experience safe, healthy housing and a secure, free-flowing neighborhood. This is the kind of neighborhood that holds block parties and celebrates holidays. This is a neighborhood where kids play outside without concern. It is a neighborhood where seniors can move around freely.

Every positive interaction begins with a conversation, so this is a neighborhood where people are comfortable enough with one another to talk to one another. And they have places where they can gather and paths on which they can run into one another.

How the revitalization might support safe, healthy families:

- Forge a strong connection to neighborhood schools – strengthening existing ones, and encouraging new ones to open.
- Adopt best management practices for storm water retention.
- Cultivate problem-solving partnerships with local Police.
- Engage residents to assist in security and safety initiatives.
- Foster fairness of treatment among renters and owners.
- Improve access to health clinic and other medical services.
- Improve access to additional social services (after-school programming, substance abuse, mental illness, domestic violence).
- Provide opportunities for high school aged children to work, learn and play here.
- Improve access to childcare for young kids, e.g., on-site daycare or nursery.
- Improve air, water and soil quality following LEED standards.
- Activate the river as a zone for physical exercise, e.g., nature trail.
- Create/Preserve open spaces where people can play, walk and congregate.
- Identify buildings to be renovated or replaced, on the Lathrop Homes site.
- Develop a lighting plan that would create safer and more pleasant areas for interaction.

RELATED LEED-ND CREDITS

Smart Location and Linkages | CREDITS: 4-Bicycle Network and Storage; 5-Housing and Jobs Proximity

Neighborhood Patterns and Development | PREREQUISITES: 1-Walkable Streets; 3-Connected and Open Community | CREDITS: 1-Walkable Streets; 3-Mixed-Use Neighborhood Centers; 4-Mixed-Income Diverse Communities; 9-Access to Public Spaces; 10-Access to Recreation Facilities; 11-Universal Accessibility; 12-Community Outreach and Involvement; 15-Neighborhood Schools

Green Infrastructure and Buildings | CREDITS: 16-Light Pollution Reduction

Innovation and Design Process | CREDITS: 1-Innovation in Design

A DIVERSE, CONNECTED NEIGHBORHOOD HOME TO **SAFE, HEALTHY FAMILIES** WHO ARE **ENDURING, ROOTED AND EMPOWERED** AND ENJOY SUSTAINABLE AFFORDABILITY AND OPPORTUNITY.

Our vision starts with respect for the history of the people who have lived here for decades. As detailed in Section II, this is a traditional working class neighborhood with a proud history, its own style and an

enduring tradition of diversity. Continuity of people has made that possible. As was the original Lathrop Homes, the new Lathrop Homes is built to last for generations of lower-income working people. Which is appropriate, because this is a neighborhood, not just housing. And it is a neighborhood of active participants, not merely transient residents. This is a place where people can put down roots. Preservation efforts must not begin or end with buildings. They begin and end by preserving the ability for long-time residents' to live in their community of choice. This is a neighborhood in which you can remain and to which you can return— whether your fortunes go up or down.

How the revitalization might support enduring, rooted and empowered people:

- Maximize leadership and governance opportunities for residents.
- Incorporate community-building strategies for bilingual, multi-cultural participation.
- Celebrate and carry forward history of Lathrop Homes.
- Encouraging existing rental residents to remain at Lathrop Homes.
- Respect and feature seniors and near-seniors as living links to the development's history.
- Create ownership opportunities for longtime and returning Lathrop families.
- Foster fairness and equality of participation among renters and owners.
- Appropriately preserve and recognize Julia Lathrop's legacy.
- Preserve heritage - natural (trees, gardens, rivers) and architectural (buildings, details).
- Look to historic preservation tax credits and other sources of funding for historic properties, such as Save America's treasures grants as a potential source of funding.

RELATED LEED-ND CREDITS

Smart Location and Linkages | PREREQUISITES: 1-Smart Location; 2-Imperiled Species and Ecological Communities | CREDITS: 1-Preferred Locations; 5-Housing and Jobs Proximity

Neighborhood Patterns and Development | CREDITS: 3-Mixed-Use Neighborhood Centers; 4-Mixed-Income Diverse Communities; 6-Street Network; 9-Access to Public Spaces; 10-Access to Recreation Facilities; 12-Community Outreach and Involvement; 15-Neighborhood Schools

Green Infrastructure and Buildings | CREDITS: 4-Existing Building Reuse; 5-Historic Building Preservation and Adaptive Use.

Innovation and Design Process | CREDITS: 1-Innovation in Design

A DIVERSE, CONNECTED NEIGHBORHOOD HOME TO SAFE, HEALTHY FAMILIES WHO ARE ENDURING, ROOTED AND EMPOWERED AND ENJOY **SUSTAINABLE AFFORDABILITY AND OPPORTUNITY.**

The area surrounding Lathrop homes is becoming a regional center for Green Technology businesses (clean energy, monitoring, services). The new Lathrop Homes is a showcase and ongoing incubator for innovation Chicago's green industries, showing they create environmental benefits, investor returns, and a healthy place to live with access to good jobs that can sustain working families. But sustainability does not stop with the environment, or even with employment. In this case it extends to the very affordability of the neighborhood. The new Lathrop Homes has been able to meet the deep need for affordable housing in the heart of the North Side that market forces had not been able to meet alone.

How the revitalization might support sustainable affordability and opportunity...

- Maximize the opportunity for affordable housing (rental and ownership) in the heart of Chicago's North Side. Create a continuum of affordability, permitting community residents to stay in and return to neighborhood; opening up paths for renters to own, etc.
- Keep affordable for-sale development affordable in the long term (via land trusts, etc.)
- Create on-site jobs for residents not only during construction, but also for management, security, safety and maintenance – in particular of new clean technology and energy processes and systems.
- Seek funding sources linked to clean technology, sustainability, etc.
- Obtain LEED for Neighborhood Development (ND) certification at minimum of Gold level. Begin immediately in order to influence all design, construction and operational decisions.
- Create links between Lathrop Homes, the Green Exchange, and the South Addison Industrial Corridor (see Section II).
- Create incentives and programs for residents to support energy efficiency, recycling and other environmentally sustainable practices, in coordination with the City of Chicago.
- Strengthen Lathrop's connections with surrounding retailers and service providers to expand shopping choices and service availability, and to create job opportunities.
- Promote sustainable transportation – public transportation, ride sharing, car pooling, etc.

RELATED LEED-ND CREDITS

Smart Location and Linkages | PREREQUISITES: 1-Smart Location; 2-Imperiled Species and Ecological Communities; 3-Wetland and Water Body Conservation | CREDITS: 1-Preferred Locations; 4-Bicycle Network and Storage; 5-Housing and Jobs Proximity; 7-Site Design for Habitat or Wetland/Water Body Conservation

Neighborhood Patterns and Development | PREREQUISITES: 2-Compact Development | CREDITS: 2-Compact Development; 5-Reduced Parking Footprint; 6-Street Network; 7-Transit Facilities; 14-Tree-Lined and Shaded Streets

Green Infrastructure and Buildings | PREREQUISITES: 1-Certified Green Building; 2-Minimum Building Energy Efficiency; 3-Minimum Building Water Efficiency; 4-Construction Activity Pollution Prevention | CREDITS: 1-Certified Green Buildings; 2-Building Energy Efficiency; 3-Water Efficient Landscaping; 8-Stormwater Management; 9-Heat Island Reduction; 11-On-Site Renewable Energy Sources

Innovation and Design Process | CREDITS: 1-Innovation in Design

IV. PROCESS OBJECTIVES

For a development with such large scale and profound impact on human lives, process will matter a great deal. A great process will help the wide group of participants successfully navigate complex site and architectural design issues. It will keep them focused on the task at hand, while still keeping the future clearly in view.

4

We request that your team read this section carefully, and, where prompted, respond with stories or examples from your experience. Your responses don't need to be lengthy, but they do need to demonstrate that you understand our objectives for the process and have the experience, skill and methodology to lead processes of the type we envision. The actual process will need to be developed in collaboration with the Working Group.

The Process: Engaged, Empowering and Expedient

We envision a process driven by the same values that drive the revitalization itself.

An ENGAGED process will...

...foster a true community conversation, a local process with public meetings, creative charrettes and creative uses of the existing site and buildings to keep it rooted and visible.

...include a wide range of diverse participants

- Lathrop Homes Local Advisory Council.
- Current and former residents with right to return.
- Lathrop Homes alumni who wish to participate.
- On-site and local social service agencies.
- Neighborhood groups and community organizations.
- Residents of the Lathrop Elderly Apartments.
- Surrounding neighbors (beyond Lathrop residents).
- Local churches and other faith communities.
- Local businesses / Green Exchange.
- Public Library, Public Schools, Fire and Police Departments.
- Experts in Historic Preservation, Clean Technology, and Sustainability/LEED-ND.

...be well-managed and structured, with excellent multi-way communication

...incorporate a high degree of diversity within the Master Developer Team itself

An EMPOWERING process will...

...maintain a strong Working Group throughout revitalization and initial occupancy

...encourage both public housing and other residents to participate in the planning process

...utilize bilingual and multicultural engagement strategies

...develop oversight and transparency, encouraging trust

...create the best possible transition for residents, reducing isolation and increasing safety

...give all participants plentiful, consistent and clear information

...ensure that those who choose to stay at Lathrop Homes will be helped to do so.

...ensure that all Lathrop Homes residents can make the best possible housing choices.

An EXPEDIENT process will...

- ...result in minimum disruption, for those lease compliant residents who wish to stay
- ...achieve “critical mass” of revitalization as soon as possible
- ...minimize disruption to existing lease-compliant residents during relocation and phasing
- ...help lease-compliant residents feel confident in electing to stay
- ...result in accordance with the Relocation Rights Contract (see section V-I for details)

RELATED LEED-ND CREDITS

Neighborhood Patterns and Development | CREDITS: 12-Community Outreach & Involvement

Innovation and Design Process | CREDITS: 1-Innovation in Design

V. DETAILED QUALIFICATIONS

To succeed, the Master Developer selected will need to take on a host of real world challenges. In this section, are development challenges and request brief but clear statements of your team’s qualifications and experience to take them on.

Development Considerations

V-a..... Continuum of Affordability

V-b..... Affordable Ownership

V-c..... Housing Types

- V-d..... Property Management
- V-e..... Sustainability and LEED-ND Gold/Platinum Certification
- V-f..... Historic Preservation
- V-g..... Chicago River
- V-h..... Physical Accessibility Requirements
- V-i..... Architectural Design

Transition Considerations

- V-j..... Community and Supportive Services for Residents
- V-k..... Relocation, Leasing and Occupancy for Public Housing Residents
- V-l..... Relocation Rights Contract
- V-m..... Community Building
- V-n..... Phasing Plan
- V-o..... Negotiation Of Lease And Tenant Selection Plan
- V-p..... Demolition and Site Preparation

Financial Considerations

- V-q..... Public Housing Capital Funds
- V-r..... Public Housing Operating Subsidy
- V-s..... “Choose To Own” Program
- V-t..... Other Affordable Housing Development Subsidies
- V-u..... Tax Increment Financing (TIF)
- V-v..... Infrastructure Resources
- V-w..... Tax Abatement for CHA Units
- V-x..... Federal Historic Tax Credit Program
- V-y..... Property Tax Assessment Freeze
- V-z..... Financial Plan and Total Project Costs

Transaction Considerations

- V-aa... Return of Excess Earnings
- V-bb... Ground Lease
- V-cc ... Developer Fees
- V-dd... CHA Right of First Refusal
- V-ee... Regulatory and Operating Agreement
- V-ff..... Performance Review Process
- V-gg... Contracting Arrangements
- V-hh... MBE/WBE/DBE Requirements
- V-ii HUD Section 3 Requirements

DEVELOPMENT CONSIDERATIONS

V-a CONTINUUM OF AFFORDABILITY

In our revitalization vision, we have described our shared goal as “a continuum of affordability” and also as “sustainable affordability.” This echoes the call from the CHA Plan for Transformation “to de-concentrate poverty by creating well-designed, stable, diverse and secure mixed income communities that attract residents with a diverse range of incomes and backgrounds.” To reinforce this diversity, unsubsidized units should be externally hard to tell apart from the public housing and affordable housing units, and dispersed throughout the entire site. It is the intent, and an explicit goal, of this RFQ that the overwhelming majority of non-public housing units target income ranges along a continuum of affordability of 30% up to 200% AMI. The Master Developer must use all available programs to create and preserve

affordability. All public housing units within the revitalized Lathrop will be subject to federal regulations regarding income and rent determinations and eligibility.

5-1

Please describe briefly the approach your team would take to determine the appropriate mix of public, subsidized, and unsubsidized housing – both rental and for-sale. Talk about how you might balance competing goals regarding affordability, density, historic preservation, speed of development, and minimal disruption to residents. In particular, we are interested in your team’s approach to maximize affordability along the lower end of the continuum mentioned above – between 30% and 160%.

V-b AFFORDABLE OWNERSHIP

In the vision, we have described our goal for “sustainable affordability. In this area, the goal that has emerged is to provide for-sale housing that targets a broad range of potential buyers including CHA families using the *Choose to Own* Homeownership Program, families with incomes traditionally targeted by affordable housing programs, and working families with incomes above what is normally eligible for affordability programs, but who are nonetheless challenged when seeking to purchase housing in the City of Chicago. Most unsubsidized units should nonetheless seek a target market typical of working families such as teachers, firefighters, trades people, etc. CHA will not subsidize the cost of any for-sale housing, however the Master Developer should tap other public entities for their fullest support. A fuller discussion of available funding sources is offered in sections V-x – V-j and funding details are provided in a number of the Exhibits.

5-2

Please expand on your answer to 5-1 to describe a strategy that seeks to focus *home ownership* design and pricing to target levels that are affordable to a wide range of families, and to maintain affordability over the long term.

V-c HOUSING TYPES

The selected developer will be expected to prepare a development plan with a bedroom distribution that accommodates the needs of families living in Lathrop Homes that intend to return to the site. For the public housing families, an approximate unit mix of 25% 1-bedrooms; 25% 2-bedrooms; 35% 3-bedrooms; 15% 4-bedrooms is suggested, subject to periodic update. With respect to Non-ACC units, the ownership, pricing, unit mix, and building types are at the discretion of the Master Developer, subject to appropriate comment by the working group. However, all units should have market-rate-quality interior finishes and be externally indistinguishable from each other. Subsidized units should be dispersed throughout the entire site, as previously indicated.

5-3

Please briefly describe your team’s approach, if any, to determine the right bedroom distribution or other variations in housing type for the continuum of affordability as defined in section V-a.

V-d PROPERTY MANAGEMENT

The selected Master Developer will be expected to develop a property management plan that articulates a strategy to achieve and maintain a sustainably affordable community. Goals for property management in this context include long-term, high-performance resident satisfaction. Property management shall include plans to address leasing, occupancy, social service referrals, and grievance procedures. Successful property management will also include working with existing social service networks and community groups. See *TRANSITION CONSIDERATIONS (sections V-j to V-p) for detailed expectations for Property Management.*

5-4

Please briefly describe your team's experience developing a plan for managing and maintaining a property. This should include experience with LIHTC, leasing, occupancy, social service referrals, and grievance procedures.

V-e **SUSTAINABILITY AND LEED-ND CERTIFICATION**

As should be clear from the Vision, environmental sustainability is a critical project goal. Specifically, the development targets certification under the United States Green Building Conference's Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND), with a goal of attaining a minimum of Gold certification. The LEED-ND rating system integrates the principles of smart growth, urbanism and green building into the first national system for neighborhood design. LEED certification provides independent, third-party verification that a development's location and design meet accepted high levels of environmentally responsible, sustainable development. The rating covers not only the design, renovation and construction of buildings and infrastructure, but also planning concerns such as walkability, high quality public transit access, reintroduction of neighborhood scale retail uses, permeable alleys, neighborhood-scale open space, and reducing automobile dependence by providing transportation alternatives. For more information on LEED-ND, visit <http://www.usgbc.org>, click on *LEED*, then *LEED Rating Systems*, then *Neighborhood Development*. Meeting standards for certification will yield a host of benefits for residents – including improved health, lower energy costs, on-site jobs, lower maintenance costs – while materially and symbolically helping to realize the community vision for Green Business Park Zone (linking the South Addison Industrial Corridor with the Green Exchange) in the Diversey/Chicago River area. *The Master Developer will need to manage the planning, design, commissioning and certification to achieve a minimum of LEED-ND Gold.*

5-5

Please briefly describe your team's perspective and highlight specific experience obtaining LEED-ND and/or other LEED Gold or Platinum. Highlight in particular expertise in the area of energy efficiency, on-site clean energy generation, green roofs, and environmentally friendly technologies. Also, please discuss your experience working with local communities and government to achieve sustainability goals.

V-f **HISTORIC PRESERVATION**

Built in 1938, Lathrop Homes is considered a significant example of the PWA's experimental demonstration projects for low-income public housing in Chicago. This development has been formally determined eligible for the National Register for Historic Places because the PWA demonstration projects became the model that all future projects would follow. They reflect the response of the architectural consortium (known as the Diversey Housing Project Associated Architects) to the severe constraints of limited funding and the mandated design practices associated with the federally-subsidized urban housing program. In 1993, the U.S. Department of Housing and Urban Development (HUD), the Illinois Historic Preservation Agency (IHPA), and the Advisory Council on Historic Preservation entered into a Programmatic Agreement for the administration of the comprehensive grant program which provides funding to the CHA for rehabilitation and repair activities. HUD determined that the administration of the grant program may have an effect on properties that are eligible for the National Register of Historic Places. Pursuant to 36 CFR 800, the Programmatic Agreement stipulates that the revitalization of Lathrop Homes shall satisfy HUD's Section 106 responsibilities. As part of the process, Historic Preservation experts shall be invited to provide input on the options of Historic Preservation at this site. In addition, the Federal Tax Credit for Rehabilitation of Historic Buildings could be utilized for rehabilitation of buildings on the National Register of Historic Places. *The Master Developer shall consider preservation one of the priorities of the revitalization.*

5-6

Please briefly describe your team's credentials and experience for incorporating historic preservation into the residential redevelopment process, highlighting specific experience with the Secretary of the Interior's Standards for Rehabilitating Historic buildings, 36 CFR part 67 as well as any historic tax credit certifications you have achieved. Describe how these projects were marketable to a wide range of income groups.

V-g CHICAGO RIVER CORRIDOR DESIGN GUIDELINES

The Chicago Zoning Ordinance (Municipal Code of Chicago, Title 17 Section 8- 0912) requires that all new development within one hundred (100) feet of Chicago waterways, with the exception of single family homes, two flats and three flats, be processed as planned developments, subject to review and approval by the City of Chicago Department of Zoning and Land Use Planning, the Chicago Plan Commission, and the Chicago City Council. The ordinance further requires new developments to provide a thirty (30) foot setback from the river and comply with the general goals of the waterway design guidelines established by the Chicago Plan Commission. For more information please contact the Department of Zoning and Land Use Planning regarding the Chicago River Plan & Design Guidelines (www.cityofchicago.org).

5-7

Please briefly describe any credentials or experience your team might bring to integrating this significant waterway into the revitalization while meeting design guidelines.

V-h PHYSICAL ACCESSIBILITY REQUIREMENTS

The selected developer will be expected to prepare plans that include housing that is accessible, adaptable and visitable by people with disabilities. The Receiver, CHA, and the City of Chicago place a high priority on meeting and exceeding Federal, State and City requirements for accessibility. Therefore, to remain in adherence to the CHA's Voluntary Compliance Agreement with the U.S. Department of Housing and Urban Development (HUD), the CHA is under obligation to deliver 5.3% of its housing as accessible for people with mobility impairments and 2.1% as accessible for people with sensory impairments. Federal requirements include Section 504 of the Rehabilitation Act of 1973. The Fair Housing Amendments Act ("FHAA") requires every covered dwelling unit in a privately financed or government financed structure that contains 4 or more units to meet ANSI A117.1 Type B requirements. State requirements include the Illinois Accessibility Code ("IAC"), which requires government owned or financed units contain 5 or more units to ensure that at least 10% of the total units are visitable by a person with mobility impairment. City policy encourages that all privately financed, unsubsidized units meet the Department of Community Development New Homes for Chicago design requirements of 10% adaptable and 10% visitable units. As part of the Revitalization Plan review, the developer must ensure that all final plans are in conformance with the most stringent of these requirements and the units can be certified by the CHA certifying agent.

5-8

Please briefly describe any credentials or experience your team might bring to the requirements for physical accessibility, including your method to ensure compliance with local and federal accessibility requirements.

V-i ARCHITECTURAL DESIGN

The selected Master Developer will be expected to prepare a revitalization plan that includes multiple uses in a variety of building types and styles compatible with the housing types at Lathrop Homes and in the surrounding neighborhood. Additionally, the design must support the goal of LEED-ND Gold/Platinum

certification, and for the renovated portions application of the Secretary of the Interior's Standards for Rehabilitating Historic Buildings, ensure the affordability of the for-sale housing within the continuum of affordability described in section V-a, maximize the revitalization's ability to qualify for preservation-related funding and leverage new and nontraditional materials and technology to maximize energy efficiency.

5-9

Please briefly describe your team's approach to architectural design, highlighting credentials of any architectural partners or designers on your team, and describing how you might use architectural design to resolve revitalization goals.

TRANSITION CONSIDERATIONS

v-j **COMMUNITY AND SUPPORTIVE SERVICES FOR RESIDENTS**

Community and Supportive Services ("CSS") are a critical component to the success of this revitalization project in part to ensure that Lathrop Homes residents and other eligible CHA families become and remain lease compliant and meet property specific requirements. To this end, the Revitalization Plan will need to contain a Social Service Plan that addresses the provision and funding of social services across pre-construction, construction, initial and post occupancy phases. Social service plans will identify funding for social services, leveraged resources, strategic partnerships, community integration, employment, employability training programs and other services to all residents of the mixed income community. The selected Master Developer will be responsible for ensuring these services are provided, coordinated among the service providers, and reporting on these activities regularly to the Lathrop Homes Working Group and CHA. Currently the CHA initiative *FamilyWorks* focuses on identifiable outcomes with an intensive concentration on permanent housing choices, lease compliance, employment preparation and employment retention. *The selected Master Developer will also be expected to work with CHA to coordinate social services.*

5-10

Please briefly describe any credentials or experience your team might bring to planning, coordinating, and managing Community Social Services. In particular, please discuss your approach to creating viable partnerships, identifying funding, leveraged resources, community integrations strategies and referral networks.

v-k **RELOCATION, LEASING & OCCUPANCY FOR PUBLIC HOUSING RESIDENTS**

Relocation of the existing Lathrop Homes families and property management for the existing Lathrop units is the responsibility of CHA and/or its agents. CHA's Housing & Community Outreach Department within the Resident Services Division will be responsible for coordinating all relocation and consolidation activities pursuant to the Relocation Rights Contract (See Section V-l below and Exhibit _XX). In support of this process, the Master Developer will be expected to work with the existing property manager (at present, Lathrop Homes is managed by Eastlake Management and Development), the FamilyWorks case management provider (at present, the FamilyWorks provider is Jane Addams Hull House Association), and the CHA Housing & Community Outreach Department to ensure a smooth transition as residents are moved into new units. This collaborative approach will include outreach, engagement, assessment and referral for CHA families eligible to return to the mixed income housing at Lathrop Homes. The Selected Developer along with the Housing & Community Outreach Department should be prepared to work with the provider to assist CHA families to remain lease compliant, meet general leasing requirements, and maintain housing stability.

All families living in traditional public housing development sites, including those with a Right to Return to Lathrop Homes, are eligible for comprehensive social services. The proposed model should focus on

identifiable outcomes, including: permanent housing stability, lease compliance, employment preparation, and employment retention services for all CHA families. The Selected Developer must be prepared to work closely with the FamilyWorks program. Respondents shall include their experience working with service providers, and should clearly explain their social service and budgetary strategy to support CHA residents prior to and after relocating to the mixed income revitalization at Lathrop Homes. It is strongly recommended the respondents design a social service strategy that addresses all renters' needs.

The building closure plan (part of the Master Developer's Phase Plan) should enable as many families that choose to remain on site throughout the revitalization to do so, balanced with the physical constraints of the site such as building conditions, heating requirements, safety and security while allowing for efficient implementation of neighboring project rehabilitation / demolition / construction. However, should residents choose to relocate temporarily with a Housing Choice Voucher, the Master Developer will work with the afore-stated entities to ensure the residents' successful relocation as well as their return to the Lathrop Homes upon completion of the project. *The Master Developer will be expected to work with CHA Asset Managers and the Housing & Community Outreach Department to ensure a timely lease-up consistent with the rules of Relocation Rights Contract.*

5-11

Please briefly describe any credentials or experience your team brings to the successful support, creation and management of relocation, leasing and occupancy for public housing residents. Provide examples of your team's best practices.

V-l RELOCATION RIGHTS CONTRACT

Relocation during the Plan for Transformation is governed by the Relocation Rights Contract (RRC). The RRC sets forth the rights and responsibilities of the CHA, its agents, and the CHA Leaseholder. The terms of the RRC shall apply in the event that CHA relocates the Leaseholder from his or her CHA unit either temporarily or permanently for any reason beyond the control of Leaseholder when in conjunction with redevelopment, demolition, consolidation, rehabilitation, court order, or required conversion to tenant-based assistance. The RRC provides that all families living in CHA housing as of 10/1/1999 who are lease-compliant have the right to return to a newly rehabbed or redeveloped unit.

V-m COMMUNITY BUILDING

Key goals for the revitalization effort include creating a diverse and empowered community. As such, community building will be a critical component of the effort. The Selected Development Team will work with key stakeholders to create and implement a detailed plan for community building among residents of all income levels, including both renters and owners. This plan should include, but not be limited to, opportunities for residents to develop relationships with and have positive interactions with other residents.

5-12

Please briefly describe any experience your team has with building community in mixed-income developments. If none, please describe any related pertinent experience.

V-n PHASING PLAN

As part of the Revitalization Plan, the Master Developer will be expected to prepare a revitalization-phasing plan that addresses the priorities of both the CHA and the revitalization. *As part of the Phasing Plan, the Master Developer will be expected to submit a building closure schedule for the occupied buildings. The CHA will work with the selected developer and Lathrop LAC to prepare such a plan.*

V-o NEGOTIATION OF LEASE AND TENANT SELECTION PLAN

The CHA, Master Developer and the Working Group must establish admissions criteria, a tenant selection plan, and a uniform lease that will apply to all who rent unsubsidized, affordable, and public housing units in a mixed-income/mixed-finance community. The CHA Minimum Tenant Selection Plan for Mixed-Income/Mixed-Finance Communities (MTSP) serves as a guide for site-specific admissions criteria; however, each Master Developer has the latitude to create their respective criteria, although the same criteria must apply to all renters (public, affordable and market-rate) once established. Once drafted, in conjunction with the working group, the CHA solicits input from the public by hosting a 30-day public comment period for the draft tenant selection plan and lease. Residents and other interested members of the public have the opportunity to review and provide comments on the draft documents throughout the public comment period, as well as during the public comment hearing. The Master Developer takes comments provided into consideration before the documents are finalized and presented to the CHA Board for approval prior to implementation.

5-13

Please describe briefly any credentials or experience your team brings to the successful creation, review and administration of a lease and tenant selection plan.

V-p DEMOLITION AND SITE PREPARATION

Structural demolition and foundation removal of any existing CHA-owned buildings that will not be retained will be the responsibility of the CHA. This may include additional work to address any remaining environmental issues, including soil testing and remediation as necessary.

FINANCIAL CONSIDERATIONS

V-q PUBLIC HOUSING CAPITAL FUNDS

CHA plans to make funds available for the rehabilitation of the CHA units required as part of this RFQ, within HUD's Total Development Cost regulations. In addition, public housing funds may be available for environmental remediation if – and only to the extent that – on a phase-by-phase basis a need is reasonably demonstrated that without such funds construction of such phase would be infeasible. The selected Master Developer will utilize the public housing funds to secure additional private and public funding. Market-rate housing is not eligible for public subsidies. In order to access these funds, owners and other funders of the property must accept a restriction requiring that the public housing units be operated as such for a minimum of 40 years, plus the possibility of an additional 10-year requirement. This restriction must be recorded prior to any other lien against the property, with the intention to survive foreclosure, refinancing and changes of ownership. Additional restrictions on these funds include HUD's Total Development Costs (See Exhibit XX). Note that the Total Development Cost thresholds apply to new construction of public housing units. For more information on mixed-finance public housing development, refer to Exhibit XX, which contains 24 CFR Part 941 ("Public Housing Development"), Subpart F ("Public/Private Partnerships for the Mixed Finance Development of Public Housing Units").

V-r PUBLIC HOUSING OPERATING SUBSIDY

Public housing units in mixed-income developments are eligible for public housing operating subsidies. As part of the Moving to Work Agreement with HUD and due to anticipated changes in federal formulas, CHA's annual per-unit allocation of operating subsidy has changed and will likely change again prior to placing in service units in the new development. Subject to Congressional appropriations, CHA expects to make available \$340 per unit-month (PUM) for operating costs. This figure currently includes actual rents collected from the development's public housing residents. Use of the Public Housing Operating Subsidy currently requires that units must be operated as public housing for a period of 10 years following any

cessation of the Operating Subsidy. If utilities are paid by the development and charged to the public housing residents as part of their rent, an additional utility allowance is available to the development. If utilities are paid directly by public housing residents, the landlord will pass the utility allowance through to the resident. CHA will also reimburse landlords for CHA's pro rata share of common area utilities not paid by residents. Further information on operating subsidy levels and utility allowances is available upon request.

5-14

Please describe briefly any credentials or experience your team has managing public housing capital funds and operating subsidies, as outlined in sections V-q and V-r above.

V-s "CHOOSE TO OWN" PROGRAM

The Working Group encourages the creation of home ownership opportunities for public housing residents. The CHA Board of Commissioners has approved a home ownership policy for qualified public housing residents. The program utilizes the Section 8/Housing Choice Voucher to supplement earned income to assist in making mortgage payments. This "Choose to Own" program would allow public housing residents to purchase for-sale housing, if they apply and meet criteria for employment, income and self-sufficiency. The text of the Home Ownership Policy is included in Exhibit XX. For more information on mixed-finance public housing development, refer to 24 CFR Part 941 ("Public Housing Development"), Subpart F ("Public/Private Partnerships for the Mixed Finance Development of Public Housing Units"). See Exhibit XX for more on HOPE VI Mixed-Finance Public Housing Development.

5-15

Please describe briefly how your team might go about implementing a program that complies with the Homeownership Policy. Note that CHA capital funds will not be utilized to develop or subsidize the CHA homeownership units.

V-t OTHER AFFORDABLE HOUSING DEVELOPMENT SUBSIDIES

The City of Chicago Department of Community Development ("DCD") makes allocations of Low Income Housing Tax Credits (LIHTC), tax-exempt bond financing, Community Development Block Grant (CDBG) and HOME funds. Use of these funds is subject to approval by the City Council. Tax-exempt bond funding, LIHTC's, loans and mortgage insurance may also be available from the Illinois Housing Development Agency (IHDA) upon application. The Federal Home Loan Bank also makes soft loan funds available for affordable and mixed-income housing development. DCD also manages the New Homes for Chicago program. New Homes for Chicago makes home ownership affordable to individuals and families earning up to 80% of area median income through a combination of developer and buyer subsidies. Resources in the New Homes for Chicago program are limited.

To address the increasingly limited supply of funding for affordable housing in the city, the Chicago Community Land Trust (CCLT) works in combination with City programs such as (Downtown Affordable Housing Zoning Bonus, Affordable Requirements Ordinance, City Lots for City Living, CPAN, Homestart, New Homes for Chicago. Developers must follow application processes and development guidelines associated with the specific City program under which they are building, receiving any subsidies or incentives associated with that program. Units built under these programs will also be held to CCLT guidelines, ensuring that they remain permanently affordable.

All affordable homeownership units created through City programs are considered for inclusion in the CCLT. In neighborhoods where the market value of units is at least \$25,000 higher than the affordable prices for the proposed development, the affordable units will be included in the CCLT. Additional market data from the developer may be requested to complete this analysis.

Upon purchase of a CCLT home, the initial homebuyer enters into a 99-year Deed Covenant with the CCLT. The Deed Covenant preserves the affordability of the home over time by requiring that the home be resold to another income-qualified buyer at an affordable price. Sellers then earn back their initial purchase price plus a share of the market appreciation with the remaining equity, including the subsidies that made the unit affordable, stays with the home providing savings to another low- to moderate-income family. The Deed Covenant takes the place of many of the City's junior mortgages required under its programs.

Some provisions typically included in condominium declarations can conflict with provisions in the Deed Covenant. When this occurs, condo developers will be required to add qualifying language to the Declaration stipulating that in the event of a conflict, the Deed Covenant will prevail for the affordable units. The CCLT can work directly with the developer's attorney to address any questions or concerns. For more information, please refer to www.cityofchicago.org.

5-16

Please describe briefly any experience your team has with these or other subsidies and funding sources for affordable housing.

V-u TAX INCREMENT FINANCING

In addition to financing affordable housing, DCD is responsible for the Tax Increment Finance ("TIF") program. TIF enables tax revenues generated over time to be used to fund TIF-eligible costs of the revitalization. Subject to City Council approval, the City of Chicago intends to establish a TIF District that includes this site. Funds are usually provided in conjunction with private development to build and repair roads and infrastructure, clean polluted land, put vacant properties back to productive use and develop affordable housing. Other examples of TIF-eligible expenses include: Job training or retraining programs, including "welfare to work" programs, daycare services and certain financing costs.

5-17

Please describe briefly any experience your team has using TIF and similar tax incentives as a part of a revitalization effort.

V-v INFRASTRUCTURE RESOURCES

In the event of changes to public infrastructure, City of Chicago will reinstate certain portions of the standard street and infrastructure grid on a phased basis to be developed in coordination with the Lathrop Homes Working Group, the City of Chicago, and the selected respondent. In the event that the City pays for new public infrastructure, that infrastructure will be dedicated back to the City. The City will assume responsibility for the construction of any new public streets, public alleys, public sidewalks, and public parkways. Construction of all other landscaping and public utilities on the Development Area will be the responsibility of the selected development team and costs for these improvements must be included in the project budget. The selected Master Developer will be obliged to cooperate and provide plans and specifications to City Departments in regular meetings, in order to benefit from the City's inclusion of the Lathrop area in its infrastructure improvement plans. Failure to cooperate and meet deadlines provided by the City could result in the reversion of infrastructure cost and implementation obligations to the Master Developer.

5-18

Please describe briefly any experience your team has cooperating with the City of Chicago or any other governmental entity to plan and coordinate infrastructure improvements.

V-w TAX ABATEMENT FOR CHA UNITS

CHA units in privately owned, mixed-income developments are eligible for abatement of real estate taxes. See Cook County Class 9 Program.

5-19

Please describe briefly any experience or qualifications your team has using real-estate or other tax abatements as part of a revitalization effort.

V-x FEDERAL HISTORIC TAX CREDIT PROGRAM

The Lathrop Homes could be eligible for benefits under the Federal Historic Tax Credit Program intended for structures on the National Register of Historic Places maintained by the Department of Interior. The 20% tax credit benefit is offered by the Internal Revenue Service and administered through the State Historic Preservation Office and the National Park Service, which issues detailed regulations for rehabilitation work. The developer must submit the Historic Preservation Application to the State Historic Preservation Officer (SHPO), who forwards the application to the national level for final review.

5-20

Please briefly describe previous experience with meeting the Secretary of Interior's Standards and team qualifications in response to the Professional Qualification Standards of the Department of the Interior, National Park Service as found in 36 CFR part 61.

V-y PROPERTY TAX ASSESSMENT FREEZE

The Property Tax Freeze program is an Illinois program that freezes the assessed valuation of an historic property for eight years. Throughout this time period, property taxes remain at the level of the year rehabilitation begins. The historic tax freeze programs apply to historic structures that are listed on the National Register of Historic Places or have been designated by an approved local historic preservation ordinance. The program may be used for single-family, owner-occupied residence or condominium, or as a cooperative, or as an owner-occupied residential building with up to six units. For additional information, please see the following websites: <http://www.state.il.us/HPA/ps/taxfreeze.htm>, <http://landmarks.org/incentives.htm>, and <http://egov.cityofchicago.org/Landmarks/>

5-21

Please briefly describe any experience or qualifications your team has with the Property Tax Assessment Freeze program.

V-z FINANCIAL PLAN AND TOTAL PROJECT COSTS

As part of the Revitalization Plan, the Financial Plan and Project Budgets must include all costs associated with the development, including construction, architectural and engineering design fees, financing & closing costs, developer overhead and profit, site preparation (excluding public housing relocation and demolition, as previously indicated), and site improvements/landscaping (excluding public infrastructure, as indicated above). For restrictions on developer overhead and profit, see Exhibit XX.

5-22

Please describe briefly your team's approach to building a successful Financial Plan for revitalizations of this scale. Include specific comparable examples from among your projects.

TRANSACTION CONSIDERATIONS**V-aa RETURN OF EXCESS EARNINGS**

In consideration for making significant land, improvements and funding available for revitalization, CHA

expects to participate in any project earnings in excess of negotiated fees. CHA will direct the proceeds of all such earnings to public housing uses related to the Lathrop Homes Revitalization Plan. CHA understands that the final form and amount of any excess earnings will be a function of the structure of each transaction. However, responses to this RFQ will be ranked, in part, on the strength of the conceptual approach to channeling any excess earnings back into the Revitalization Plan.

5-23

Please outline your team's conceptual approach to structuring return of excess earnings to the long-term economic sustainability of the Plan. This may take the form of (a) a monetary offer for the use of land presently owned by CHA, (b) a partnership structure where the value of CHA's land is considered equity in the future development, (c) an Affordability Plan that channels earnings back to affordable low- and moderate-income housing or (d) an alternative approach to achieve this goal. Please also discuss your team's experience in this area.

V-bb GROUND LEASE

For the land under all building types except single-family homes, CHA intends to enter into a long-term ground lease of its land. Land under single-family homes will be deeded fee simple to the buyers. CHA's ground lease will contain public housing use restrictions discussed above, including rent escalators if the public housing use is not preserved.

V-cc DEVELOPER FEES

The developer fees for the rental units should not exceed DCD and IHDA limits, as applicable. Please contact each of those institutions for their current policies. There will be no additional developer fees of any sort from the Receiver and CHA. *Once a Master Developer has been selected and submitted its financial proposal, the selected Developer should not assume that their selection means that their proposed fees have been accepted.*

V-dd CHA RIGHT OF FIRST REFUSAL

Upon expiration of its mortgage on rental property and any other major refinancing or sale of the property, CHA requires a right to purchase the units.

V-ee REGULATORY AND OPERATING AGREEMENT

A recorded Regulatory and Operating Agreement requiring the PHA-Assisted units to be leased to CHA public housing residents for a period of at least forty (40) years will be required.

V-ff PERFORMANCE REVIEW PROCESS

We expect that the selected developer will be responsible for implementing all phases of the revitalization. However, each phase of revitalization will be subject to review and evaluation by the CHA, the Receiver, and the Lathrop Homes Working Group. Performance reviews will include but not be limited to the ability to secure financing, achieve targeted schedules, deliver units on schedule, and engage in a constructive and cooperative relationship with the Working Group and the community,

V-gg CONTRACTING ARRANGEMENTS

The selected developer will implement the development RFQ response pursuant to the terms of a development agreement. The agreement will describe in detail the developer's responsibilities. The sample agreement is similar to numerous agreements executed by the CHA and the Receiver on similar mixed-income, mixed finance revitalizations in Chicago. It is expected that the selected developer will execute an agreement with the CHA and the Receiver substantially in the form of the sample agreement. For your information, a sample development agreement is included as Exhibit XX.

V-hh **MINORITY/WOMEN/DISADVANTAGED ENTERPRISES REQUIREMENTS**

It is the policy of the CHA that Minority, Women and Disadvantaged Business Enterprises shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds and that Respondents and their subcontractors or suppliers shall take all necessary and reasonable steps to ensure that MBE/WBE/DBEs shall have the maximum opportunity to compete for and perform contracts financed in whole or in part by federal funds. CHA encourages joint ventures between minority and non-minority firms. *Moreover CHA strongly prefers development teams that maximize women and minority participation across all of the various design, finance, legal, construction and property management disciplines.* See Exhibit XX for complete requirements and a copy of the CHA MBE/WBE/DBE Policy.

V-ii **HUD SECTION 3 REQUIREMENTS**

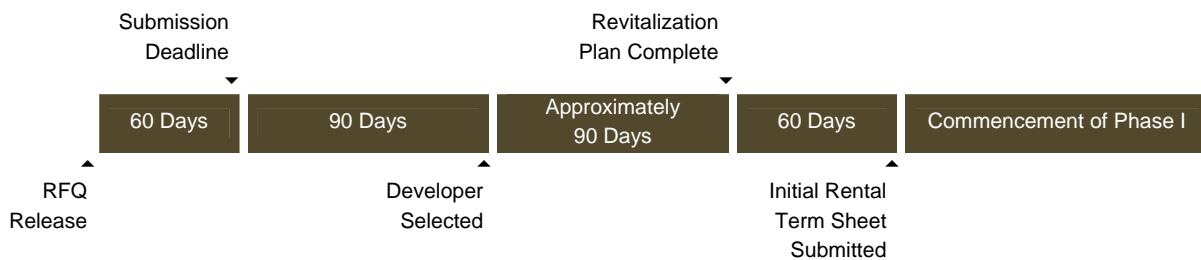
The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended by Section 915 of the Housing and Community Development Act of 1992, is to “ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.” Pursuant to this regulation, each Respondent shall comply with the CHA Section 3 Policy requirements. A Respondent’s Section 3 Utilization Plan must be submitted as an attachment to, and made a part of its Proposal. See Exhibit XX for requirements and a copy of the CHA Section 3 Policy.

5-24

Please share any questions, concerns, and/or proposed modifications your team has in regards the conditions outlined in sections V-z – V-ff above. Where pertinent, please provide examples of successful revitalization efforts where terms and conditions resulted in a positive outcome.

VI. SELECTION PROCESS

The CHA/Habitat uses a competitive procurement process to select the developer for each mixed-income/mixed finance community. The CHA/Habitat solicits Qualifications (via RFQ) from developers on a national level. Upon review of submitted qualifications, the CHA/Habitat, advised by the Working Group, select a developer for the respective development. Once the CHA Board of Commissioners (Board), Habitat, and HUD approve the selection of the developer, the developer signs the Master Developer Agreement (MDA) and begins the planning process. The MDA includes both a description of the project and a proposed timeline, which clarifies responsibilities of The CHA/Habitat and of the developer.



Process Overview

As shown in the diagram above, the selected developer will have approximately 90 days to prepare and submit to the Working Group, a Revitalization Plan, which will be developed through a community charrette and design process. Such a plan will be required to include a land-use plan, schematic building designs, floor plans, a financial plan, management plan and a community and social services plan that will lead to an executed development agreement with the CHA in accordance with the guidance in this RFQ and the direction of the Lathrop Working Group. In the event that the Revitalization Plan cannot be completed in the allotted time, the CHA and Receiver may at their discretion, determine that additional time is needed or invite the next highest ranked respondent to prepare a Revitalization Plan, with no further obligation to the original selected developer. Upon the approval of the Revitalization Plan, the selected developer will have 60 days to submit an initial Rental Term Sheet with the CHA and the Receiver that incorporates the principles of the Revitalization Plan. In the event that a Development Agreement with the selected developer cannot be executed, or if an executed development agreement is terminated, the CHA and the Receiver may determine that additional time is needed or invite the next highest ranked respondent to prepare a Revitalization Plan and enter a Development Agreement, with no further obligation to the original selected developer(s).

The Lathrop Homes Working Group may also elect not to recommend any finalists, or not to recommend a respondent at all for selection as a result of this RFQ. In addition, the CHA and the Receiver reserve the right not to accept or approve any recommended respondent, and may at any time withdraw this RFQ. The CHA and the Receiver also reserve the right to make single or multiple awards pursuant to this RFQ, or to modify elements of the scope as necessary during contracting with the selected developer.

In no event shall the CHA, the Receiver, or other participants in the selection process under this RFQ be liable to respondents for any costs or damages incurred by respondents or respondent team members, consultants, contractors, or other interested parties in connection with this RFQ process, including but not limited to any costs of preparing the submission materials, participation in any conferences, presentations, or negotiations.

Responsiveness

Each submission received prior to the submission deadline will be reviewed to ensure that all required

submission materials are included and no obvious deficiencies are evident. Failure to submit all required materials will be deemed non-responsive.

Role of the Working Group and Communication

Each responsive submission will be rated and ranked by the Lathrop Working Group. Based on a review of these RFQ responses, the Working Group will recommend finalists from among the respondents. At the Working Group's discretion, the Working Group will interview respondents. Second interviews may be required of finalists. At any time during the selection process, the Working Group may request further information of respondents to aid in consideration of the Working Group recommendation. Based on respondent submissions, interviews, and any additional information requested during the selection process, the Working Group will recommend a selected respondent. The authority to execute contracts with the selected respondent rests with the CHA and the Receiver.

Communication During the RFQ Process

The Lathrop Working Group has designated a single contact person to facilitate this RFQ process. Under no circumstances may Respondent team members contact other members of the Working Group with respect to this RFQ. All proceedings of the Working Group with respect to this procurement are strictly confidential, so contact with other members can cause the appearance of unfair access or a conflict of interest, either of which are extremely damaging to the procurement process and may result in the nullification of its results. Contact prior to selection may result in the contacted party being required to recuse him or herself from discussion, rating and ranking the respondent's submissions; or may result in the respondent's submission being rejected. In cases of potential, real or apparent conflict of interest or unfair access, the Receiver will determine appropriate action, and may consult with CHA and HUD.

All communications between respondents and the Working Group will be handled by The Habitat Company LLC 350 West Hubbard Street, #430 Chicago, IL 60610 (312) 527-7465. Facsimile: (312) 527-5863, Attn: Rowena Biermann. Email: rbiermann@habitat.com.

Employment and Business Opportunities and the RFQ Selection Process

The restrictions on communication discussed above are particularly important in the area of Section 3 hiring and MBE/WBE participation. Under this RFQ, respondents will be evaluated in part on their experience in past projects promoting resident employment and resident business opportunities (often promoted as part of general MBE/WBE participation). Respondents shall not offer employment to or otherwise contact Working Group members outside of the formal selection process. Working Group members, their families, and businesses in which they have a pecuniary interest shall not be part of any team responding to this RFQ. Attempts to influence Working Group members on these matters prior to, or during, the selection process, shall result in disqualification of the respondent's submission to this RFQ.

Other Considerations

Respondents may be asked to submit additional or more detailed material in response to issues and questions rising from their submissions and/or discussed during the interview process, including best and final offers respecting proposed compensation arrangements and the CHA return on investment. Respondents may be required to make community presentations of their RFQ responses.

Respondent Confidentiality

Respondents may designate portions of a submission that contains proprietary information to remain confidential. Each page of each item regarded as confidential should be clearly marked "CONFIDENTIAL".

SCORING SYSTEM THE WORKING GROUP WILL USE TO EVALUATE RFQ RESPONSE

			WEIGHT BY CATEGORY	
			WRITTEN	INTERVIEW
<i>Development Team Qualifications</i>				
SUBCATEGORY	RFQ SECTIONS	KEY ISSUE CHECKLIST		
Overall Experience and Capacity	1-1, 1-2, 4-1	Demonstrated experience and success of team members in managing a focused and engaged public planning process.		
Overall Experience and Capacity	1-1, 1-2, 2-2	Demonstrated experience in developing and managing projects of comparable size and complexity, especially large affordable communities with both rental and home-ownership components that incorporate elements of sustainable design and historic preservation.		
Financial	5-22	Financial capacity to develop large, multi-phase housing projects, including...		
Affordable Rental Programs	5-4, 5-16, 5-20, 5-22	• Proven ability to obtain private and public financing (e.g. LIHTC, tax exempt bonds, HOME, CDBG, Historic Preservation Tax Credits etc) on a timely basis and meet associated funding obligations		
Affordable For Sale	5-2, 5-15, 5-16	• Proven ability to finance, market and sell housing units affordable to working families with low- and moderate incomes.		
Continuum of Affordability	3-1, 5-3	Demonstrated ability and commitment to maximizing affordability at the lower end of the continuum of affordability (with an emphasis on 30%-160% of AMI).		
Operational Success	3-1, 5-14	Demonstrated experience in the implementation, maintenance and long-term sustainability of affordable housing developments and ability to meet ongoing compliance requirements of various government financing programs.		
Non-housing	5-17, 5-18, 5-19	Past experience in creating viable partnerships and community integration strategies to leverage resources for the development of non-residential amenities.		
LEED-ND and Sustainability	5-5	Past experience and capacity to design an implementable revitalization program for Lathrop that achieves LEED-ND Gold or Platinum certification – particularly in the areas of innovative practices for highly energy efficient design and renewable energy generation.		
Development Team Qualifications Weight			35	17.5
<i>Design and Planning Team Qualifications</i>				
SUBCATEGORY	RFQ SECTIONS	KEY ISSUE CHECKLIST		
Planning -- Community process	3-1, 4-1	Demonstrated past success and clarity of approach to facilitating a community planning and design process for the Lathrop revitalization that engages community and institutional stakeholders of all incomes and results in a viable plan that is reflective of community goals.		
Planning -- Large Developments	1-1, 1-2, 2-1, 3-1	Planning team's experience working on large scale developments in urban areas with emphasis on the integration of environmental sustainability and long-term affordability.		
LEED-ND and Sustainability	5-5	Capacity to design an implementable revitalization program for Lathrop that achieves LEED-ND Gold or Platinum certification, meets other performance goals in this RFQ while maintaining a focus on the creation of high-quality affordable housing and building upon the historic design elements at the Lathrop Homes site – particularly in the areas of innovative practices for highly energy efficient design and renewable energy generation.		
LEED for Housing	5-5	Past experience designing and implementing developments using LEED-ND program and/or other LEED programs, and/or other sustainability certification programs. Particularly in the design of urban housing.		
Building Design	5-7, 5-8, 5-9	Capacity to work on large projects with public visibility and interest, containing significant and sometimes divergent program requirements to create building designs that are affordable, attractive and contextually appropriate.		
Design & Planning Team Qualifications Weight			20	10
<i>Historic Preservation Team Qualifications</i>				
Historic Preservation	2-1, 5-6	Success in previous experience in the design and implementation of historic preservation programs that meet the Interior Secretary's standards for Historic Preservation, particularly as related to affordable and mixed-income housing programs of a comparable scale.		
Historic Preservation	2-1, 5-6	Successful use of economic incentives such as Historic Rehabilitation Tax Credits		
Historic Preservation			5	2.5

Development Team Commitment to MBE/WBE/DBE Participation, Resident Hiring and Section 3

SUBCATEGORY	RFQ SECTIONS	KEY ISSUE CHECKLIST		
Sec 3	3-1, 5-24	Extent to which respondent exceeds or creatively approaches resident hiring requirements under HUD Sector 3 and the Chicago Hiring Ordinance Requirements (see Exhibit XX).		
Resident Hiring	3-1, 5-24	Quality of approach to maximize employment, business, and training opportunities for public housing residents and all other community residents.		
Job Creation and Training	3-1, 5-24	Quality of approach to generate and sustain employment opportunities associated with clean technologies and other "green" aspects of the revitalization.		
MBE/WBE	3-1, 5-24	Extent to which the Respondent team maximizes women and minority participation across the various design, finance, legal, construction and property management disciplines.		
MBE/WBE/DBE Participation, Resident Hiring and Section 3 Weight			15	7.5
<i>Asset and Property Management Team Qualifications</i>				
	RFQ Section(s)	Key Issue Checklist		
Affordable Property Management	5-11, 5-12, 5-13,	Demonstrated success of the development team in managing mixed-income properties and typical approaches to addressing leasing, occupancy, social service referrals, and grievance procedures as well as measures taken to insure continued resident participation and governance in ongoing matters of importance to		
Retention and Return	5-10, 5-13	Coherent and supportive approach to maximizing retention and return of current and former Lathrop residents with the right to return.		
Asset Management	5-4	Quality and completeness of the team's approach to property management within a diverse community and the extent to which the property management plan articulates a strategy for sustaining long-term, high-performance resident satisfaction, and professional excellence.		
Asset & Property Management Total			10	5
<i>Community Building and Social Service Team Qualifications</i>				
Sub-Category	RFQ Section(s)	Key Issue Checklist		
Social Services	5-10	Demonstrated ability to help deliver social services in conjunction with existing social service networks, neighboring developments, and community groups.		
Community Building	5-12	Demonstrated experience and success in engaging a broad mix of residents in a mixed-income setting in the promotion of community participation in the planning, implementation, management and ongoing operations their communities		
Community Building and Social Service Team Qualifications Total			15	7.5
Total Points			100	50

VII. EXHIBITS

Lathrop Homes Site Map

Images of the Lathrop Homes today

CHA Plan for Transformation Mixed Income Redevelopment Program

CHA Relocation Rights Contract

Choose To Own Home Ownership Program

Gautreaux information

McGuire Iglesiaski & Associates Site Analysis Report 2007

Design Requirements for Accessibility

Addison Industrial Corridor Strategic Plan (Executive Summary)

Department of Community Development Financing/Underwriting Policies

Cook County Class 9 Program

CHA Procurement Forms & Documents

CHA's Ethics Policy

Contractor's Affidavit

Equal Employment Opportunity Compliance Certificate

HUD 4010 Federal Labor Standard Provisions

General Conditions for Non-Construction Contracts

Previous Participation Certificate

HUD Instructions to Bidders

•HUD 5369B Instructions to Offerors Non-Construction

•HUD 5369C Certifications and Representations of Offerors Non-Construction Contract

Statement of Bidder's Qualifications

Subcontractor's Information Submittal

Contract Compliance Forms & Documents

Compliance Affidavit

Contract Compliance Requirements

Schedule A Application MBE Utilization Plan

Schedule B Application MBE Letter of Intent

Schedule C Application Sec 3 Utilization Plan

Schedule D Application Sec 3 Hiring Plan
Schedule E Application Payroll Addendum
Schedule F Application Income Verification
Schedule R Application MBE Status Report
Schedule W Waiver MBE Waiver Request

List of online reference resources

www.thecha.org

Chicago New Communities Program Quality-of-Life Plan (produced by Logan Square Neighborhood Association and LISC/Chicago) <http://newcommunities.org/cmadoocs/LoganQofL2005.pdf>

www.HUD.gov: HUD Mixed Finance Regulations & Policies (24 CFR Part 941, Including Subpart F)

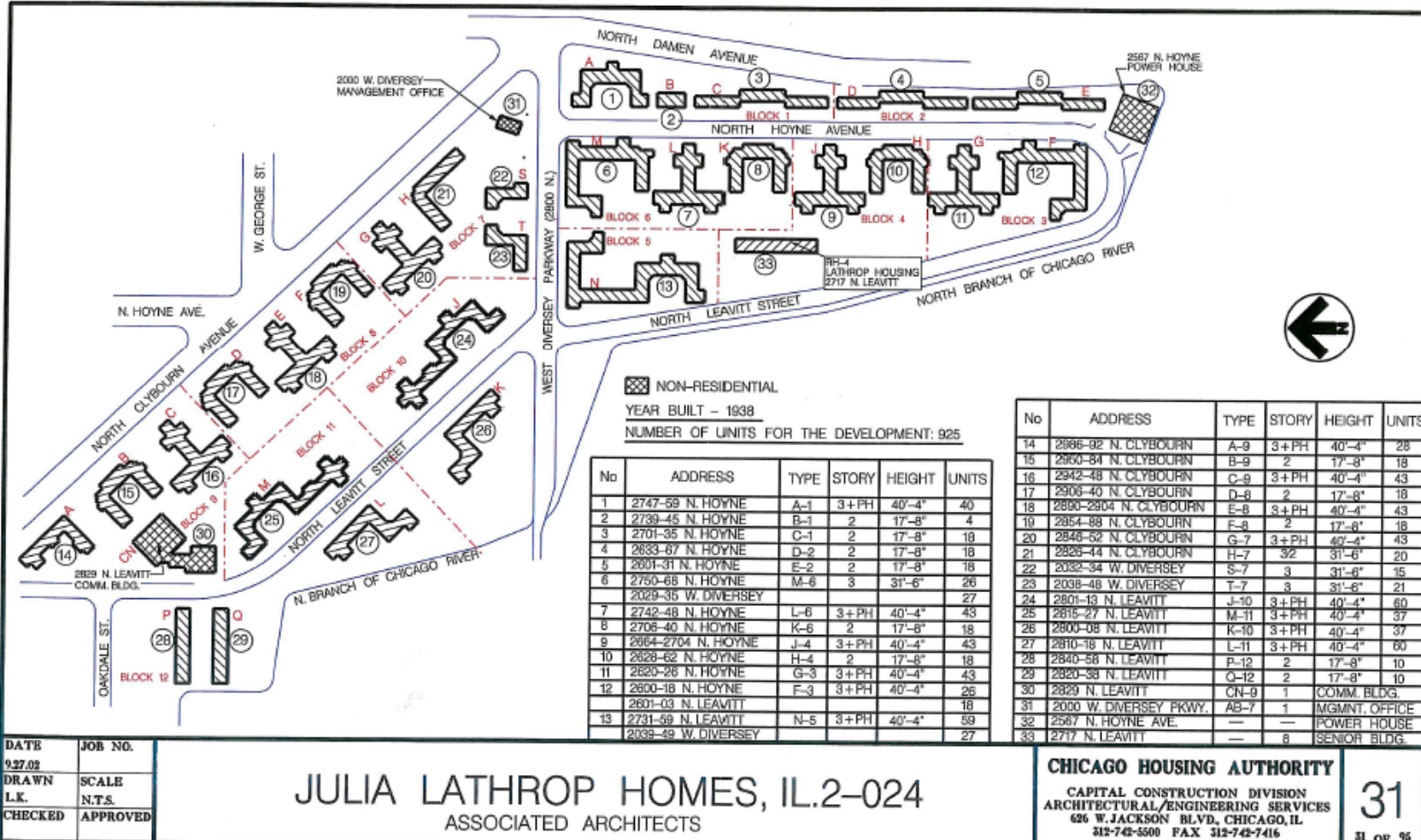
www.usgbc.org

www.illinoishistory.gov

www.ihda.org

www.cityofchicago.org

Lathrop Homes Site Map



DATE	JOB NO.
9.27.02	
DRAWN	SCALE
L.K.	N.T.S.
CHECKED	APPROVED

JULIA LATHROP HOMES, IL.2-024

ASSOCIATED ARCHITECTS

CHICAGO HOUSING AUTHORITY
 CAPITAL CONSTRUCTION DIVISION
 ARCHITECTURAL/ENGINEERING SERVICES
 626 W. JACKSON BLVD., CHICAGO, IL
 312-742-5500 FAX 312-742-7416

Images of the Lathrop Homes today



CHA Plan for Transformation Mixed Income Redevelopment Program

The CHA continues to reconstruct and transform the face of public housing in Chicago through the implementation of the Plan for Transformation. The mixed income revitalization program under the CHA Plan for Transformation helps to provide low-income families with decent affordable housing in economically diverse communities. The Plan has a goal of rehabbing or developing 25,000 public housing units. To date, 17,050 new or rehabbed public housing units have been completed since the beginning of the Plan.

One of the main goals of the Plan's mixed income revitalization program has been to de-concentrate poverty by creating well-designed, stable, diverse and secure mixed income communities that attract residents with a diverse range of incomes and backgrounds. These mixed income communities blend public housing units, affordable and market rate, unsubsidized units to ensure that the public housing is externally indistinguishable in quality and visual appearance. The Plan's implementation provides for housing designs and site plans that create defensible space throughout the community, reintegrates the site into the greater community, and provide effective means of access to the site for vehicles, pedestrians and bicycles.

Through strategic use of resources, public housing residents' lives are transformed. Their relocation rights are secured at the plan's inception, and all lease compliant families have a right to return to a new or rehabilitated public housing unit.

Each community that is a part of the Plan requires a narrowly tailored revitalization plan, which incorporates the specific needs of the community and its residents. The revitalization process is a multi-faceted interconnected process that involves a host of participants to create a successful mixed income community. Over the years, developers, elected officials, public housing and area residents have cultivated a cooperative environment to advance these complex transactions.

The CHA's continued commitment to change the face of public housing in Chicago has had a tremendous impact on surrounding communities. This impact is demonstrated by the increase in neighborhood improvements, the support provided by community organizations in assisting residents on the path to self sufficiency, and the growth of private property developments within these burgeoning communities (for more information about the Plan for Transformation see the CHA website at www.thecha.org).

CHA Relocation Rights Contract

CHA Leaseholder Housing Choice and Relocation Rights Contract¹ 10/1/99

General Purpose.

This Contract sets forth the rights and responsibilities of the Chicago Housing Authority (CHA), its agents, and the CHA Leaseholder. The terms of this Contract shall apply in the event that CHA relocates said Leaseholder from his or her CHA unit either temporarily or permanently for any reason beyond the control of the Leaseholder when in conjunction with redevelopment, demolition, consolidation, rehabilitation, court order, or required conversion to tenant-based assistance.

It is understood that CHA's ability to offer a right of return is subject to the federal funding commitments identified in the Moving to Work Agreement ("MTW") with the United States Department of Housing and Urban Development ("HUD"). To the extent HUD reduces its commitment, fewer hard units will be built or rehabilitated. In the event that federal funds are reduced to a level that is insufficient to meet the level of hard unit production as described in the Plan for Transformation, it is the CHA's obligation under the Plan to consult with the Central Advisory Council ("CAC") to make revisions to the Plan as necessitated by this reduced funding. The MTW Agreement also provides that, if there is insufficient funding to meet the level of hard unit production, Leaseholders covered by this contract will receive a Section 8 voucher. This contract does not commit CHA to build units at a particular development to satisfy all families with a right of return. After meeting the Plan for Transformation goal of approximately twenty five thousand (25,000) public housing units, CHA agrees to make reasonable efforts to identify opportunities to add public housing units to its inventory.

This Contract does not apply to transfers required to fill vacant units (routine turnover units), to address building system failures, or CHA's failure to provide habitable housing when such housing is not subject to the redevelopment process as laid out in the CHA's Plan for Transformation. This contract, including the rights and obligations set forth herein and implementation thereof, is subject to any decisions or orders of the Gautreaux Court or any other applicable court order.

This Contract constitutes the basic rights and responsibilities of the CHA, its agents and the Leaseholder during the redevelopment process. Any existing or proposed Redevelopment Agreement between the developer and the CHA negotiated as part of the redevelopment process may contain additional relocation terms, conditions, and property specific requirements for admission and continued occupancy. In such cases, the Redevelopment Agreement will govern, provided that the protections to Leaseholders under this Contract are not diminished. CHA agrees to modify the terms and conditions of any existing or proposed Redevelopment Agreement(s) to ensure that Leaseholder rights and housing options covered by this Contract are retained. Similarly, if a Memorandum of Agreement (MOA) with the Local Advisory Council (LAC) results from the redevelopment process, the terms and conditions of that MOA may not diminish the rights and protections afforded under this contract.

This Contract shall provide the rights and responsibilities for:

1. Leaseholders in occupancy on October 1, 1999 that are determined lease compliant; and
2. Household members of Leaseholders described above that become Leaseholders pursuant to the Admissions and Occupancy Policy (A&O Policy) and CHA's Split Family Transfer Procedures in order to address overcrowded conditions or for CHA initiated reasons. Household members must be authorized occupants as defined by the A & O Policy.
3. This Contract is not applicable to residents whose occupancy begins after 10/1/99.
 - a. These families do not have a right to return to a public housing unit. These families are, however, provided the relocation process protections outlined in this contract. The rights and responsibilities of these families are discussed in more detail in a separate contract.

¹ If the agreed upon language conflicts with CHA's Admissions and Occupancy Policy, the Policy will be amended accordingly.

- b. The CHA agrees to track these families while they participate in the Section 8 Program. These families will be offered a Section 8 voucher with a preference on a site based waiting list and Citywide preference list. These families will be provided a priority over new admissions but after families with a right of return under this contract (See Section 4(d) & (c)(2)).

1. Lease Compliance, Additional Lease Requirements, Property Specific Requirements and Lease Amendments.

This Contract applies to lease compliant Leaseholders as determined by this paragraph and paragraphs 3 and 5 below. The conditions of lease compliance, additional lease requirements and property specific requirements are:

- a. Leaseholder is current with rent, or is current in a repayment agreement.
- b. When the Leaseholder is responsible for utility charges as a CHA Leaseholder, the Leaseholder has no unpaid balance with the CHA or a utility company or is current on a repayment agreement with the CHA or utility company.
- c. The Leaseholder, household member, or guest under the control of the Leaseholder is in compliance with the terms of the CHA lease adopted by the CHA board on August 15, 2000, and any additional terms subsequently required to be added to such lease by federal law. Non-compliance with respect to the Lease obligations must be demonstrated by notices of Lease violations and/or evidence of serious or repeated violations of material terms of the Lease.
- d. Compliance with Section II of the A&O Policy, which prohibits unauthorized occupants, as defined in subparagraphs 6(c) and (d) of the Lease, or requires the household to add such occupants in accordance with the Lease.
- e. Leaseholder has a good housekeeping record (Leaseholder has maintained a clean and safe unit) as indicated by the housekeeping inspection reports in the Leaseholder's file.
- f. Leaseholder has not destroyed, defaced, damaged, or removed any part of a dwelling unit or development as indicated by the housekeeping inspection reports in the Leaseholder's file or work orders reflecting a pattern of Leaseholder damage or abuse.
- g. Lease compliance as defined above shall include the period during which the family lives in CHA housing and any period of Section 8 assistance.
- h. New Authority-Wide Requirements: In addition to the lease requirements established by subparagraphs 1 (a) through (g) above, additional lease requirements may be adopted pursuant to subparagraph 1 (j) below. A Leaseholder who is and remains lease compliant as provided in subparagraphs 1 (a) through (g) above, but who is not in compliance with the additional lease requirements shall have the right not to be evicted and shall continue to have the right to return to a newly constructed or rehabilitated public housing unit as described in paragraphs 4 and 8 below, unless an independent hearing officer, as described in subparagraph 1(l), finds that the Leaseholder is not making a good faith effort to comply with the additional lease requirements. In making such a determination, the hearing officer shall take into consideration all of the Leaseholder's circumstances, including, but not limited to, the ability of the Leaseholder to comply with the additional lease requirements and to access adequate outreach, assessment, referral or follow-up services as part of the initiative to assist the Leaseholder to comply with additional lease requirements. The determination of the hearing officer shall be subject to the applicable provisions of existing law.

Additional lease requirements shall not include minimum income requirements. A Leaseholder who is exempt under the Community Service Requirements of the Quality Housing and Work Responsibility Act of 1998, and/or any amendments thereto, as set forth in 24 CFR 960.601, or exempt under any provisions set forth in the Relocation Rights Contract, shall not be required to comply with additional lease requirements that

consist of work requirements or require other actions related to the basis for such exemption.

- i. **Property Specific Requirements:** In addition to the lease compliance requirements established by subparagraphs 1 (a) through (h) above, existing or proposed Redevelopment Agreements may include property specific requirements. Property specific requirements include but are not limited to: criteria for admission, return to the property, requirements for continued occupancy, time periods and activities for meeting or curing a failure to meet such requirements, and documentation to establish or verify compliance with such requirements. Such requirements are to be developed by the working group engaged in the planning process for a property. As soon as such requirements are developed and adopted for the property, notice of such requirements to affected residents will be provided no less than one year prior to the date of housing offer.
- j. Any amendments to the CHA Residential Lease that exceed the minimum HUD regulatory requirements (24 CFR 966) will be subject to public notice and comment and HUD approval, consistent with paragraph 18 of the Resident Protection Agreement/MTW Agreement.
- k. At sites where property specific requirements are in place, lease compliance shall be defined to include such additional criteria. At sites where property specific requirements are not in place, lease compliance shall include only those criteria established in subparagraphs 1 (a) through (h) above.
- l. Determinations of lease compliance with respect to new authority-wide requirements as described in 1 (h) and of property specific requirements as described in 1 (i) are subject to the grievance procedures as referenced in subparagraph 11 (b) of this contract. Hearing Officers for such grievances will be independent parties jointly agreed to by the CAC and CHA.
- m. The benefit of any priority or preference for right of return or continued occupancy based on property specific requirements that include work must also be given to households where the head, spouse, or sole member is age 62 or older or is a person with disabilities (24 CFR 960.206 (b) (2)).
- n. Property specific requirements will apply equally to the private and public housing rental units in mixed income developments, unless otherwise required by law.

2. Utility Connections.

Families who select a permanent housing choice that requires tenant paid utilities must be able to obtain utility connections for that unit. If the Leaseholder (head of household) cannot demonstrate the ability to have utilities turned on in the Leaseholder's name at the time a permanent relocation unit is identified for that Leaseholder, the Leaseholder will not be offered the permanent relocation unit.

Prior to being made an offer, the Leaseholder must demonstrate to the CHA that the Leaseholder can have utilities turned on in the Leaseholder's name. Failure to obtain utility connections will not result in the loss of the right to return under this contract; however, prior to any subsequent unit offers, the Leaseholder must demonstrate the ability to obtain utility connections.

3. Recertifications and Determination of Lease Compliance.

The CHA has two recertification processes:

- a. Annual or interim recertifications, completed as a normal function of property management; and
- b. "Right of return" recertifications (annual or interim), that are completed in conjunction with relocation and in accordance with this contract.

- (1) Initial Right of Return Recertification: Upon implementation of this Contract, all families who were in occupancy as of October 1, 1999 will attend a right of return recertification interview as a part of an annual or interim recertification. At this right of return recertification interview, families will be asked to sign a Residential Lease Agreement which incorporates their rights under the Relocation Rights Contract and complete a Housing Choice Survey.
- (2) Final Right of Return Recertification: This right of return recertification process will begin when the CHA is ready to fill new or rehabilitated public housing units at a particular site. At this right of return recertification interview, families will be examined for continued lease compliance and compliance with any applicable property specific requirements.

The recertification to determine lease compliance shall be made as described in subparagraph 5(h) below. Serious Lease violations subsequent to recertification of either type, may result in termination of the Lease.

4. Basic Rights of CHA Leaseholders.

In cases of relocation due to redevelopment, demolition, required conversion to tenant-based assistance, rehabilitation, consolidation or court order, the CHA shall provide the following basic rights to the Leaseholders as described in the General Purpose Section of this Contract:

- a. Comparable replacement housing as defined in paragraph 10 below.
- b. To the maximum extent possible and subject to subparagraph 4(c) below, CHA will house each Leaseholder in the Leaseholder's preferred housing choice. CHA will provide each Leaseholder with all relevant information regarding the available replacement housing choices. In the event of permanent relocation, the Leaseholder will be allowed to select up to three replacement housing choices in order of preference. Where temporary relocation is necessary, the Leaseholder will be able to choose a temporary Section 8 voucher, or state a public housing development preference that will be honored to the extent feasible. These choices are defined in Section 8 of this document and shall be listed on the Housing Choice Survey (HCS).
- c. Lottery System and Unit Offers:
 - (1) Lease compliant Leaseholders are guaranteed the right to return to a newly constructed or rehabilitated public housing unit. However, the CHA cannot guarantee that all families displaced by redevelopment activity will be able to return to their site of origin or receive their permanent housing choice.

When public housing units become available, first priority for those units (see order of offers provided in subparagraph 4(d) below) will be determined by the Leaseholder's HOP number. The HOP number will be by priority group and type and size of unit.

- (2) In order to satisfy the right of return, CHA will, in accordance with subparagraph 4(b) above, make two offers of otherwise comparable dwelling units. It is understood that these offers may not be the Leaseholder's site of origin or HCS preference. Failure to accept the second offer will result in the loss of right of return under this contract. Upon loss of the right of return, CHA will offer a Leaseholder who is living in a public housing unit, a mandatory transfer to an available rehabilitated unit. If the Leaseholder refuses to accept a mandatory transfer, the Leaseholder will be offered a permanent Section 8 Voucher based on the Leaseholder's ability to pass screening. If the Leaseholder is unable to pass Section 8 Voucher screening, the Leaseholder's offer for a mandatory transfer will still be available. However, failure of the Leaseholder to accept a Section 8 voucher or accept a mandatory transfer to an available rehabilitated unit will be cause for termination of Leaseholder's tenancy. If the Leaseholder is residing on a temporary Section 8 voucher and loses their Right of Return, the Leaseholder's voucher will be converted to a permanent voucher.

A Leaseholder in return preference status as described in the CHA's Relocation Rights Contact For Families With Initial Occupancy After 10/1/99 will be offered a unit based on availability and only after a Leaseholder with a right of return is offered a unit, but prior to a new admission. Leaseholders with a return preference will be offered units based on the priorities listed in subparagraph 4(d).

- (3) A Leaseholder will receive a 15 day notice of invitation to screen for permanent replacement housing. In the event a leaseholder fails to respond to an invitation to apply for permanent housing, whether for a redeveloped site or a rehabilitated site, or responds to such an invitation but fails to complete the application process, then the leaseholder will be notified by CHA in writing with a second notice. The second notice will notify the Leaseholder that the he/she will be placed on an inactive list in 30 days from the date of the second notice for the site where the permanent housing is located if the Leaseholder does not respond. If the leaseholder notifies CHA in writing that the leaseholder will apply and complete the application process, within 30 days of the date of the second notice, the leaseholder will not be placed on the inactive list. However, if the Leaseholder gives such notice and then fails to follow through **within a 30 day period**, the Leaseholder will be placed on the inactive list with no right to reinstate for that site.

If the Leaseholder does not otherwise notify CHA within the 30 day notice period as described above and the leaseholder is placed on the inactive list, the leaseholder shall have one opportunity within 6 months from the date of the notice placing the leaseholder on the inactive list to provide written request that CHA reinstate the leaseholder's name on the waitlist for that site. Upon receipt of such notice, if there are available units, the Leaseholder will be placed back into the site screening list at the bottom of the screening list for the phase. If there are no available units, but additional phases scheduled for the future, the Leaseholder will be placed on the bottom of the site list for contact in the future phases. Where there are no future phases and no more available units, the Leaseholder will not be allowed to reinstate for screening for that site. The Leaseholder shall have the right to exercise such a reinstatement option described in this paragraph only once, and only with respect to one site.

- (4) If the leaseholder is placed on the inactive list for all three of the leaseholder's permanent housing preferences on the leaseholder's Housing Choice Survey, then the leaseholder's name will be placed on an inactive list for all other sites, and the leaseholder will be so notified by CHA in writing. The Leaseholder shall have one year from the date of such notice to request that CHA reinstate the Leaseholder at a single site of the Leaseholder's choice where units are or will be available. If the leaseholder has not reinstated the leaseholder's name on the waitlist for a site within one year of the date of the CHA's Inactive for All Sites Notice, then the leaseholder's right of return will be extinguished.

If a Leaseholder's right of return has been extinguished based on being placed on the inactive list and the leaseholder is living in a public housing unit, the Leaseholder will be offered a mandatory transfer to an available rehabilitated unit. If the Leaseholder refuses to accept a mandatory transfer, the Leaseholder will be offered a permanent Section 8 Voucher based on the Leaseholder's ability to pass screening. If the Leaseholder is unable to pass Section 8 Voucher screening, the Leaseholder's offer for a mandatory transfer will still be available. However, failure of the Leaseholder to accept a Section 8 voucher or accept a mandatory transfer to an available rehabilitated unit will be cause for termination of Leaseholder's tenancy. If the Leaseholder is residing in a rehabilitated unit on a temporary basis, the CHA will have the option to convert the present unit to the Leaseholder's permanent replacement unit as opposed to a mandatory transfer. If the Leaseholder is residing on a temporary Section 8 voucher, the Leaseholder's voucher will be converted to a permanent voucher.

CHA's exercise of 4(c)(2), 4(c)(3) and 4(c)4 is subject to the grievance procedures under this Contract, pursuant to subparagraph 10(b). Replacement and rehabilitated units will not be held open during any grievance process.

- d. The CHA will house Leaseholders using the priorities listed below. Within any priority group, a lottery will be used to determine the order of offers. Lease compliant families not selected in a lottery will be eligible for lotteries at other sites where units are available.

For all public housing units, subject to applicable court orders and provided for in a redevelopment plan, the order of offers by unit type and bedroom size shall be as follows, subject to the additional requirements listed on pages 7 through 10 of this contract:

- (1) Leaseholders who lived at the site on October 1, 1999 and chose that site as their permanent housing choice, are lease compliant, and meet property specific requirements.
- (2) Leaseholders who lived at the site on October 1, 1999 and chose that site as their permanent housing choice, are lease compliant, and are engaged in activities to meet property specific requirements.
- (3) Leaseholders who did not live at the site on October 1, 1999, but chose that site as their permanent public housing choice, are lease compliant, and meet property specific requirements.
- (4) Leaseholders who did not live at the site on October 1, 1999 and chose that site as their permanent public housing choice, are lease compliant, and are engaged in activities to meet property specific requirements.
- (5) Leaseholders who were moved temporarily to the site due to redevelopment activities at their site of origin, are lease compliant, and meet property specific requirements.
- (6) Leaseholders who were moved temporarily to the site due to redevelopment activities at their site of origin, are lease compliant, and are engaged in activities to meet property specific requirements.
- (7) Leaseholders who were not selected in other lotteries, are lease compliant, and meet property specific requirements.
- (8) Leaseholders who were not selected in other lotteries, are lease compliant, and are engaged in activities to meet property specific requirements.
- (9) Leaseholders who receive a temporary Section 8 voucher in accordance with the criteria established for households who are unable to meet property specific requirements. (If such households are being offered units at a property without a redevelopment plan, the move from temporary Section 8 to a public housing unit will be treated as an administrative transfer.)
- (10) Leaseholders with a return preference as described in subparagraph 4(c)(2) above, who are lease compliant, and meet property specific requirements.
- (11) Leaseholders with a return preference as described in subparagraph 4(c)(2) above, who are lease compliant, and are engaged in activities to meet property specific requirements.
- (12) Leaseholders who wish to make a Gautreaux transfer as described in the A & O Policy to a redeveloped property, are lease compliant, and meet property specific requirements.

- (13) Leaseholders who wish to make a Gautreaux transfer as described in the A & O Policy to a redeveloped property, are lease compliant, and are engaged in activities to meet property specific requirements.
- (14) New admissions based on income requirements established in the A&O Policy or as agreed to in the Redevelopment Agreement for that site. Families in this group must meet the property specific requirements as established in the redevelopment plan for the site.

For categories 1, 3, 5, 7, 10, 12, and 14, the following must be true at the time of the housing offer:

- The household meets any additional property specific requirements established in the redevelopment agreement for the property; and
- The household must be lease compliant as defined in subparagraphs 1 (a) through (h) of this contract.

In the event the household subsequently fails to meet the property specific requirements, in order to continue in occupancy, the household must show evidence in activities to meet the property specific requirements and meet such requirements within a minimum of one (1) year (or a longer period as specified in the Redevelopment Agreement). The Property Manager will retain the discretion to provide the Leaseholder with additional time to cure.

Should the household fail to meet such requirements within one (1) year or a longer period as specified in the Redevelopment Agreement, the Leaseholder is entitled to one transfer to another CHA unit in accordance with the following:

- CHA will offer a unit that meets Housing Quality Standards (HQS) as defined by HUD's regulations at a property where the Leaseholder meets the property specific requirements.
- If the Leaseholder declines the transfer unit, the CHA will offer a permanent Section 8 voucher.
- In the event a unit of appropriate bedroom size as defined in the Admissions and Occupancy Policy is unavailable; CHA will offer the family a temporary Section 8 until such time as an appropriate unit becomes available. The family must be relocated to temporary Section 8, or housed in a CHA unit as described in (a), not more than 180 days after expiration of the one-year cure period. Public housing units offered to families in temporary Section 8 as a result of this paragraph will be located in a development where the household meets the property specific requirements. Such moves will be made in accordance with the order of offers established in this contract.

Notwithstanding the above mentioned one-transfer entitlement, such transfer will not diminish the Leaseholder's right to remain in a public housing unit subject to being lease compliant, as defined in the CHA Residential Lease and its attachments.

For categories 2, 4, 6, 8, 11, and 13, the following must be true at the time of the housing offer:

- The household must provide evidence that they are engaged in activities in order to meet the property specific requirements; and
- The household must be lease compliant as defined in subparagraphs 1 (a) through (h) of this contract.

- The household must meet the property specific requirements referenced above within a minimum of one year (or a longer period as specified in the Redevelopment Agreement) from the date of admission.

In the event the household fails to meet the property specific requirements within one year (or a longer period as specified in the Redevelopment Agreement) the Leaseholder is entitled to one transfer to another CHA unit. The Property Manager will retain the discretion to provide the Leaseholder with additional time to cure. The transfer unit will be offered in accordance with the following:

- CHA will offer a unit that meets HQS as defined by HUD's regulations at a property where the Leaseholder meets the property specific requirements.
- If the Leaseholder declines the transfer unit, the CHA will offer a permanent Section 8 voucher.
- In the event a unit of appropriate bedroom size as defined in the Admissions and Occupancy Policy is unavailable; CHA will offer the family a temporary Section 8 housing choice voucher until such time as an appropriate unit becomes available. The family must be relocated to temporary Section 8, or housed in a CHA unit as described in (a) above, not more than 180 days after expiration of the one-year cure period. Public Housing units offered to families in temporary Section 8 as a result of this paragraph will be located in a development where the Leaseholder meets the property specific requirements. Such moves will be made in accordance with the order of offers established in this contract.

Notwithstanding the above mentioned one-transfer entitlement, such transfer will not diminish the leaseholder rights to remain in a public housing unit subject to their being lease compliant, as defined in the CHA Residential Lease and its attachments.

e. Emergency Transfers.

- (1) Emergency transfers (moves required when a building or unit's condition poses an immediate threat to the Leaseholders' safety and welfare) shall be executed as expeditiously as possible and in accordance with the Emergency Transfer section of the CHA's A&O Policy. As soon as practical after the occurrence, but in no event later than forty-five (45) days, the CHA shall inform the LAC in writing about such moves, the nature of the emergency, names of Leaseholders affected and the temporary or permanent location where they are housed. The release of personal information to the LAC is contingent upon the Leaseholder's authorization as provided by the release at the end of this document. Refusal to comply with a request from the CHA for an emergency transfer can be grounds for Lease termination. A move as a result of an Emergency Transfer does not extinguish any right of return or other relocation rights as provided by this contract.
- (2) CHA will not provide prior written notice to Leaseholders in situations where CHA has little or no warning of the condition or situation that results in an emergency. To the extent feasible, CHA will provide prior written notice within a reasonable time period to Leaseholders where there is prior knowledge or information concerning the conditions or situation creating the emergency (e.g. court ordered closing due to code violations). CHA will not use the emergency transfer provision for the purpose of building consolidation. To the maximum extent possible, CHA will close buildings using a building consolidation plan with notice as required by this contract.

5. CHA Responsibilities Prior to Relocation.

Prior to relocating any Leaseholder, the CHA shall:

- a. Conduct Relocation Planning Meetings for all affected Leaseholders to:

- (1) Explain the reason for the relocation and any proposed plans for the development, including the proposed numbers of newly constructed or rehabilitated units (if applicable).
 - (2) Develop a relocation plan in consultation with the LAC and affected residents. CHA will conduct at least two such information sessions with at least one to be held during evening or weekend hours.
 - (3) Review the Relocation Packet described in subparagraph 5(c) below.
 - (4) Present residents with any existing scale models, photographs, video of other similar units built or rehabilitated in other CHA developments, or renderings of units to be built or rehabilitated.
- b. As part of the redevelopment process, enter into a Redevelopment Agreement that may include terms that affect the relocation process for the development. The Redevelopment Agreement will address site specific relocation issues not covered in this Contract. If there is no Redevelopment Agreement, then this Contract represents the applicable rights and procedures for the relocation process. The CHA will make a good faith effort to enter into a MOA with the LAC that reflects any property specific understandings with respect to the redevelopment process.
- c. At the time of the Relocation Planning Meetings, provide Leaseholders with a Relocation Packet that contains information on their rights under the Uniform Relocation Act (URA) or Section 531 (Demolition and Disposition) of the Quality Housing and Work Responsibility Act (QHWRA). All Leaseholders will be required to sign for the receipt of the Relocation Packet. The Relocation Packet will include information on relocation assistance benefits, replacement housing choices as outlined in paragraph 6 of this Contract, processing time frames for Section 8 relocatees, and identify the office where the CHA Relocation Procedures Manual is available for inspection. If a Leaseholder cannot attend any of the Relocation Planning Meetings, then the CHA will provide the name of a contact person and the office address with telephone number where information may be obtained.
- d. As part of the initial right of return recertification, provide a HCS. The HCS will include the following information for each family member: name, age, gender, and any accessibility needs (e.g., wheelchair). In addition, HCS's shall allow families to identify characteristics of desirable neighborhoods and/or developments to which they are seeking to transfer. The CHA shall allow Leaseholders the opportunity to select up to three permanent replacement housing choices (including permanent Section 8) and a temporary housing choice (either public housing or Section 8). In conducting HCS's, CHA will provide written notice in accordance with subparagraph 5(h)(1)(ii) below. Families have the option to change their permanent housing choices on their HCS one time. This change may be made at any time between submitting their HCS in conjunction with their initial right of return recertification and accepting an offer of permanent replacement housing.
- e. Ensure that all communication regarding any relocation activities be written in plain, understandable language and posted and made available in the property management offices and any relocation site offices. Persons who are unable to read or understand relocation documents or notices (e.g. illiterate, foreign language, or impaired vision or other disability) must be provided with appropriate translation/communication (e.g. sign language interpreter or reader) and appropriate follow-up by CHA staff. Each written communication shall indicate the name, address and telephone number (including the telecommunication device for the deaf (TDD/TTY) number, if applicable) of a person who may be contacted for answers to questions or other needed help.
- f. Amend its property management contracts or other applicable contracts to include all rights, responsibilities, and obligations required by this Contract.

- g. Make offers of housing in accordance with the priorities established in this Contract and in accordance with CHA's approved A&O Policy and the Tenant Selection and Assignment Plan, as conformed to this Contract.
- h. Provide Leaseholders with the following written notices in the order described below:

(1) For All CHA Leaseholders

- (i) **Relocation Contract Notice:** The CHA will provide Leaseholders with information regarding lease compliance as it relates to this Contract. Any Leaseholder who was in occupancy on October 1, 1999 and is lease compliant is protected by this contract. A sample notice is attached hereto as Exhibit A.
- (ii) **Right of Return Recertification Notice:** The CHA shall provide each affected Leaseholder a fourteen (14) day written notice to attend the recertification interview that is completed in preparation for relocation and in accordance with paragraph 3 of this Contract. Sample notices are attached hereto as Exhibits B and K.

Subsequent to the right of return recertification, the property manager will prepare a building roster. The roster will identify the status of each Leaseholder with respect to right of return, family size and other household information necessary to effect the relocation process. The roster will be used to distribute and track the completion of the HCS's. This roster will also track Leaseholders with a right of return to a particular site who have been relocated to another site as the result of an emergency transfer.

- (iii) **Notice of Lease Compliance:** This written notice describes the outcome of the right to return recertification. Samples of these notices are attached hereto as Exhibits E1-E3 and L1-L2. The right to return recertification will result in one of three outcomes:

- The Leaseholder will be found lease compliant and will be recertified with the right of return; or
- Evidence of incurable Lease violations will be discovered and the CHA will begin the Lease termination process or, if applicable, terminate Section 8 assistance. If the Court enters judgment for eviction or a hearing officer upholds termination of Section 8 assistance, the Leaseholder will be evicted with no right to return and receive a Loss of Right of Return Notice, Exhibit D1. If the Court or hearing officer enters judgment in favor of the Leaseholder, the Leaseholder is deemed lease compliant and retains all rights under this contract. If the CHA does not begin the eviction or Section 8 termination process within sixty (60) days, the Leaseholder will be deemed lease compliant; or
- Evidence of curable Lease violations will be discovered and the Leaseholder will be given one hundred eighty (180) days to cure.

- (iv) **Notice of Final Determination of Lease Compliance (Initial Right of Return Recertification):** The CHA will notify the Leaseholder in writing at the end of the one hundred eighty (180) days as to the result of the attempt to cure. If the Leaseholder cures all existing Lease violations, then the Leaseholder will be determined Lease compliant. If the Lease violations are not cured, the CHA will terminate the Lease in accordance with subparagraph 5(h)(2)(iii). A sample of these notices are attached hereto as Exhibit F1-F2 and M1-M2.

(2) For First Moves, Permanent or Temporary:

(i) **180/120 Day General Information and Eligibility Notice (required by 49 CFR 24.203(a) & (b)):** The CHA shall provide each affected Leaseholder a written general information notice stating their rights under Section 531 of QHWRA (Demolition and Disposition), or the URA, as applicable. This written notice shall state:

- Whether the Leaseholder will or may have to move and caution them not to move prematurely.
- The reason for the relocation and information regarding the Relocation Planning meetings described in subparagraph 5(a) above.
- That the Leaseholder is entitled to the relocation assistance as provided by this contract.

This notice shall be issued as soon as feasible, but in no event less than six months (180 days) prior to the proposed date of relocation resulting from demolition, rehabilitation, or conversion to tenant-based assistance. A minimum of four months (120 days) prior notice is required for relocation due to planned building consolidation. A sample notice is attached hereto as Exhibit G.

(ii) **Ninety (90) Day Notice: (required by 49 CFR 24.203(c))** CHA shall provide each affected Leaseholder notice of displacement in the following manner:

- **Leaseholders moving to temporary or permanent Section 8** Leaseholders moving to Section 8 units will receive a ninety (90) day notice of displacement when the unit has passed an HQS inspection. A sample of the notice is attached hereto as Exhibit H and N.
- **Leaseholders moving out of their development of origin** Leaseholders requiring a move to a unit that is not in their development of origin will receive a ninety (90) day notice once the address of a comparable replacement housing unit has been identified. A sample of the notices are attached hereto as Exhibit H and N.
- **Leaseholders moving to another unit within their development of origin** Leaseholders who do not leave their development of origin will be treated as administrative transfers. If applicable, leaseholders will receive notice pursuant to 49 CFR 24.203.

(iii) **Notice of Satisfaction of Right of Return:** Leaseholders moving permanently will receive a notice stating that choosing a permanent Section 8 or new or rehabilitated public housing unit constitutes their final housing choice and that the leaseholder's right of return has been satisfied, Exhibit D2.

(3) **For Subsequent Temporary Moves:** The notice process for subsequent temporary moves will follow the process outlined in subparagraph 5(h)(1)(ii - iv) and (2) of this Contract with the following exceptions:

(i) At the option of the CHA, if a Leaseholder was recertified within six (6) months of a notice of subsequent temporary move, then an additional

recertification will be waived. If the CHA opts to recertify the Leaseholder, then the CHA is required to provide the Leaseholder with all applicable notices as set forth in subparagraph 5(h)(2) above.

- (ii) Temporary Housing Choice Survey (HCS) Notice: In the event of subsequent temporary relocation(s), the Leaseholder will have the option to fill out a temporary HCS. The permanent housing choice indicated on the first housing choice survey will remain the Leaseholder's permanent housing choice preference. The CHA will provide each Leaseholder with at least four (4) days advance written notification of the dates and times when temporary replacement housing choice surveys will be conducted by CHA relocation staff.

(4) **Invoking the Right to Return - Final Move:**

The written notice process for permanent or final moves follows the process for first moves as outlined in subparagraph 5(h) (1) and (2), with the following exceptions:

- (i) No Relocation Contract Notice will be given for the final move.
 - (ii) No 180/120 General Information Notice will be given for the final move.
 - (iii) A Leaseholder who is given written notice of Lease violations will have thirty (30) days to cure and will be reevaluated following the cure period. A Leaseholder who has cured will receive written notice that the Leaseholder will be relocated ninety (90) days from the date of the notice as described in subparagraph 5(h)(2)(vi). During the cure period, the Leaseholder's priority for a unit of the Leaseholder's choice will be suspended.
 - (iv) The CHA will move to terminate assistance for a Section 8 Leaseholder or evict a Leaseholder who has not cured within the thirty (30) days. If a hearing officer upholds a termination of assistance or if the Court enters judgment for eviction, the Leaseholder will lose assistance or be evicted with no right to return. If the hearing officer or Court enters judgment in favor of the Leaseholder, the Leaseholder is deemed lease compliant and retains all rights under this contract. If the CHA does not begin the assistance termination or eviction process within sixty (60) calendar days, the Leaseholder will be deemed Lease compliant.
- i. In addition to the notices described above, the following notice will be given in conjunction with the Redevelopment Process:
- (i) **Notice of Property Specific Requirements:** As redevelopment working groups develop property specific requirements for sites undergoing redevelopment, the CHA will give notice to all families with a right of return describing the approved requirements. Such notice will be given no less than one (1) year prior to an offer of a replacement housing unit.

6. CHA Responsibilities During Relocation.

- a. Good Neighbor and Transition counseling will be made available to all Leaseholders and members of their household. Transition counseling consists of an introductory information session that includes an overview of the Section 8 program, information on private sector housing requirements, home management training, and Leaseholder rights under the Federal Fair Housing Act and related state and local Fair Housing laws. Individual counseling sessions will also occur. Individual counseling will provide families with the opportunity to connect to supportive services, receive information on housing search techniques, engage in financial planning, and if requested receive a referral to a

Mobility Counseling program. Transition Counseling will also include limited follow-up contact after the move.

Mobility Counseling is available for Leaseholders interested in moving to opportunity areas. Opportunity areas are defined as census tracts with no more than 23.49 % of families with incomes below the poverty level ("low poverty census tract") and no more than 30 % African-American population ("racially diverse census tract"). Mobility Counseling is available for Leaseholders who indicate an interest in moving to opportunity areas or to low poverty or racially diverse census tracts. Mobility Counseling will also include follow-up contact by telephone and at least one (1) post-move visit to the family (provided the family is within the Chicago metropolitan area).

- b. The CHA or its designee shall provide public transportation stipends for any relocatee to Section 8 housing, and transportation assistance for mobility moves sufficient to allow the Leaseholder in each case to inspect up to three Section 8 units.
- c. The CHA shall allow the Leaseholder adequate time to enter into a lease for the unit selected. Adequate time for public housing Leaseholders will be defined as one (1) year. The CHA or its Section 8 contractor will permit increased time through extensions or re-issuance of vouchers for relocatees.
- d. The CHA shall provide the Leaseholder with relocation assistance or services in accordance with either the URA or Section 531 of QHWRRA titled Demolition and Disposition, as applicable. Such assistance shall apply for both temporary and permanent relocation. Upon request, the CHA will make available a copy of any applicable property specific Redevelopment Agreement to the Leaseholder.
- e. The CHA shall ensure that each comparable replacement dwelling unit is decent, safe, and sanitary, at a minimum meets the Section 8 housing quality standards and conforms to the requirements in subparagraphs 10(a) and (b) of this Contract.
- f. The CHA will provide the following moving services to the Leaseholder for relocation: transportation (as described in subparagraph 6(b) above), packing materials, temporary storage (not to exceed ninety (90) days), reimbursements for utility hook-up including telephone and cable, and credit checks. Through the moving company, CHA will also provide property replacement insurance. CHA will reimburse families for any reasonable losses sustained during the move. CHA may also provide reimbursement for other moving related activities determined by the CHA to be reasonable and necessary to the move.
- g. In providing moving services pursuant to subparagraph 6(f) above, the following shall apply: For all local temporary moves to Section 8, defined as any move within the Chicago metropolitan area, CHA will provide moving services for both the initial move to the temporary housing choice and the return move to the permanent housing offered. CHA will not reimburse or provide moving services for Leaseholders using a temporary Section 8 voucher outside the Chicago metropolitan area. For permanent Section 8 moves outside the Chicago metropolitan area, CHA will provide moving services as outlined in subparagraph 6(f) above.
- h. The CHA is obligated to abide by the above set of responsibilities for all Leaseholder relocation associated with this Contract.
- i. CHA will work to assure access to existing social services for CHA residents.

7. Leaseholder Obligations.

During the relocation process, the Leaseholder shall be bound by certain duties and responsibilities. Failure to adhere to these duties and responsibilities may result in the delay or forfeiture of the right of return as provided for in this Contract.

- a. A Leaseholder may lose the right to return by failing to abide by any of the following:

- (1) Provide all relevant information, in a timely manner, to the CHA during a recertification process and attend recertification appointments.

If the Leaseholder fails to comply with this obligation, CHA will send written notice of this failure to the Leaseholder. The Leaseholder must provide the necessary information and/or schedule any necessary appointments within fifteen (15) calendar days from the verified date of mailing. In the event the Leaseholder fails to respond to this notice within fifteen (15) calendar days, the CHA may evict the Leaseholder, resulting in the loss of the right to return.

- (2) Attend at least one (1) Relocation and/or Redevelopment Planning Meeting described in subparagraph 5(a) that explains the relocation process, plans for development, and the timing of such procedures to be implemented, or pick up a Relocation Packet at the Redevelopment Planning Meeting or at the Leaseholder's management office and sign a certification attesting to its receipt.

If the Leaseholder fails to pick up and sign for a Relocation Packet, the CHA will send written notice of failure to comply with this obligation. The Leaseholder must attend a presentation to receive a Relocation Packet or retrieve one from the management office within fifteen (15) calendar days from the verified date of mailing and sign a certification. Failure of the Leaseholder to respond to this notice within the fifteen (15) calendar days may result in the loss of the right to return.

- (3) Complete and return a signed Housing Choice Survey (HCS) form.

If the Leaseholder fails to comply with this obligation, the CHA will send written notice to the Leaseholder informing the Leaseholder of the failure. The Leaseholder must return a signed HCS within fifteen (15) calendar days from the verified date of mailing of the notice of failure to comply. If no HCS is received from the Leaseholder, the CHA will assign the Leaseholder a temporary relocation unit based on availability, without regard to preference, and the Leaseholder will lose the right to return.

- (4) Maintain lease compliance in accordance with the terms and conditions in CHA's Lease and Leases executed during tenure as a temporary Section 8 resident. When notified of lease compliance issues, the Leaseholder must take appropriate steps to remedy such issues. Failure to maintain lease compliance may result in eviction and loss of the right to return as stated in paragraphs 3 and 5.

- (5) Remove a household member who is subject to a lifetime registration requirement under a state sex offender registration program within fifteen (15) days of notice to do so.

- (6) Accept one of two (2) housing offers as described in subparagraph 4(c)(2) of this contract.

b. A Leaseholder may delay the right of return by failing to abide by any one of the following:

- (1) If applicable, failing to attend and participate in all required Section 8 screening, orientation, briefing sessions, and recertifications; and

- (2) At the time of the permanent move, failing to abide by the personal housing choice ranking identified through the HCS process outlined in paragraph 5 of this document.

c. The Right of Return is extinguished at the time of acceptance of an offer of a CHA newly rehabilitated or newly constructed unit.

8. Types of Permanent Housing.

The CHA will provide lease compliant Leaseholders with the following permanent comparable replacement housing options:

- a. Section 8. A Section 8 unit is an existing unit owned by a private landlord located anywhere in the United States, and is in compliance with all Section 8 Program standards. Permanent Section 8 is a final housing choice. If a Leaseholder is successful in securing a Section 8 unit within the one year time allotment as provided in subparagraph 6(c), then the CHA will not provide a Right to Return. Therefore, if the Leaseholder chooses Permanent Section 8 on the HCS, then the Leaseholder must select two (2) public housing choices in the event that no Section 8 unit is secured within one (1) year.
- b. Rehabilitated Scattered Site. A scattered site unit is a public housing unit constructed in accordance with the orders of the Federal Court in the Gautreaux case. (These units are identified as Category 3 in the Plan for Transformation). Subject to satisfaction of all rights to return established through this Contract, scattered site units will be occupied in accordance with the percentages established in the Gautreaux Court Ordered Tenant Selection and Assignment Plan. For the purposes of this Contract, scattered sites do not include local replacement housing units described in subparagraphs 8(c)(1) and (2) below.
- c. Local Replacement Housing
 - a. Rehabilitated Unit. A rehabilitated unit is a unit located in a development that is substantially rehabilitated as part of the redevelopment plan. A substantially rehabilitated unit is defined as a unit that is rehabilitated at a level sufficient to remain a viable public housing unit for twenty (20) years following rehabilitation. Lease compliant Leaseholders who are currently residing in the units to be rehabilitated shall have first priority for those units in accordance with the order of offers in subparagraph 4(d).
 - b. Newly Constructed Units. Lease compliant Leaseholders who currently reside in units to be demolished shall have first priority for all on-site or neighborhood public housing units located in or near the developments or sub-developments from which they were displaced.
 - (i) On-site Unit. An on-site unit is a newly constructed unit located on the site of the units that were demolished as part of the redevelopment plan.
 - (ii) Neighborhood Unit. A neighborhood unit is a newly constructed unit located in the community area adjacent to the public housing development.

9. Types of Temporary Housing:

The CHA will provide lease compliant Leaseholders with the following temporary comparable replacement housing options:

- a. Transfer Unit. A transfer unit is a decent, safe, and sanitary unit, in compliance with Section 8 housing quality standards, local health and safety codes, located in any CHA development. A lease compliant Leaseholder who selects a transfer unit will retain the right of return to a local replacement housing unit as described above.
- b. Existing Scattered Site. Same as defined in subparagraph 8(b) above with the provision that a lease compliant Leaseholder who selects an existing scattered site unit as a temporary choice will retain the right to return to a new or rehabilitated scattered site unit or local replacement housing unit as referenced above.

- c. Section 8 Unit. Same as defined in subparagraph 8(a) above with the provision that, in accordance with the A&O Policy, Leaseholders opting for temporary Section 8 will be given a right of return to a local replacement housing unit. In addition, temporary Section 8 Leaseholders invoking their right to return, will be classified as CHA transferees.
- d. Non-CHA Housing. Other housing options voluntarily chosen by the Leaseholder. Lease compliant Leaseholders who select this option retain their right of return to a local replacement housing unit.

10. Nature of Comparable Replacement Housing.

Each relocated Leaseholder is entitled to a comparable replacement-housing unit.

- a. A comparable replacement housing unit, whether public housing or Section 8, is defined as one that is decent, safe and sanitary, functionally equivalent to the Leaseholder's original dwelling unit, adequate in size to accommodate the Leaseholder's household, located in an area not subject to unreasonable adverse environmental conditions, located in an area not less desirable than the location of the Leaseholder's original dwelling unit with respect to commercial and public facilities, reasonably accessible to the Leaseholder's place of employment, located on a site that is typical in size for residential development with normal site improvements, meets Section 8 housing quality standards (where applicable) and is no more costly to the Leaseholder than the public housing unit from which the Leaseholder is moving.
- b. Consistent with applicable federal regulations, a comparable replacement housing unit must meet the accessibility needs of the Leaseholder and/or the Leaseholder's family members.
- c. A Leaseholder may reject an offer of a replacement housing unit that is not comparable as described in subparagraphs 10(a) and (b). Such refusal will not affect the Leaseholder rights under this contract.
- d. For Section 8, the CHA will foster moves to opportunity areas, but the final location choice belongs to the Leaseholder. An opportunity area is defined as a census tract with no more than 23.49 % of families with incomes below the poverty level and no more than 30 % African-American population.

11. Monitoring and Enforcing this Contract.

- a. Reporting. On a quarterly basis, the CHA shall report to the CHA Board of Commissioners, the CAC, and the community at large on development and relocation activities. The report shall also include site-by-site information with sufficient detail to enable the CHA Board of Commissioners and the CAC to ensure that Leaseholders are afforded the rights guaranteed under this Contract. The information in the report shall include but not be limited to the timely service of notices, the timely presentation of relocation information, completed recertifications, family status as a result of the recertification, and HCS results. The report will also include Section 8 utilization information and identify the number of expired Section 8 vouchers where families are not successful in finding housing. This report shall be in writing and shall be forwarded to the CHA Board of Commissioners and the CAC, and be made available to the community at large, within thirty (30) days of the end of each quarter. The CHA shall contract with an independent auditor to ensure monitoring and tracking of the relocation process.
- b. Grievance Procedures.
 - 1. Public housing Leaseholders, as well as Leaseholders who choose Section 8 as a temporary housing choice and are program participants, may enforce the guarantees contained in this contract through the standard CHA grievance process. This in no way restricts a Leaseholder's right to seek enforcement of

this contract through the judicial system. This Agreement does not supercede applicable federal, state, or local law.

2. A temporary Section 8 household, as described above, may use the CHA grievance process including the right to a formal hearing (unless otherwise excluded by the CHA grievance procedures), only to enforce provisions of the contract or any termination of Section 8 assistance pursuant to 24 CFR 982.552. In the event that a household with a temporary Section 8 voucher files a grievance, the informal hearing shall be conducted by the contractor for the Section 8 program. Any subsequent formal hearing shall be heard by a Hearing Officer designated by CHA's General Counsel.

12. Applicability.

For those choosing a temporary Section 8 voucher or other non-CHA housing with the right to return, the applicable portions of this contract shall survive the termination of the Leaseholder's Lease.

13. Amendment.

If policy changes to this contract are required, the CHA will negotiate the proposed changes with the CAC and request approval from the CHA's Board of Commissioners. If procedural changes to this contract are required, the CHA will similarly negotiate these changes with CAC prior to implementation, but need not seek the approval of the CHA's Board of Commissioners for such changes. Such changes will be approved in writing by the CEO or his/her designee.

LEASEHOLDER:

CHA:

Name (printed)

Name (printed)

Signature

Signature

Phone

Date: _____

Optional Release of Information:

With my signature below, I hereby grant authority to the CHA to release information regarding any emergency transfer I am required to make in connection with the relocation process. I understand that information including but not limited to my name, the nature of the emergency, and the temporary or permanent location at which I am subsequently housed will be made available to the LAC in the development I am relocating from and to. I understand that this release is optional and my choice not to release this information in no way effects my rights under this contract.

Name (printed)

Signature

Choose To Own Home Ownership Program (CTO)

Choose to Own (CTO) is CHA's innovative home ownership program that allows qualified families to use their vouchers to offset a portion of their mortgage—the same way they use their voucher to offset a portion of their rent. The program combines knowledgeable staff and strong community partnerships to provide families with a comprehensive support network that has created one of the most successful programs of its kind in the nation. CTO has helped hundreds of families with vouchers make the transition from renting to owning. As a testament to its approach, there have been no foreclosures.

CTO families can purchase a single-family house, town house, condominium or cooperative anywhere in Chicago. Just like other prospective home owners, CTO families search for a home, have it inspected, explore financial options, secure a mortgage and close on the property. After closing, the program pays a portion of the family's mortgage each month for up to 15 years. In addition to financial assistance, the program provides home buyer education, credit counseling and other services to help voucher families navigate the process and increase their chances of success.

Program Features

- Mortgage subsidy for up to 15 years
- Free legal representation at closing
- Referrals to lenders
- Estate Planning

Program Requirements

To qualify for CTO, the head of household must:

- Be a participant in the Housing Choice Voucher Program
- Be in compliance with program rules
- Be a first-time homebuyer or have not owned a home for at least three years
- Earn at least \$10,300* annually from employment or business
- Complete a pre-counseling program

*Seniors and people with disabilities may be exempt from the minimum income requirement and number of years for mortgage assistance.

Gautreaux Information

The Chicago Housing Authority is subject to certain development restrictions under the federal court Judgment Order in *Gautreaux v. CHA*. The Order restricts the number of public housing units to be developed in any one location. In addition, both the Judgment Order and HUD regulations restrict housing for families in elevator buildings or above the third floor. The Master Developer must work with the CHA, counsel for the Gautreaux plaintiffs and the Habitat Company to obtain any necessary judicial approvals for the project.

McGuire Iglesias & Associates Site Analysis Report 2007

The Habitat Company LLC, as Receiver for the CHA, retained McGuire Iglesias & Associates, Inc. To explore three different revitalization scenarios for the Lathrop Homes and estimate their associated costs in accordance with the U.S. Department of the Secretary of the Interior's Standards for Historic Preservation. The study was requested due to Section 106 of the National Historic Preservation Act and 36 CFR Part 800. The schematic designs and cost analysis included unit designs that created market-quality fully rehabilitated units in full compliance with the Secretary of the Interior's Standards, achieved one off-street parking space per unit, and met all federal, state and local accessibility requirements. The three conceptual development plan options included: rehabilitation of all of the buildings on the site; balanced conservation and new development, with new construction selectively inserted among some remaining buildings; and all new construction. The resulting Lathrop Homes Site Analysis Report submits no recommendations for a future revitalization plan. Rather, it provides a feasibility analysis and understanding of the relative costs and benefits of the three conceptual development plan options. The Executive Summary and Conclusion are included in Exhibit XX.

Design Requirements For Accessibility

Minimum Accessibility Requirements for...	<i>Public Housing & Tax-Credit Affordable Units</i>	<i>Unsubsidized Units</i>
<i>All units</i>	10% of total units to be Visitable 5.3% mobility impaired & 2.1% visual hearing impaired	10% of total units to be Visitable
<i>Mid-rise & High-rise Buildings (4 stories or more, 10 or more units)</i>	20% of the total units to be Type A Units	
<i>Walk-Up Buildings (all other buildings)</i>	5% Accessible, 15% Adaptable, for a total of 20% Accessible/Adaptable.	0% Accessible, 10% Adaptable, for a total of 10% Accessible/Adaptable
<i>All ground floor units and all units served by an elevator in 4-unit structure</i>	Must meet ANSI A117.1 Type B requirements	

An aerial photograph of an industrial corridor, likely the Addison Industrial Corridor, showing a dense area of industrial buildings and infrastructure. A river flows through the center of the corridor. A green highlighted path, representing the Green Business Corridor, winds through the industrial area, following the river and connecting various industrial sites. The text is overlaid on this image.

Addison Green Business Corridor Strategic Plan

*Showcasing innovative, competitive +
sustainable business development in a unique
urban riveredge setting*

Location



- A competitive business environment surrounded by upscale urban neighborhoods + amenities



- Great access to public transit + major arterials



- Proximity to the **Green Exchange** and **Lathrop Homes Redevelopment**



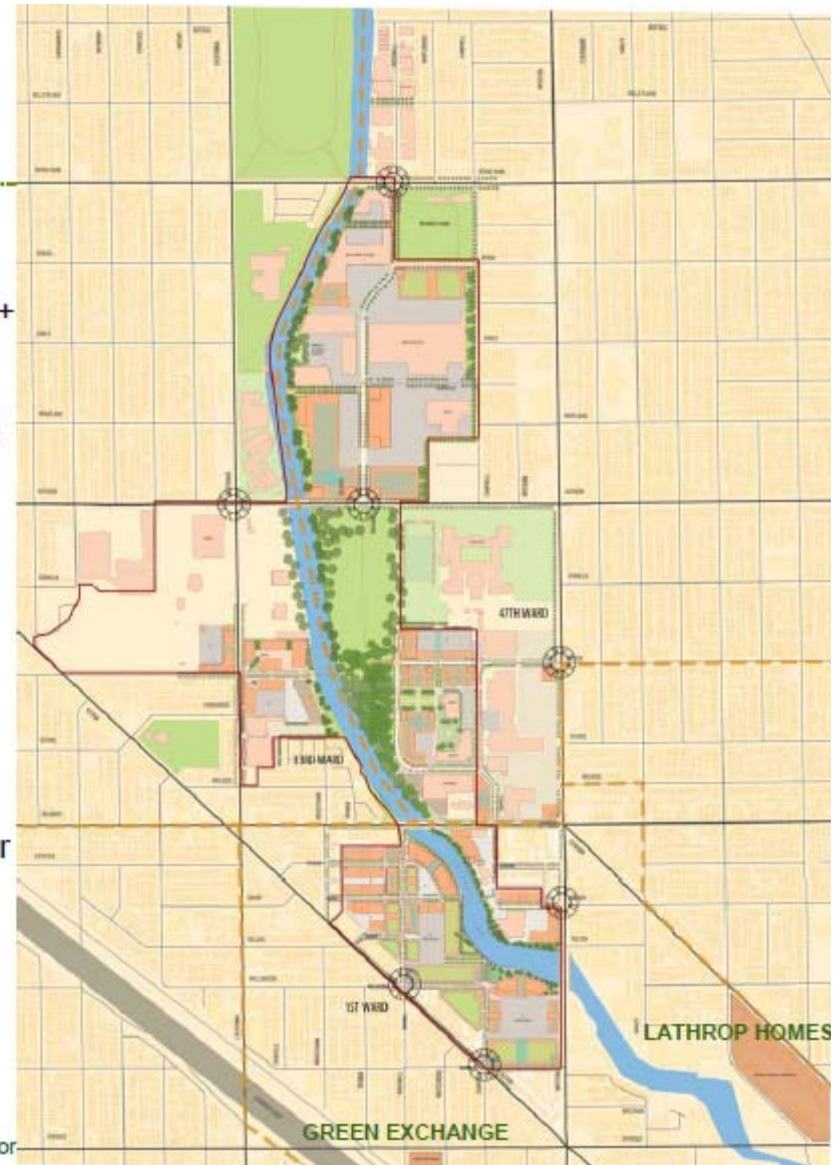
- A unique, park-like urban setting along the Chicago River

- New community connections at Rockwell, Roscoe, Barry

- Local jobs \ local people

October 20, 2009

DCD Addison Cor



Physical Master Plan



October 20, 2009

- Startup + established businesses will join 130 businesses + over 3,000 employees
- Located in a 100-year-old business environment primed for 21st Century expansion + development as an incubator for innovative new businesses targeted to proven Chicago industrial sectors
- Focusing on 'clean tech' businesses + 'green' campus environment
- New Class A facilities, in addition to existing + adaptively-reused structures
- New development potential with a variety of parcel sizes, floorplate, and lease spans

DCD Addison Corridor Commu



Infrastructure Plan



- Sustainable, state-of-the-art infrastructure of utilities:
 - shared power generation
 - water consumption reduction
 - waste production decrease



- District-wide stormwater management program



- Focus on LEED- and *Sustainable Sites*-certified properties, both new and existing

Improvements to be made in the short term to benefit existing properties + to set the stage for new development

October 20, 2009

DCD Addison Corridor Communi



One Corridor \ 3 Campuses



- Over **85** developable acres



- Potential buildout of over **2,000,000** SF of build-to-suit Class A facilities + an estimated 4000-5000 jobs



- Signature Class A buildings + modern building renovations

October 20, 2009

DCD Addison Corridor Community Workshop 3



North Campus

- Targets business-to-business and business-to-consumer enterprises
- Features **WGN** and business properties at **Basic Wire & Cable**, **Bradley Business Center** and **Wrightwood**
- **27** developable acres, **3.0 to 10.0 acre** parcel sizes, and **480,000 SF** of build to suit potential fronting on the Chicago River, including

Infrastructure Improvements:



October 20, 2009

DCD Addison Corridor



Central Campus

- Targets urban businesses and education \ job training opportunities
- Features **ComEd**, **WMS**, an expanded **HuFriedy**, and **Devry University**
- **22** developable acres, **2.0** to **6.0** acre parcel sizes, and **670,000 SF** of build-to-suit potential



October 20, 2009



Infrastructure Improvements

DCD Addison Corridor Community Workshop 3

South Campus

- Targets 'clean tech' emerging businesses and education \ job training opportunities
- Features **Cenveo** and **Tampico**, on an all-new urban campus fronting on the Chicago River, with **36** developable acres
- **1.0 to 12.5 acre** parcel sizes, and **900,000 SF** of build to suit potential

Infrastructure Improvements



October 20, 2009

DCD Addison Corridor Community Workshop 3

Success Stories



**Brooklyn Navy Yard,
New York, NY**



**Menomonee Valley Industrial
Center, Milwaukee, WI**



**Pittsburgh Technology
Center, Pittsburgh, PA**



DuPage National Technology Park, West Chicago, IL

October 20, 2009

DCD Addison Corridor Community Workshop 3

Implementation

	Years	1	2	3	4	5	6	7	8	9	10
Management, Marketing + Branding		Dark Blue									
Funding + Finance Strategies		Light Blue	Light Green	Light Green	Light Green						
Infrastructure Improvements		Light Blue	Light Blue	Dark Blue	Dark Blue	Dark Blue					
Existing Properties \ Business Support		Dark Blue	Light Green	Light Green	Teal	Teal	Teal	Teal			
New Properties \ Business Development			Light Blue	Light Green	Light Green	Light Green	Teal	Teal	Teal	Teal	Teal
Community Park Enhancement		Dark Blue	Light Green	Light Green							

October 20, 2009

DCD Addison Corridor Community Workshop 3

An aerial photograph of a city, likely Seattle, showing a river and a grid of streets. A specific area is highlighted in green, representing the Addison Green Business Corridor. The text is overlaid on this image.

Addison Green Business Corridor Strategic Plan
Showcasing innovative, competitive + sustainable businesses

DCD Multifamily Financing Underwriting Policies
CITY OF CHICAGO, DEPARTMENT OF COMMUNITY DEVELOPMENT
MULTIFAMILY FINANCING UNDERWRITING POLICIES
July, 2009

A. GENERAL MULTIFAMILY POLICIES

Allocation of Multifamily Loan Funds by Income Level

In order to assure that funds administered by the Department of Community Development and designated by City Council for the purpose of constructing and rehabilitating multifamily rental housing are employed for the benefit of diverse low and moderate income populations, including very low-income individuals and households, the department has adopted the following policies:

1. All funds which are designated in the Department of Community Development's annual budget for programs which fund the rehabilitation and new construction of multifamily rental housing will be employed in the following manner:

- 100% of these funds will be utilized to benefit persons earning no more than 80% of the median income for the Chicago primary metropolitan statistical area (PMSA).
- At least 90% of these funds will be utilized to benefit persons earning no more than 60% of the median income for the PMSA.
- At least 66% of these funds will be utilized to benefit persons earning no more than 50% of the median income for the PMSA.
- At least 25% of these funds will be utilized to benefit persons earning no more than 30% of the median income for the PMSA.

2. In the case of specific projects located in communities where market rents, as verified by appraisal, would exceed levels affordable to households earning less than 50% of the median income for the PMSA, the department will encourage proposals which will reduce rent levels for up to half of a project's units so that they are affordable to very low-income households. In the case of special needs housing, the department will encourage proposals that make 100% of a project's units affordable to the population to be served.

3. Debt service requirements for DCD financing will be established at levels commensurate with the achievement of these goals. DCD will require the payment of principal *and/or* interest when pro forma operating budgets demonstrate that such payments will not jeopardize the viability of a project.

4. In order to make units affordable to households with income below 30% of AMI, DCD will work with and encourage developers to access sources of rental subsidy, including the Chicago Low Income Housing Trust Fund (CLIHTF) and other state and federal sources of rental subsidy.

Appraisals

Appraisals, subject to the review and interpretation of DCD staff, are the basis for determining market levels of rent used to project operating income and help to determine the amount and terms of other financing to be contributed to a project.

Private first lender

Appraisals are to be obtained from a first lender who has ordered them independently of the prospective borrower. The borrower may pay for the appraisal indirectly, by means of an application or appraisal fee paid to the lender, but in no instance shall an appraisal be accepted that has been ordered and paid for by the borrower directly. An appraisal is required for the as-is value and the after-rehabilitation or new construction value at completion.

DCD as first lender

DCD orders the appraisal when in the first lender position. The cost of the appraisal will be included in the development budget so that it does not become an unreimbursed cost to DCD.

If Donations Tax Credits Apply

Developers or donors should provide appraisals to document the value of their donations.

If private acquisition applies Developers should secure an appraisal by an independent third party to determine the value of land or buildings prior to entering into an option or sales contract. DCD will not allow an acquisition cost that exceeds the value established by an independent appraisal.

Bridge Loan Financing

The department's funding priority is to subsidize construction costs and provide permanent mortgage loans in order to increase the number of affordable housing units in Chicago. The department is unable to provide bridge loan financing (interim loans to cover temporary gaps resulting from equity investor pay-in structures) to projects due to the need to conserve resources for construction and permanent financing.

Cash Flow

For all loans previously originated by the Department of Community Development and currently in the department's portfolio with repayment terms tied to surplus cash flow, surplus cash flow shall be interpreted as follows if not otherwise defined in the loan documents:

Definitions

Surplus Cash Flow shall mean, for each one-year period, operating income less the sum of (1) operating expenses for the same period and (2) senior debt service for the same period. Surplus cash flow shall be determined on a noncumulative basis for each oneyear period in accordance with generally accepted accounting principles consistently applied for such period.

Operating Income shall mean all cash received from operations of the project in the ordinary course of business, including rental subsidies, but excluding capital contributions, loan proceeds, grants and other proceeds of capital transactions.

Operating Expenses shall mean all cash expenses of operation of the project, including, without limitation, costs of utilities, reasonable maintenance, repairs and necessary replacements, real estate taxes, insurance premiums, reasonable professional and management fees and reasonable miscellaneous fees, but shall not include any fees payable to the partnership, general partner or any affiliate thereof. Depreciation expense, any other noncash expenses, and capital expenses paid for by project reserves shall not be considered operating expenses.

Senior Debt Service shall mean all payments of principal and interest on the senior debt. It does not include debt service on loans from the partnership or general partner or any affiliate thereof.

Surplus cash flow shall be verified by DCD from a review of independently audited financial statements for the project as required under DCD loan documentation. The Department will originate new surplus cash flow loans on an exception basis when, as determined by the Commissioner in consultation with the Internal Loan Committee, circumstances warrant such a debt service structure.

Cooperatives as Developers and Owners

The Department of Community Development will make loans to affordable housing developments which will be owned or affiliated with housing cooperatives and which meet the following criteria.

Ownership Structure

The property owner and obligor on DCD 's loans is one of the following:

- An established cooperative with a proven track record in housing development and property management.
- A limited partnership in which the limited partner consists of investors in a tax credit syndication and the general partner is an experienced developer who demonstrates the ability and willingness to provide housing and technical assistance to the cooperative. The cooperative will execute a master lease with the limited partnership for the entire building.
- A joint venture comprised of a cooperative and an experienced developer. The

developer must demonstrate the ability and willingness to provide technical assistance to the cooperative. DCD will entertain formal requests to replace the joint venture as borrower with the cooperative when the development has been completed and occupied and the cooperative has demonstrated its ability to own and manage the property without assistance. DCD makes no assurance that such a request will be approved.

Property Management

The cooperative must retain the services of an experienced property management firm (which may be its partner) until DCD agrees that the cooperative is ready to assume this responsibility. It will be a condition of the DCD loan that newly formed cooperatives undergo a training program which leads to gradually increased participation in the management of the property. A property management plan should be prepared which has the cooperative progressing through various phases of increasing involvement in the management of the property to the point where the cooperative is ready to assume overall responsibility for management. If the cooperative is already experienced in property management, DCD may, in its sole discretion, determine that the services of an outside management firm are not necessary.

Fees Charged by DCD

The fee schedule for projects financed with multifamily loans, tax-exempt bonds and low income housing tax credits is described below. All applicable fees should be included in a project's budget. There will be no waiver of fees.

Multifamily Financing Application Fee

\$1500 per project application (not per building) is due upon submission of the application by a for-profit developer. This fee is reduced to \$750 for a not-for-profit developer.

Bond Administrative Fee 15 basis points (.0015) of the outstanding bond amount, accruing monthly, but paid semi-annually.

Bond Issuer Fee 1.5% of the amount of bonds issued, paid at closing.

Low Income Housing Tax Credit (LIHTC) Reservation Fee 5% of the first full year's tax credit allocation is due upon acceptance of the credit reservation letter or tax-exempt bond agreement issued by DCD. This applies to both projects with 9% tax credits and 4% bond-generated credits.

LIHTC Carryover Fee \$250 per project, submitted with the Carryover Allocation form.

Monitoring Fees \$25 per unit, per year, paid annually, submitted with the annual owner's certification to DCD.

Market Study

A market study prepared by an unrelated third party at the developer's expense is required for all substantial rehab and new construction projects. It must be submitted with the initial multi-family Stage One application in a form that meets the requirements described in the application instructions. (See below.) Developers should structure projects to conform to the findings of the market study.

Market Study Requirements

The Community Renewal Tax Relief Act of 2000, which became effective January 1, 2001, amended the Internal Revenue Code. Section 42 (m)(1)(A) (iii) of the Code now requires that "a comprehensive market study of the housing needs of low-income individuals in the area to be served by the tax credit project is conducted before the credit allocation is made and at the developer's expense by a disinterested party who is approved by such agency."

For each project receiving tax credits, the developer is required to obtain an independent, comprehensive, timely, and professional market study. The study should be prepared by a market analyst, unaffiliated with the developer, who has experience

with multifamily rental housing. The market study should include:

- a statement of the competence of the market analyst;
- a description of the project and its site; (1)
- demographic analysis of the number of households in the market area (2), which are income eligible (3) and can afford to pay the rent;
- definition of the market area; (4)
- analysis of household sizes and types in the market area;
- a narrative description of comparable developments in the market area;
- a description of rent levels and vacancy rates of comparable properties;
- analysis of practically available operating expenses and turnover rates of comparable properties in the market area;
- projected operating income and expenses, when available at the time of the study; and
- a demand analysis, if applicable, including the expected market absorption of the proposed rental housing, and a description of the effect on the market area.

Federal law requires that state allocation plans direct Housing Credits to properties which “meet priorities appropriate to local conditions.” Therefore, the market study should demonstrate the need for the proposed project in the market area. The Department of Community Development retains the right to reject any market study which does not fulfill the requirements as outlined above.

(1) Description should address the Project at the unit level including: units types, number of units, square footage and proposed rents for both market rate and income restricted/affordable units. It should be noted if the proposed rents do or do not include tenant paid heating, cooling, cooking expenses.

(2) Analysis should include the most current demographic data (typically from the U. S. Census) and provide the percentage increase or decrease from the previous census and any future projects; projects receiving project-based rent subsidies should focus on the size of the eligible population in the market area and the size of the Section 8 waiting list.

(3) Description of the geographic boundaries of the market area and the submarket area (if applicable) and a discussion explaining the definition of the market. If a particular subset of the population is defined without respect to geographic boundaries, the market study should define this targeted market. It should identify the recent trends and the current overall rental vacancy rate for the project and comparable developments in the market and include a discussion of any vacancy or absorption problems in the market or submarket, if relevant.

(4) For fully occupied projects where the extent of rehabilitation will not result in permanent relocation of current tenants, the market study need only address vacancy rates at the subject project and comparable developments. For projects that are not fully occupied or that will require displacement of current tenants, the market study needs to include a demand analysis.

B. POLICIES REGARDING THE DEVELOPMENT AND OPERATING BUDGETS

Acquisition Costs

The Department of Community Development (DCD) strongly prefers to minimize acquisition costs for property to be redeveloped as affordable housing. Often city land can be acquired for little or no cost. Developers planning to privately acquire property should consult with DCD before entering into binding contracts with sellers. If private acquisition is permitted by DCD, acquisition costs (purchase price plus payments for taxes or other liens) allowed in the development budget shall not exceed the as-is value of a property (as determined by an independent appraisal), subject to review and adjustment by Department of Community Development staff. Any acquisition cost determined to be in excess of the appraised value shall be borne by the developer outside of the development budget.

Acquisition Holding Costs

Because of the length of time required to assemble properties and obtain financing for an affordable housing project, the Department of Community Development will allow reimbursement of reasonable out-of-pocket costs, or repayment of acquisition loans that are essential to holding properties acquired for development, to be included in the development budget. Eligible costs are limited to those incurred from the date of acquisition for the intended affordable housing project through the date of closing on development financing, but should not exceed a two-year period.

DCD funds will only be used for expenses that are eligible under the specific sources of funding for a project.

Eligible Holding Costs Real estate taxes, property insurance, board-up, security, utilities, emergency repairs, interest expense on loans from an outside institution and legal fees directly related to owning and maintaining the property. Building repairs that preserve a building's physical condition and protect the health and safety of a building's residents and the surrounding community. For example, emergency repairs of rear porches are eligible.

Ineligible Holding Costs:

Inessential repairs or those that need to be redone as part of the newly financed project. Costs of holding property which was not initially acquired for the specific rehabilitation project under consideration.

Eligible Holding Costs in Occupied and Partially Occupied Buildings:

Reimbursement only to the extent that costs exceed net operating income less debt service during the period between acquisition and loan closing.

Evidence of Holding Costs:

The Department will require evidence of expenditures in the form of invoices, cancelled checks, and/or audited financial statements to document all costs.

Construction (Hard Costs) Contingency

A 10% construction contingency is required for rehabilitation, and a 5% construction contingency is required for new construction. The percentages are a factor of the total of these line items: site improvements and demolition, rehabilitation or new construction, and other hard costs. Any change in these percentages is subject to the approval of the Deputy Commissioner for Construction & Compliance. When calculating low income housing tax credit basis utilizing DCD's 9% credits, construction contingency will not be counted, but when utilizing 4% credits allocated with tax-exempt bond financing, 100% of construction contingency shall be counted in basis.

Acceptable uses of contingency include unforeseen but required changes to the scope of work. Disbursements are to be made only after DCD approval of change orders to the construction contract. Any unused contingency will be retained by DCD. Increases in construction costs that exceed the contingency will be borne by the developer or general contractor. The contingency shall not be used to pay for increases in wages and materials. (See *Construction Contracts -- Guaranteed Maximum Price* section below.)

Construction Contracts – Guaranteed Maximum Price

Deputy Commissioner of Construction to approve.

Construction Cost Estimates & Contractor's Sworn Statement

General contractors bidding on DCD projects shall agree to hold their bid prices firm for at least a year from submittal of a contractor's sworn statement.

Construction Costs: Other Hard Costs

Hard Costs not included in the construction contract shall be considered other hard costs. Permitted expenses in this category may include asbestos abatement, environmental remediation, infrastructure work not performed by the city or other utility companies, and furniture and appliances (for single room occupancy residences and group homes).

Developer's Fee: Standard

The developer's fee (including related consultants' fees) may be no more than 10% of the first \$5,000,000 of total development costs excluding the developer's fee, plus 5% of total development costs thereafter, excluding developer's fee. The developer's fee is capped at \$1 million. Any request for a fee exceeding \$1 million is subject to review and approval by the Commissioner of Community Development; such request should be submitted through the assigned Financial Analyst.

Developer's Fee: Deferred

For projects funded with tax-exempt bonds, DCD will allow a developer's fee (beyond the standard fee policy stated above) of an amount up to allowable IRS limits, subject to

DCD approval. In these projects, however, only the developer's fee calculated under DCD's standard policy will be paid by sources of funds from the capital budget. Any additional developer's fee shall be deferred and allowed only to the extent that it is supported by an attorney's tax opinion letter.

Developer's Fee: Chicago Housing Authority (CHA) Transformation Plan Projects

In consideration of the complex nature of CHA Transformation Plan projects which typically involve multiple layers of financing and approvals in excess of a standard DCD project and require a developer to undertake extensive additional work involving master planning, mixed-income and tenure type distribution and financial structuring and numerous community participation meetings, the developer's fee (including related consultants' fees) may be increased to 10% of the first \$10,000,000 of total development costs, excluding the developer's fee, plus 5% of any amount of total development costs thereafter, excluding developer's fee.

Equity: Owner

An owner (borrower) must contribute a minimum of 10% of total project costs as equity to the project. Eligible equity sources may include grants or gifts, developer's cash, proceeds from tax credit syndication, and the value of land and building contributed to the project.

Equity: Syndicator or Individual Investor

Tax credits are to be used for the purpose of raising equity for a project. Tax credits are limited to the amount necessary to fill the gap between the total development costs and the funds provided through other sources. Therefore, tax credits must be used to raise equity which will be placed directly into the project. The department anticipates that the tax credits will be sold to an equity provider. If an individual intends to personally use the tax credits, DCD shall require that the individual contributes the same amount of equity as would have been provided by a syndicator.

Equity Pay-in Schedule

All owner and investor or syndicator equity, or bridge financing in the form of a secured loan or letter of credit, must be deposited in escrow at closing and is the first funding disbursed, with the exception of final installments of the developer's fee and reserves. An acceptable alternative approach allows for a minimum of 25% of total equity to be deposited as cash in escrow at closing. With the exception of final installments of the developer's fee and reserves, the remainder of equity should be a secured loan or letter of credit, which can be drawn pro rata with senior, DCD and other loans. *Under no circumstances will any remainder of equity needed to fund construction, which has not been deposited at closing, be unsecured.*

Developers should show DCD the terms of their equity syndicators and should demonstrate that they have maximized the tax credit equity raised. Developers are required to submit a comparative analysis of three investors' bids, including a comparison table of each bidder's terms, pay-in schedule, pay-in rate, fees, guarantees, etc. The analysis and chart is due with the Stage Two Submissions of the multifamily financing application to allow the DCD Financial Analyst to review the rationale supporting a developer's selection when underwriting the financing request, prior to presentation to DCD's loan committee. For projects financed with tax-exempt bonds but without a DCD loan, DCD, in its sole discretion, may approve an alternative schedule for equity pay-in.

General Contractor's Fees: Overhead, General Conditions and Profit

Overhead and General Conditions Overhead is defined as business costs not directly attributable to the funded project, and general conditions (also known as general requirements) are defined as overhead costs specifically attributable to the funded project, such as construction trailer, utilities, construction fencing, construction supervisor, security, performance bond, building permits, winter conditions, etc. The combined total of these two items shall not exceed 10% of the construction contract amount, exclusive of fees. Profit Not to exceed 10% of the construction contract amount, exclusive of fees. A development entity whose general contractor for a project is a related company is entitled to a developer's fee, but the general contractor's fees shall be limited to overhead and general conditions, not profit.

General Contractor's Bond or Letter of Credit

A performance and payment bond in the full amount of the construction contract, underwritten by a surety company satisfactory to the City and the Corporation Counsel, and naming the City as co-obligee in such bond, is required. An acceptable alternative is a letter of credit in an amount not less than 25 percent of the full amount of the construction contract, or an amount satisfactory to the City, from a bank satisfactory to the City and the Corporation Counsel, and naming the City as a payee on such letter of credit.

Income and Expense Increases

The department will apply rates of inflation increases to both operating income and expenses, which will be periodically reexamined. The current rate of increase for both income and expenses is 3%.

Mortgage Financing

Private Mortgage Terms

It is the Department's goal to leverage DCD funds by maximizing private financing of projects, to the extent that such financing is compatible with the goal of affordability. While the amount of private sector mortgage financing is constrained by the cash flow available for debt service, it is DCD's goal to have the private lender lend at least 80% of a building's appraised value after rehabilitation or new construction is completed. DCD expects first mortgage lenders to charge competitive rates with a debt coverage ratio not to exceed 1.20 (1.10 for FHA loans) and a 30-year amortization. DCD will forego debt service in order to increase private financing if necessary.

Developers are required to submit a comparative analysis, including a comparison table, of three private lenders' terms, rates, fees, etc. The analysis and chart is due with the Stage Two submissions of the multifamily financing application, to allow the DCD Financial Analyst to review the developer's rationale for selecting a lender when underwriting the financing request, prior to presentation to DCD's loan committee.

DCD Mortgage Terms

If there is sufficient cash flow after calculating payment for operating expenses and first mortgage debt service, DCD will require payment of interest and/or amortization on its loan. Interest will typically range from 0-3%; amortization will be on a 30- to 40-year schedule. The loan term for DCD's debt will coincide with the first mortgage (if any) and will generally be for a minimum of 30 years. In order to assure ease of documentation and administration, loan repayments shall be fixed and not subject to annual net cash flow. DCD will forego debt service in order to increase private financing and/or affordability, if necessary. Refer to policy, *Allocation of Multifamily Loan Funds by Income Level*, for further discussion of debt service requirements.

Property Management Fees

Fees for property management shall not exceed 7% of gross operating revenues. These fees include administrative expenses, office supplies and utilities, marketing, accounting, and rent collections. The following categories are not included in the management expense and shall be identified as separate line items: annual audit, legal cost for evictions, janitorial expenses, and on-site management. The Department will determine whether on-site management is necessary and should be funded on an as-needed basis.

For developments which include units designated for CHA tenants and which receive contracted CHA operating support, an imputed management fee for property management would consider the rents for the CHA units to be at the same level as similar non-CHA units within the project when calculating the fee as a percentage of gross operating revenues.

Recourse Lending and HOME Funds

Funds loaned to multi-family developments must be repaid based on the terms agreed upon at closing. Generally, DCD loans are made without recourse to the development entity, its owners or sponsor organization. However, when HOME funds are allocated to a project, loans shall be made with recourse to the extent that the City is required to reimburse the HOME account for failure of the borrower to comply with HOME affordability and occupancy requirements. The borrower's exposure may be limited to the

greater of the amount of the developer's fee or an amount calculated by the department based on reasonable incentives to assure developer compliance with the affordability and occupancy requirements. The department will seek an individual or entity with an ownership interest and sufficient assets to repay the obligation.

Replacement Reserve

The department allows a maximum of 3% of effective gross income annually. Any requests for a replacement reserve which exceeds this amount should be reviewed and approved during the underwriting process.

Supportive Services

While the department acknowledges that the provision of supportive services is important for serving senior and special needs populations, these costs may not be included in a development budget financed by DCD. Supportive service costs, subject to the approval of the department, may be included in operating budgets for senior and special needs housing before calculations of debt service.

Developers who plan to provide social services shall provide evidence of the following (as requested in Schedule 8 of the multifamily application):

1. The population served by the proposed project.
2. A comprehensive service delivery plan for this population, including a projected budget and rationale for space to provide services.
3. The developer or the designated service provider's expertise and capacity to deliver the service.

Supportive service plans are subject to approval by DCD specialists in senior and supportive housing, as applicable.

Vacancy Rates

Residential: 7% is the standard rate, unless conditions indicate an adjustment is warranted. This percentage for vacancy may vary based on neighborhood conditions, or other market factors. The DCD development officer shall review the market study and appraisal to determine conditions which shall influence this rate.

Commercial: 50% is the standard rate and is established based on amount of Commercial space, nature of use, location, market and other conditions.

Requests for exceptions to or waiver of any of DCD's policies must be submitted in writing through the Financial Analyst underwriting the project.

Cook County Class 9 Program

Class 9 is a real property classification that offers a 50% reduction in assessments and taxes to developers who complete major rehab on multifamily buildings and keep rents below certain levels. At least 35% of the apartments must be leased at rents affordable to low- and moderate-income households. With Class 9, properties are eligible for a 16% assessment level for a period of 10 years. Owners may renew the reduction for additional 10-year periods.

****Note:** Owners must apply for Class 9 before beginning major rehab.

Program Requirements

Buildings anywhere in Cook County with seven or more residential units which follow the other Class 9 guidelines are eligible for Class 9. The old requirement that Class 9 buildings be located only in low/moderate-income census tracts was repealed in 2001. Class 9 properties require replacement or extensive renovation of at least three of the following eight primarily building components, and rehabbing costs must total at least \$5 per square foot of living area:

- Electrical
- Heating
- Roofing
- Elevators
- Plumbing

- Tuckpointing, porches
- Exterior doors, windows
- Interior floors, walls, ceilings

Application Process

For additional information or to receive a Class 9 application, call or email:

David Miller
Cook County Assessor's Office
Phone: 312/603-3067