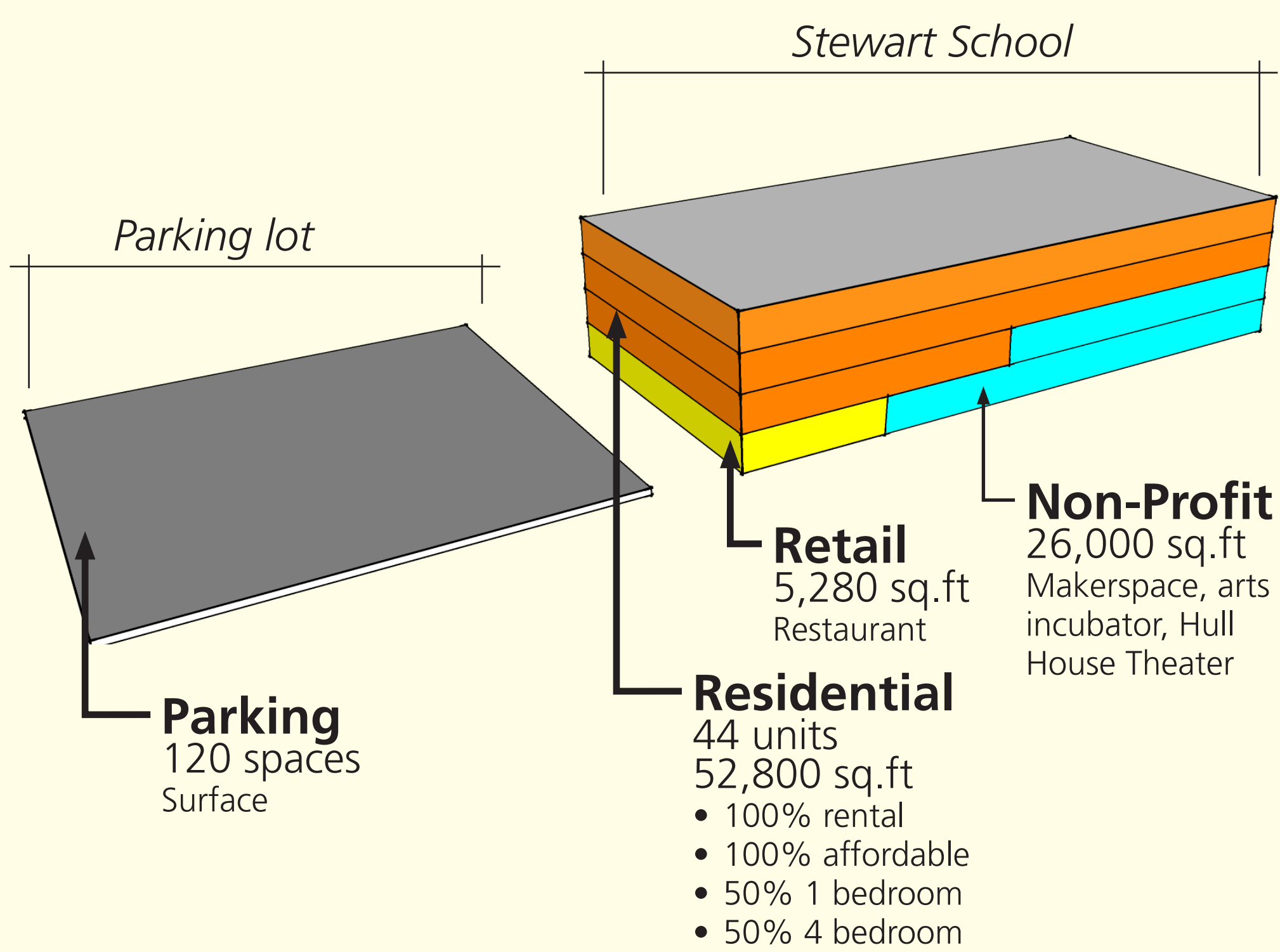


Proposals for Stewart School

TABLE 1 (Proposal A)



Total acquisition and development costs: \$17.3 million
Percent of total development and operations costs covered by project revenues: 55%
Funding gap: \$4.96 million

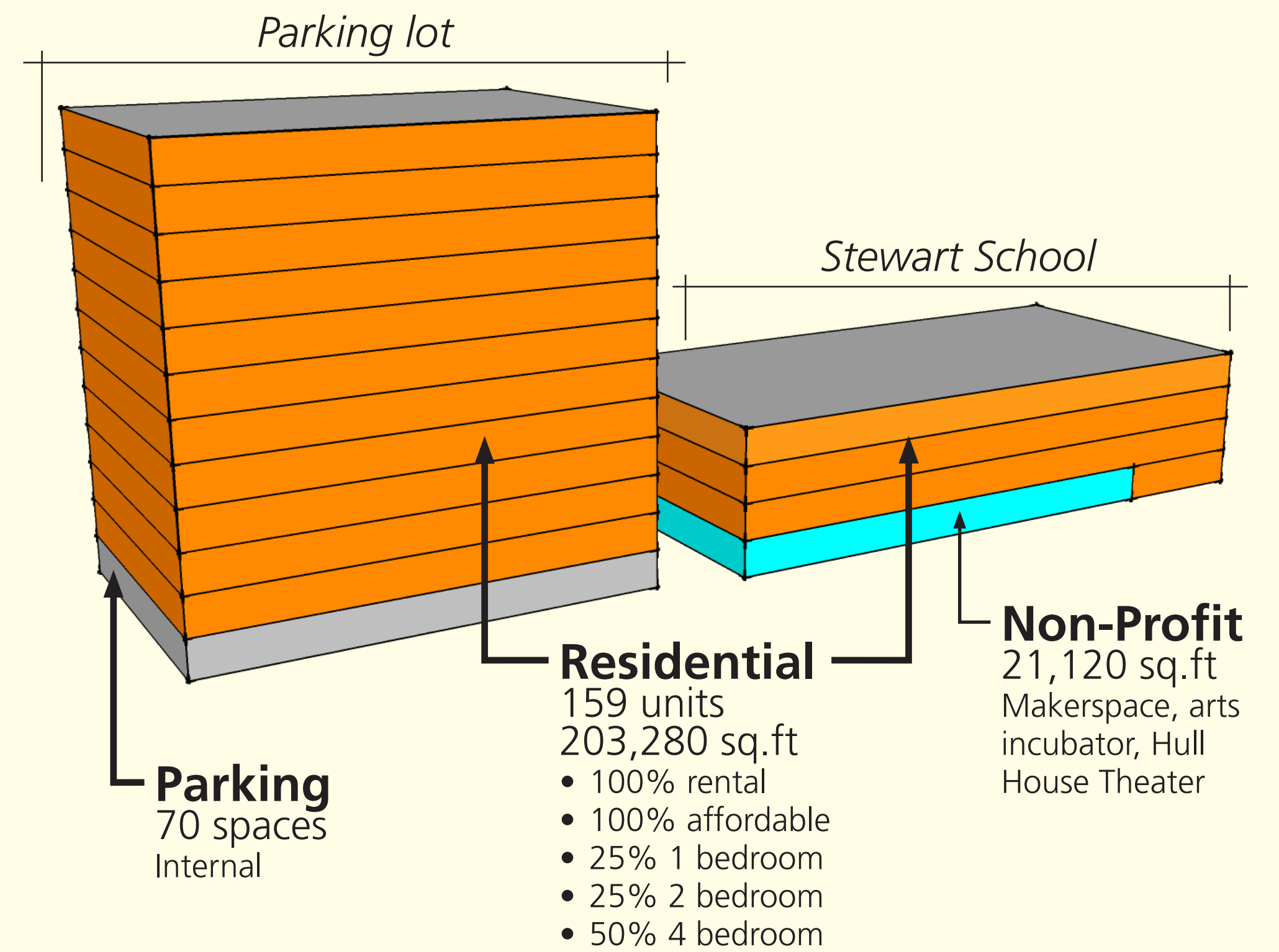
Developer comments:

- Far more parking than is required by the zoning law (only 19 spaces are needed).

Potential improvements:

- If purchased with the school, the lot provides the option to add another part to the project. A small market-rate residential project on this site may help subsidize the purchase price of the entire lot.

TABLE 1 (Proposal B)



Total acquisition and development costs: \$43.4 million
Percent of total development and operations costs covered by project revenues: 54%
Funding gap: \$12.3 million

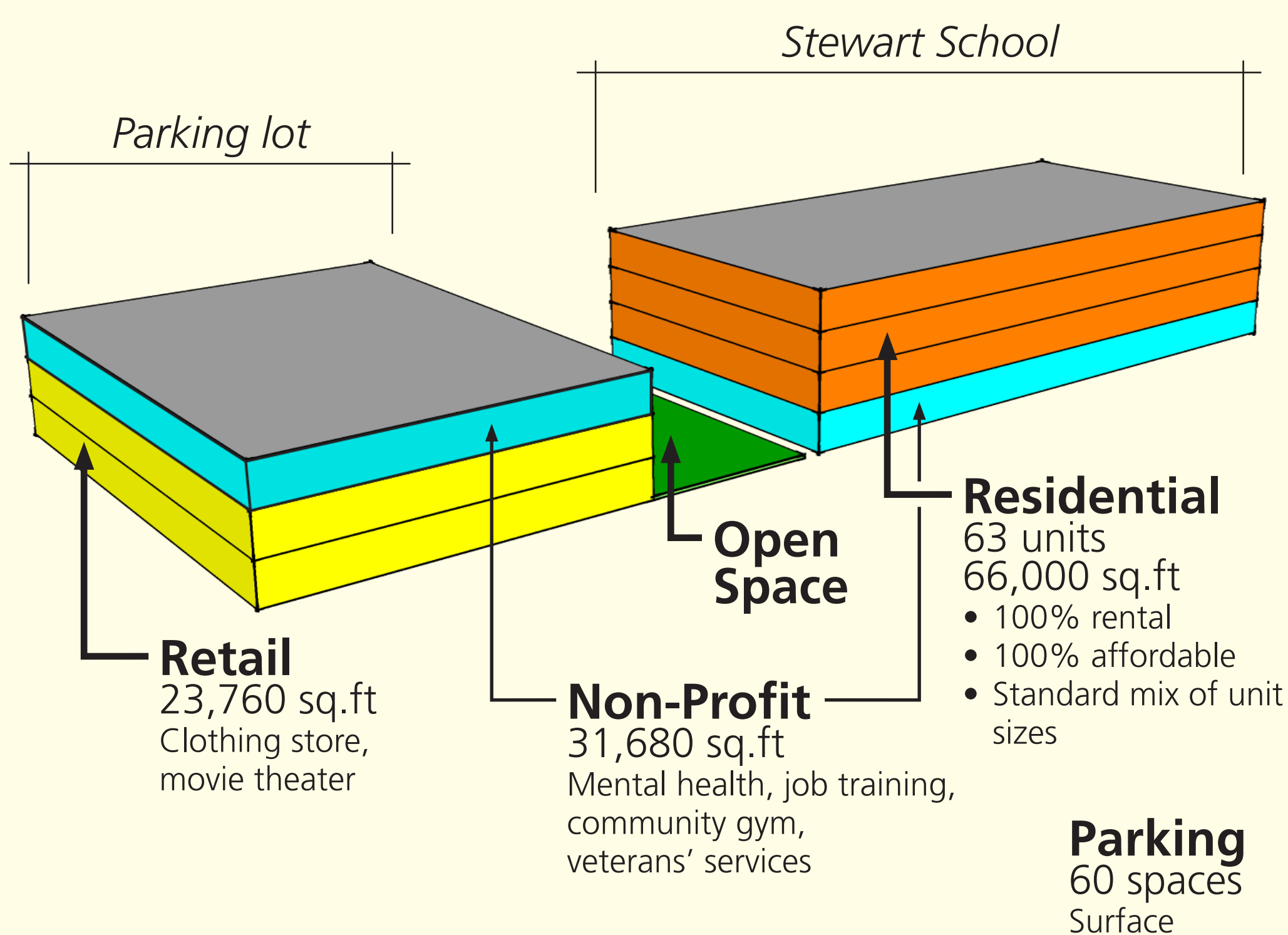
Developer comments:

- Concentration of affordable housing is difficult to fund at the 4% tax credit level, leaving a big gap.

Potential improvements:

- Making the project mixed income (50%) affordable reduces the gap needed to fund the project to just \$3.7 million. 80% market-rate units would eliminate gap entirely.

TABLE 2



Total acquisition and development costs: \$23.6 million
Percent of total development and operations costs covered by project revenues: 67%
Funding gap: \$5.8 million

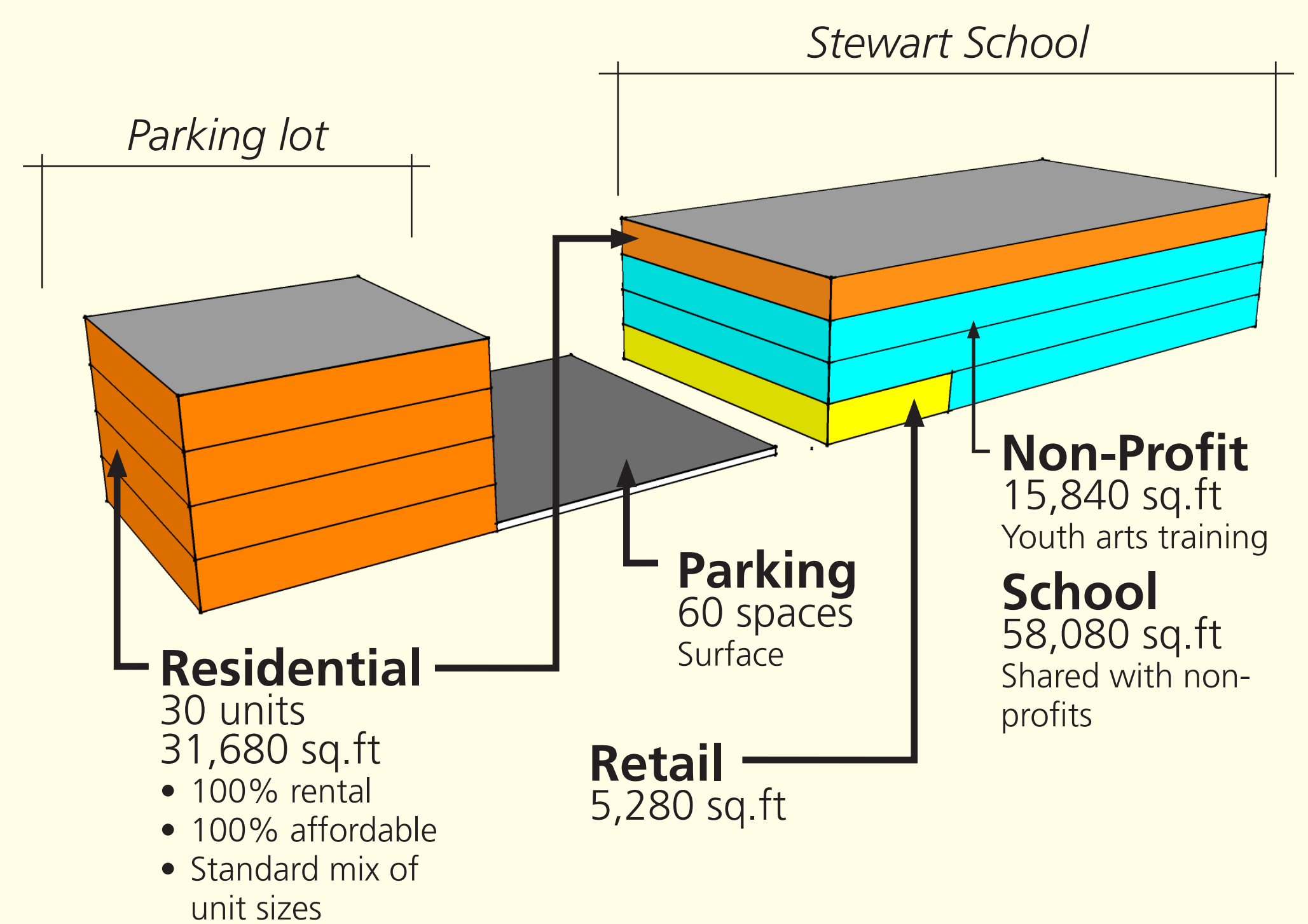
Developer comments:

- Very significant gap in financing.
- More parking spaces provided than zoning required (22 needed).

Potential improvements:

- Significant increase in building size, in the form of 471 additional residential units at 30% affordable and 70% market rate, would make the project possible.

TABLE 3



Total acquisition and development costs: \$21.0 million
Percent of total development and operations costs covered by project revenues: 53%
Funding gap: \$7.15 million

Developer comments:

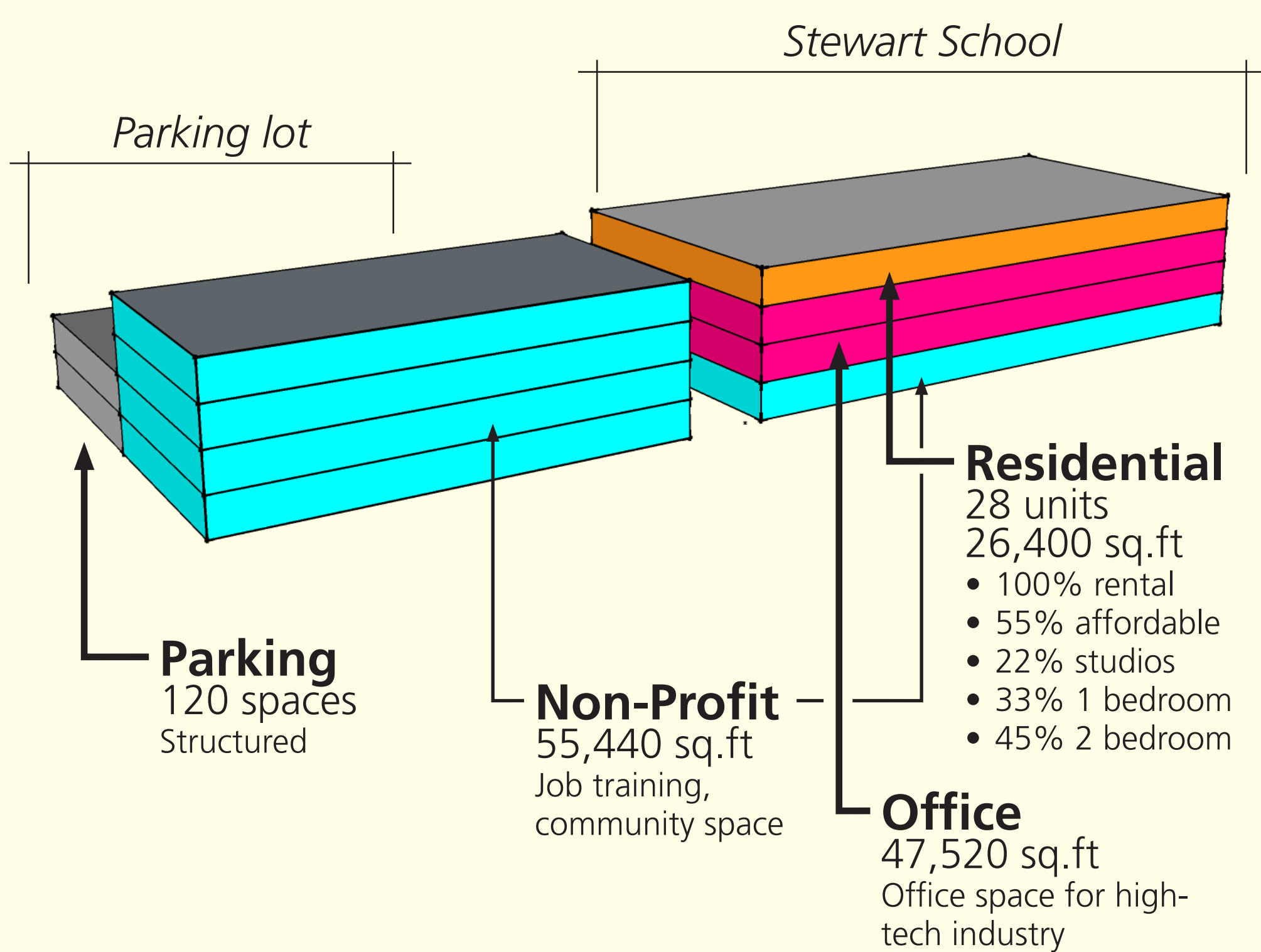
- Large gap in financing due to the presence of a significant non-profit space located in the school building.

Potential improvements:

- Because of the desire to put a school here, there may be reason to think that subsidies could be identified for this project.
- Added residential density would also improve project's funding.

Proposals for Stewart School

TABLE 4



Total acquisition and development costs: \$30.7 million
Percent of total development and operations costs covered by project revenues: 65%
Funding gap: \$9.5 million

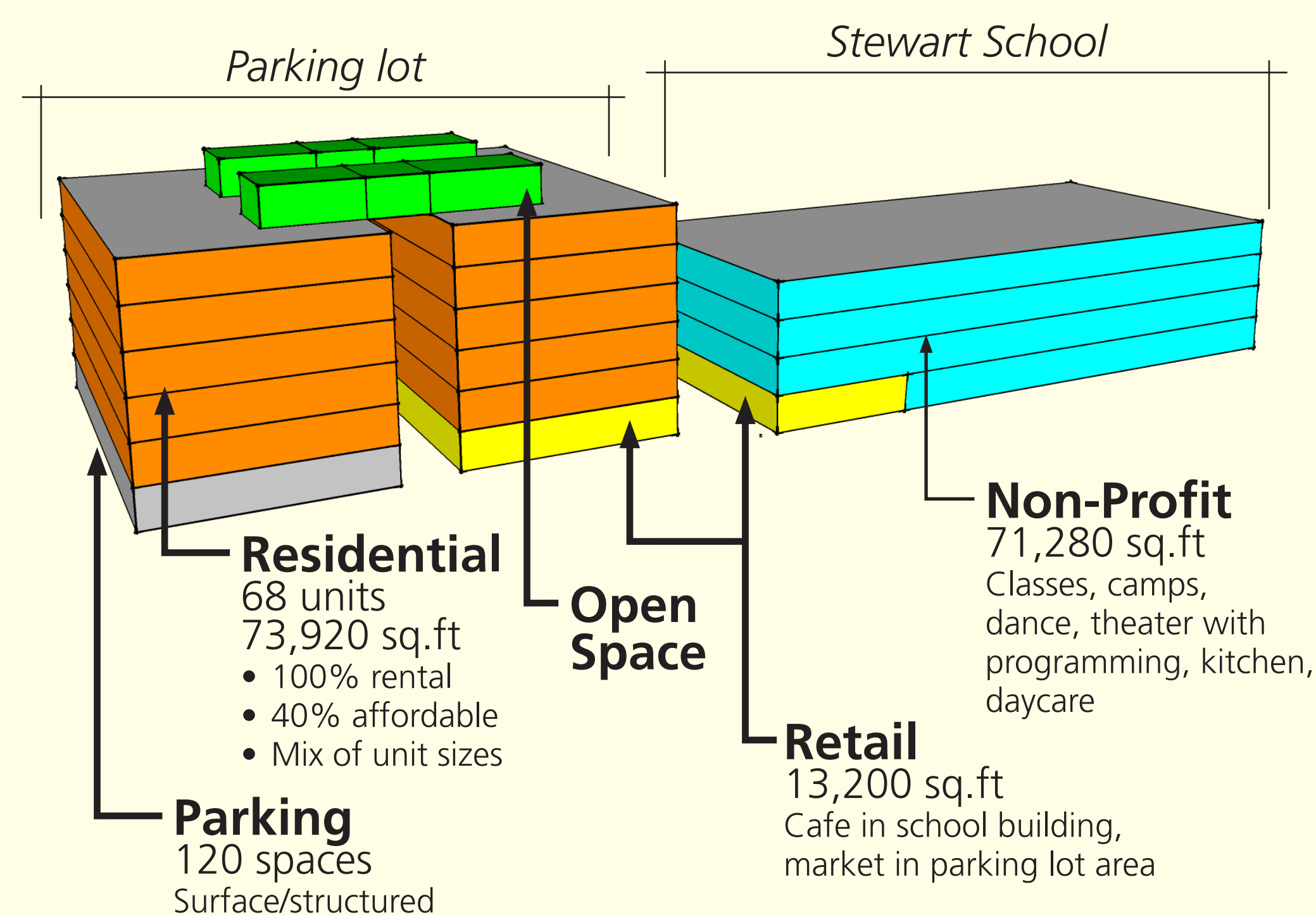
Developer comments:

- High costs and likely limited demand for high-tech office space.
- 10 times as many parking spaces as required.
- Project does not qualify for affordable housing aid (low unit count).

Potential Improvements:

- Parking reductions (or a switch to surface parking) would save costs.
- Higher residential density, less non-profit space improve finances.

TABLE 5



Total acquisition and development costs: \$30.0 million
Percent of total development and operations costs covered by project revenues: 84%
Funding gap: \$5.8 million

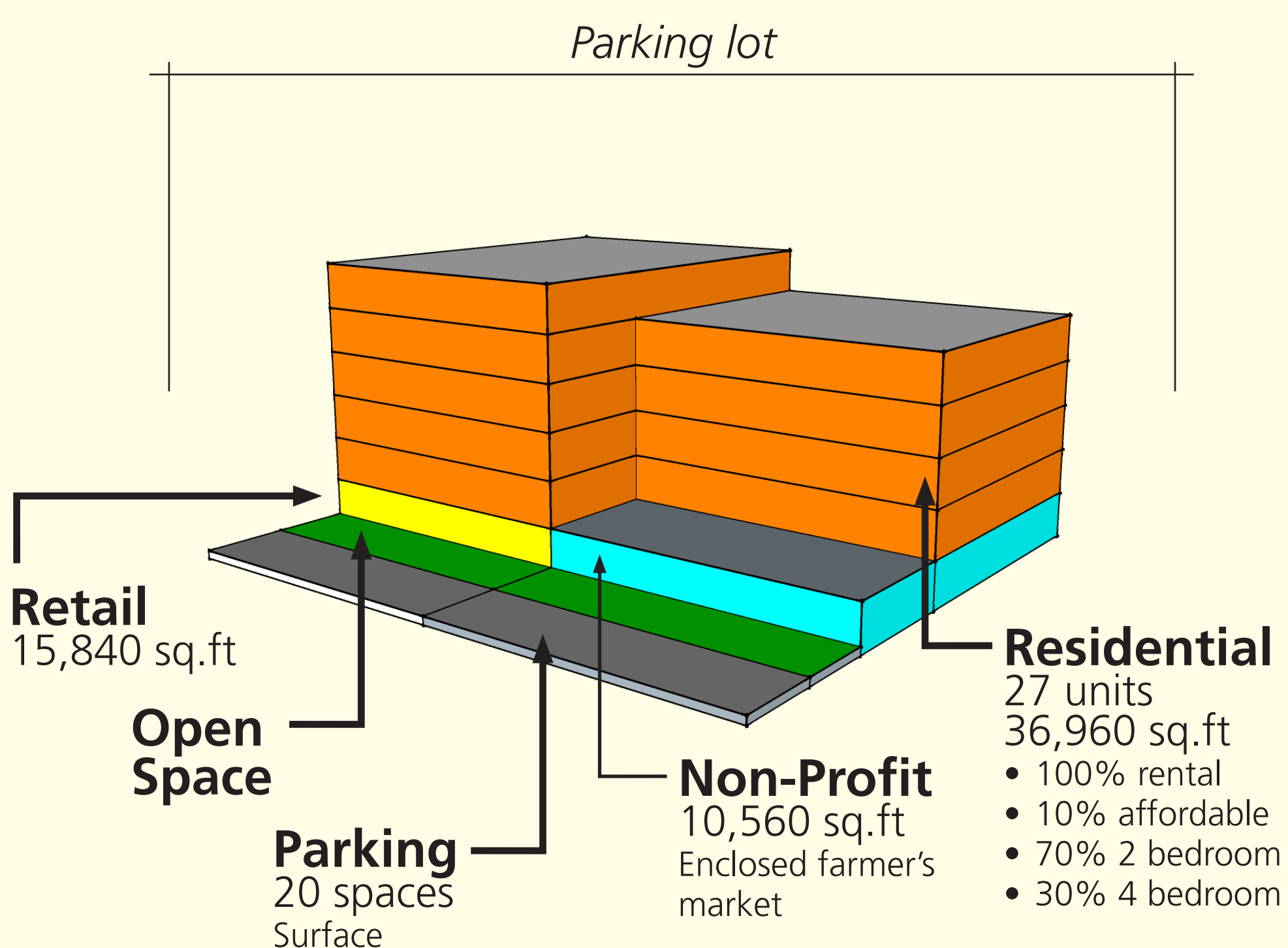
Developer comments:

- Large amount of community space will require subsidy.
- Four times as much parking as is needed under zoning.

Potential improvements:

- Increasing residential density and switching some of the community space to housing uses would improve the project's financing. But a focus on community spaces may merit a city subsidy.

TABLE 6



Total acquisition and development costs: \$11.7 million
Percent of total development and operations costs covered by project revenues: 104%
Funding gap: \$1.15 million

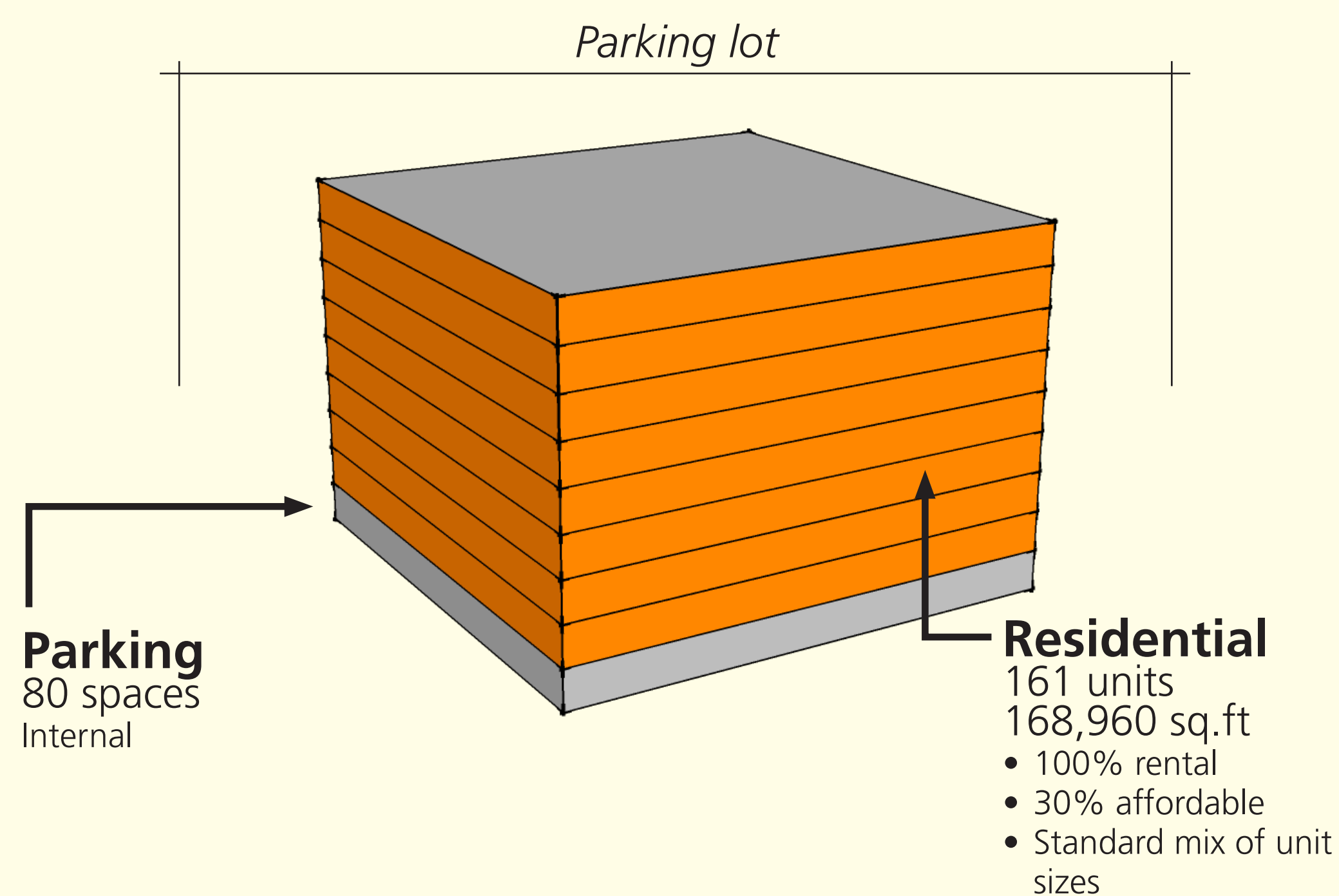
Developer comments:

- A relatively small gap in financing, but does not qualify for affordable housing aid because of lack of units.
- 5 more parking spaces than necessary.

Potential improvements:

- Adding 46 additional residential units (58,080 sq.ft) would make the project possible without additional subsidies.

TABLE 7



Total acquisition and development costs: \$32.0 million
Percent of total development and operations costs covered by project revenues: 120%
Funding gap: 0

Developer comments:

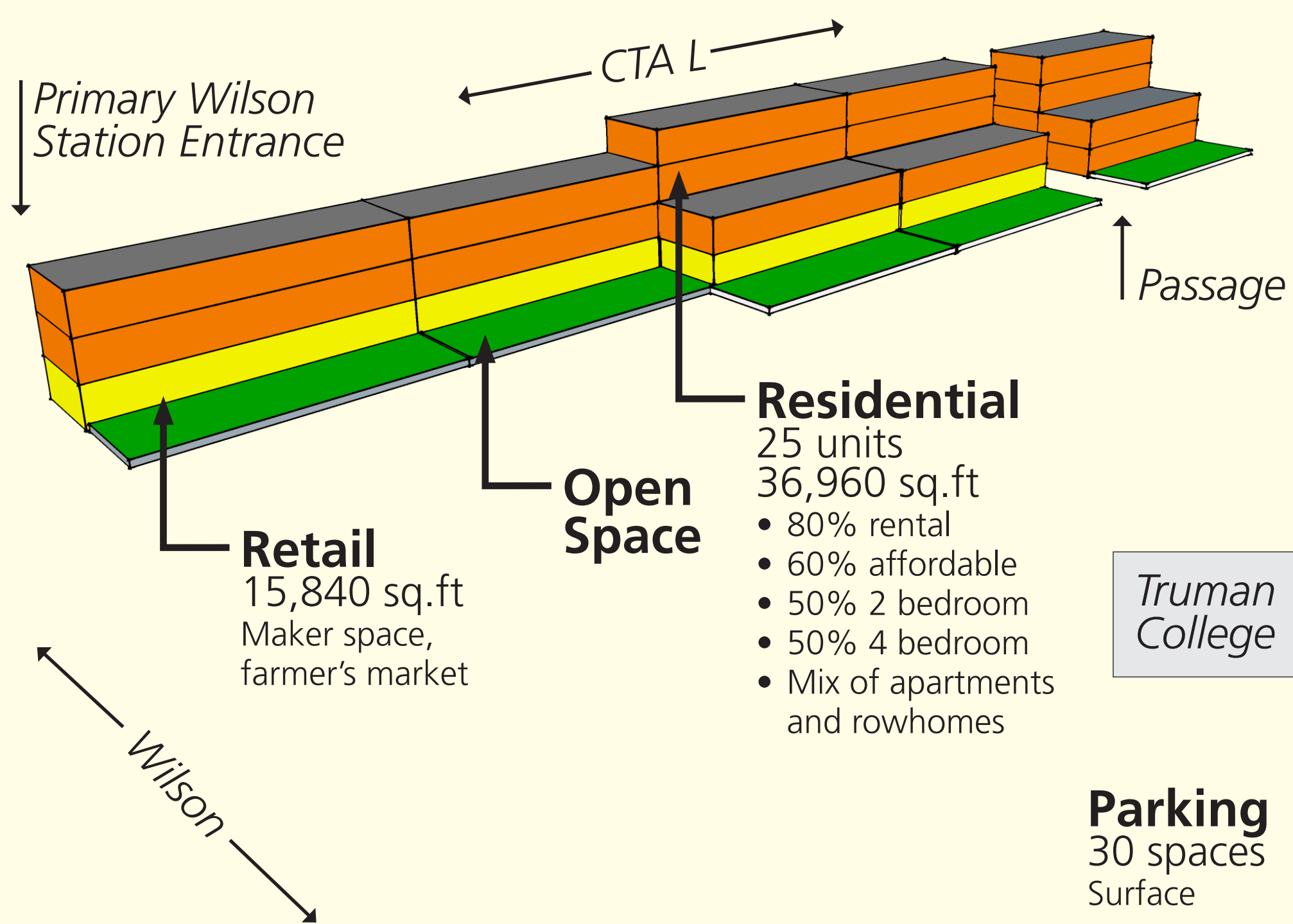
- Because of project's very high density, appropriate levels of parking, and mix of incomes, project would be financeable as is.

Potential improvements:

- Project's height (9 stories) would be similar to that of towers in the neighborhood, but the tower would be very bulky. Slimming the project down a bit might make it more appealing for community.

Proposals for Wilson Station

TABLE 8



Total acquisition and development costs: \$14.2 million
Percent of total development and operations costs covered by project revenues: 56%
Funding gap: \$5.65 million

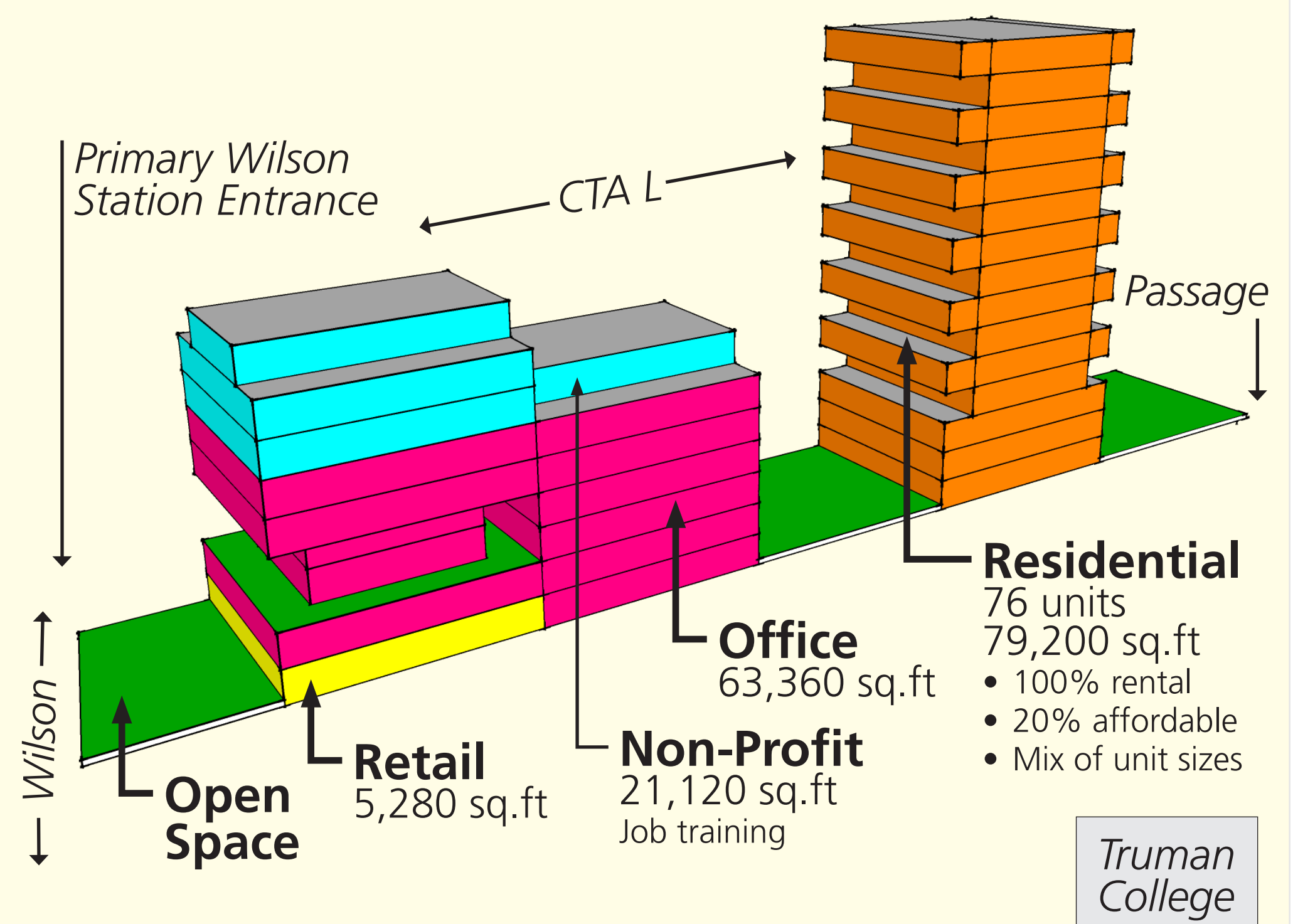
Developer comments:

- High subsidies are required in part because the small number of residential units (and large number of 4-bedroom units) make the project disqualified for affordable housing aid.

Potential improvements:

- Subsidy can be reduced to \$4.2 million by reducing affordability to 40% of units and adding an additional 105,600 sq.ft of residential.

TABLE 10



Total acquisition and development costs: \$37.8 million
Percent of total development and operations costs covered by project revenues: 87%
Funding gap: \$7.8 million

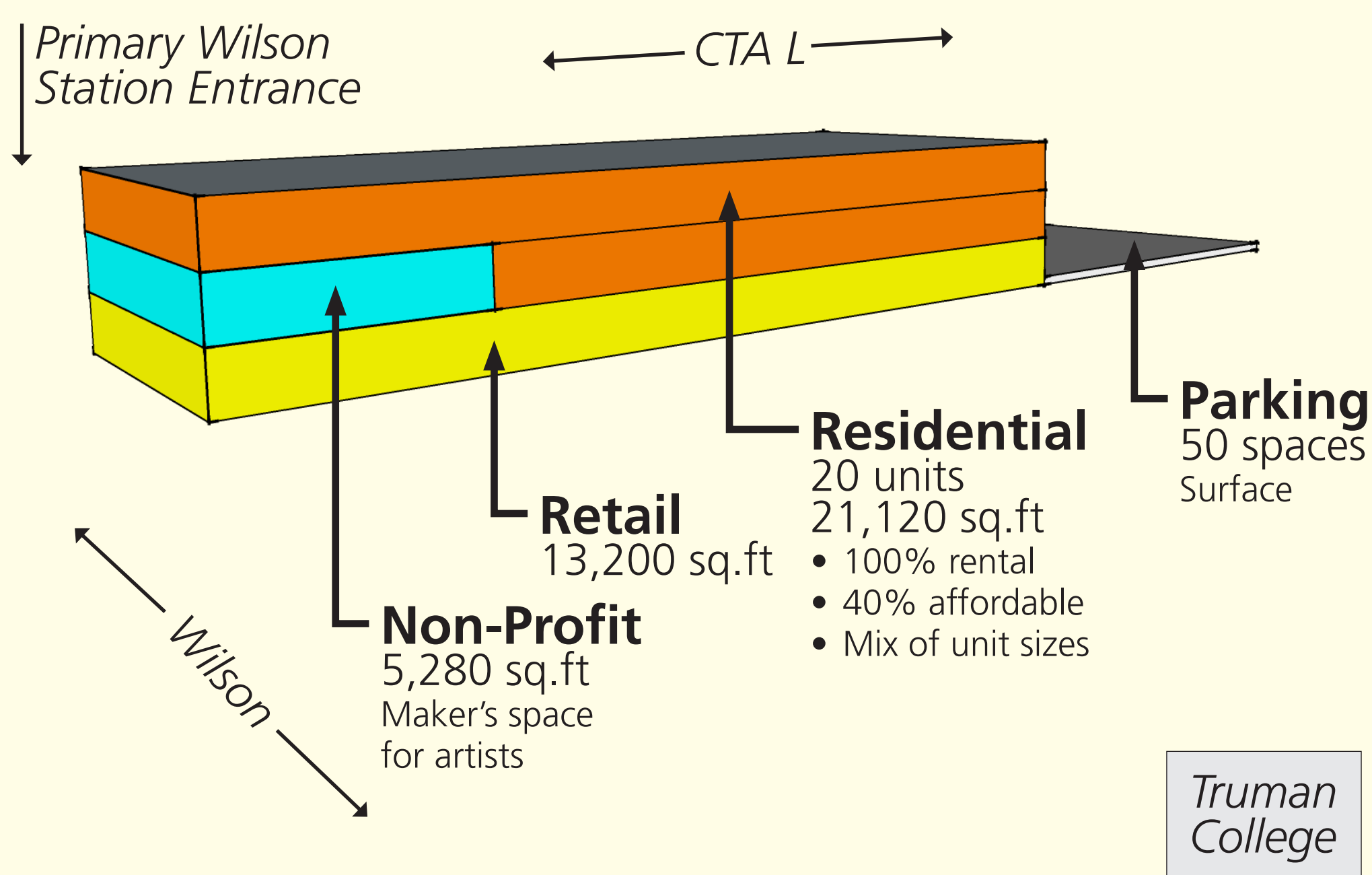
Developer comments:

- Small number of affordable units makes project disqualified for affordable housing aid.
- Demand for office space may be limited in Uptown.
- Lack of parking could be a problem.

Potential improvements:

- More affordable units would improve project's finances.

TABLE 9 (Proposal A)



Total acquisition and development costs: \$11.9 million
Percent of total development and operations costs covered by project revenues: 57%
Funding gap: \$4.63 million

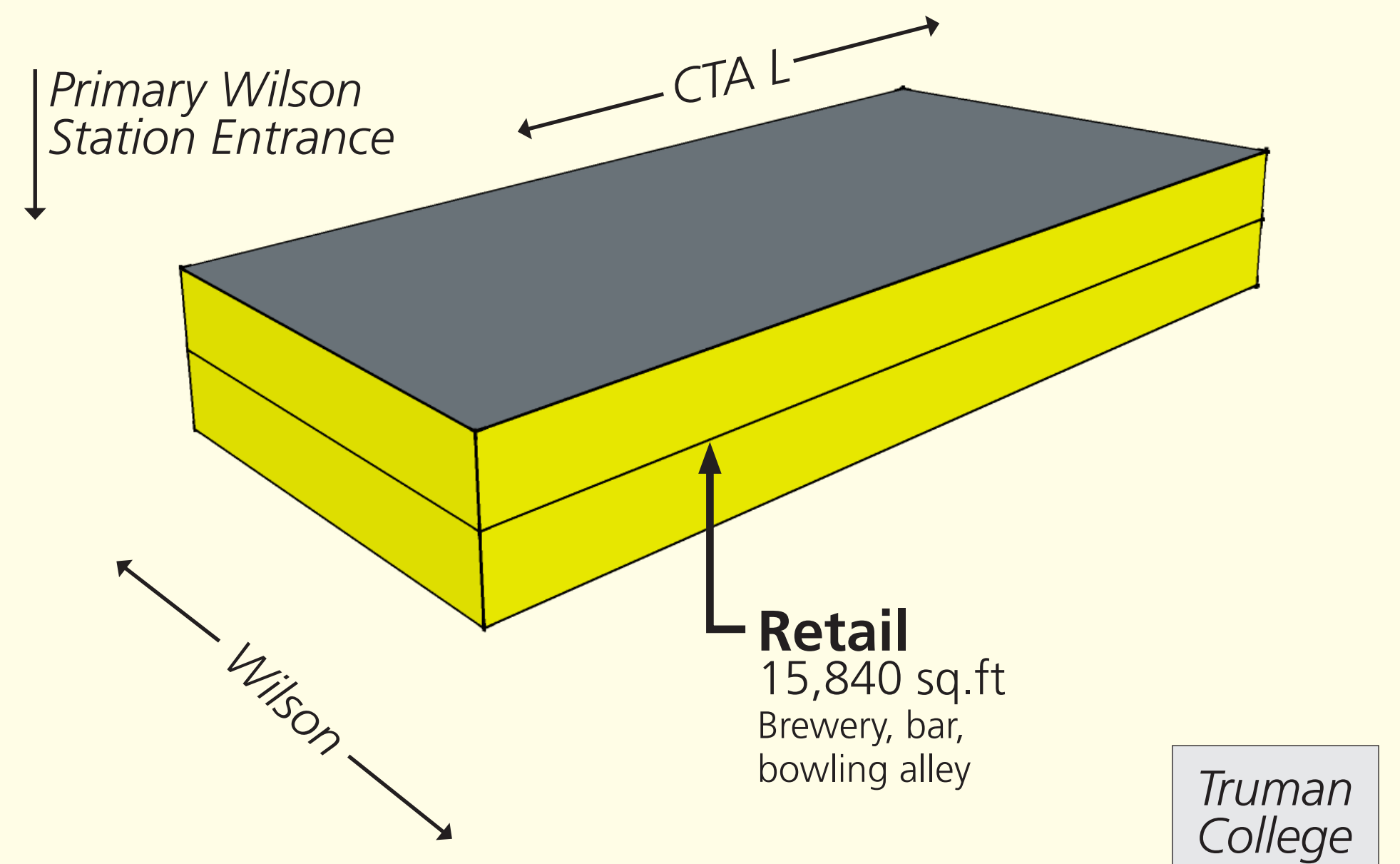
Developer comments:

- Very high subsidies are required because of high number of affordable units.
- Much more parking than required (just 9 spaces needed).

Potential improvements:

- A very significant expansion of the project's size (to 273 units) would reduce gap and cover costs with revenues.

TABLE 9 (Proposal B)



Total acquisition and development costs: \$7.4 million
Percent of total development and operations costs covered by project revenues: 36%
Funding gap: \$3.81 million

Developer comments:

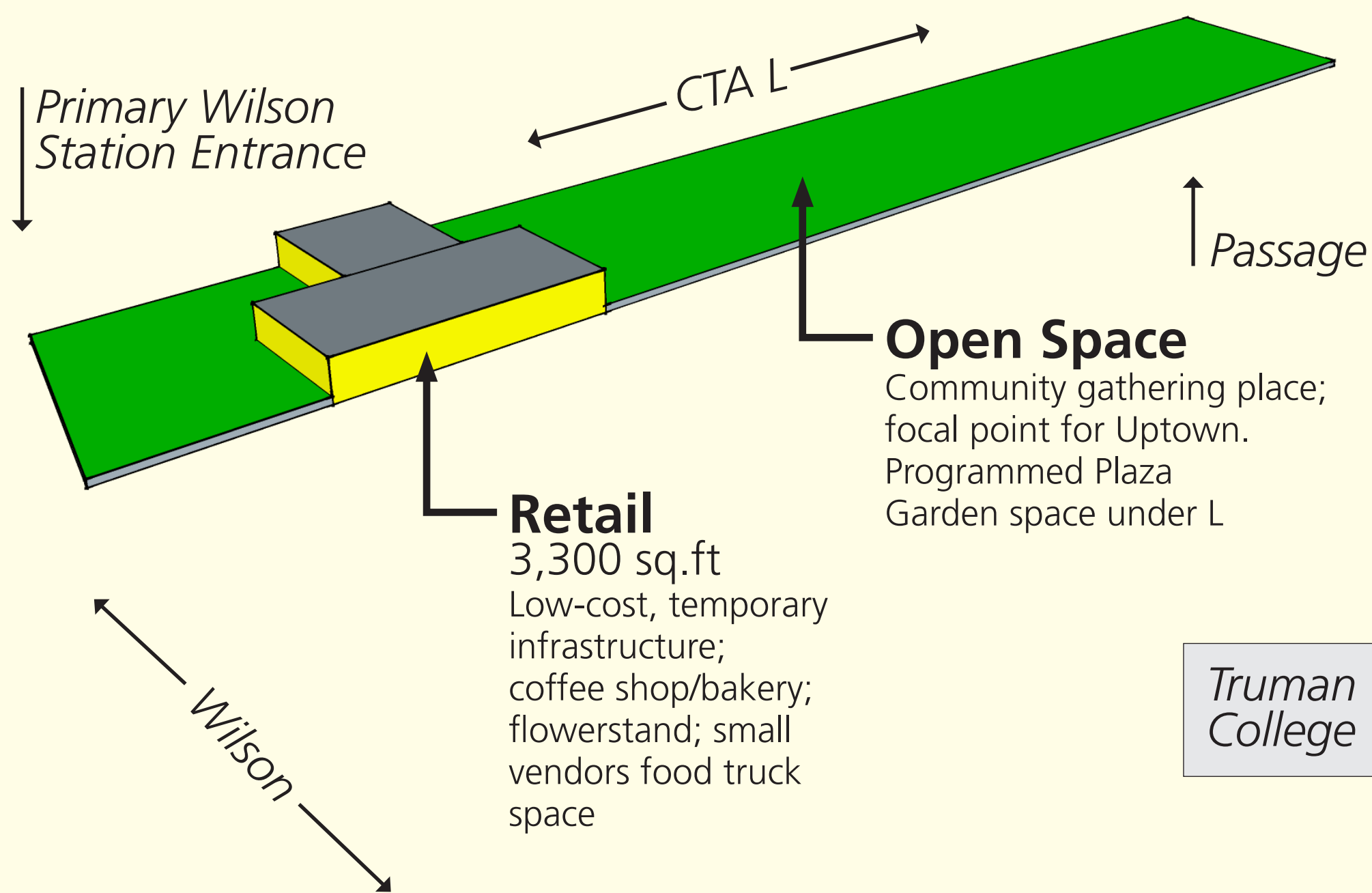
- Project would be difficult to undertake at this level of density.
- Compared to site acquisition costs, project would be difficult to finance.

Potential improvements:

- Adding several stories of residential units above the bowling alley would make the project more feasible.

Proposals for Wilson Station

TABLE 11



Total acquisition and development costs: \$5.3 million
Percent of total development and operations costs covered by project revenues: 10%
Funding gap: \$3.57 million

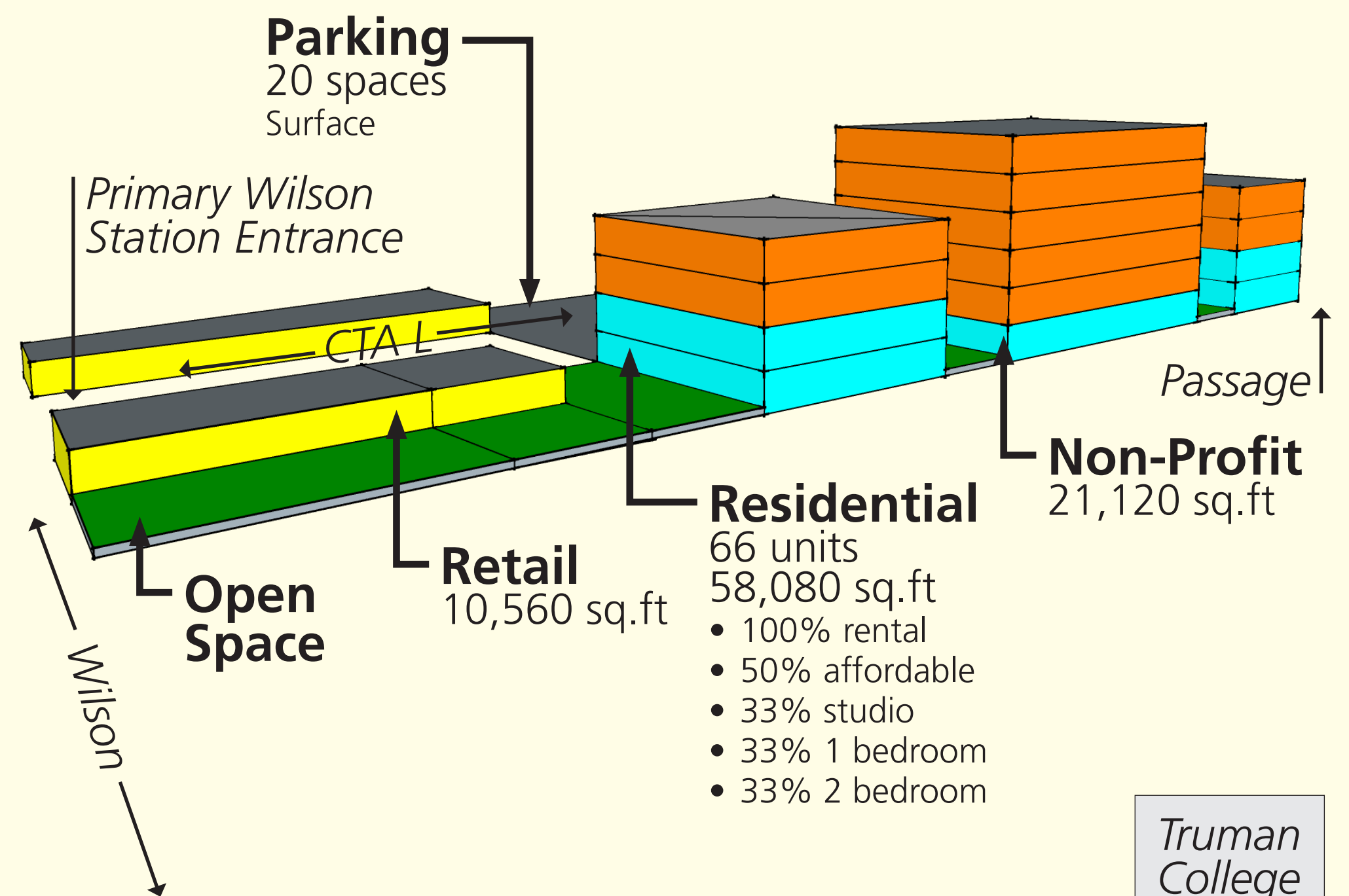
Developer comments:

- Project financials would be difficult to make work at market price for land. However, as a temporary program or if CTA demands less for land, the project is possible.

Potential improvements:

- Project could significantly improve connections between Wilson Station and Truman. Could benefit from Chicago Park District status.

TABLE 12 (Proposal A)



Total acquisition and development costs: \$20.3 million
Percent of total development and operations costs covered by project revenues: 78%
Funding gap: \$4.6 million

Developer comments:

- Increased retail space could improve the performance of this project, as could integrating all residential space into one building with internal parking.

Potential improvements:

- Increasing density of residential units could make the project more financeable, but a subsidy may be reasonable for non-profit uses.

Key



Assumptions

Affordable housing:

- 4% Low-Income Housing Tax Credits used for projects with more than 20 affordable units. More realistic than 9% credits for mixed-income, mixed-use projects because of competitive process for 9% credits.
- "Affordable" qualifies families with incomes at or below 60% of area median income (AMI)

Historic preservation:

- For projects reusing school building, 20% credits assumed. This would require building being added to city landmarks register.

Debt coverage ratio (DCR):

- The ratio of annual operating revenues to debt payments (feasible DCR is assumed to be 120%+).

Additional subsidies:

- Could come in the form of TIF, HOME, or other funds. Added to project equity.

Zoning and parking:

- Zoning assumed to be changeable, depending on aldermanic approval. Parking requirements based on TOD ordinance.

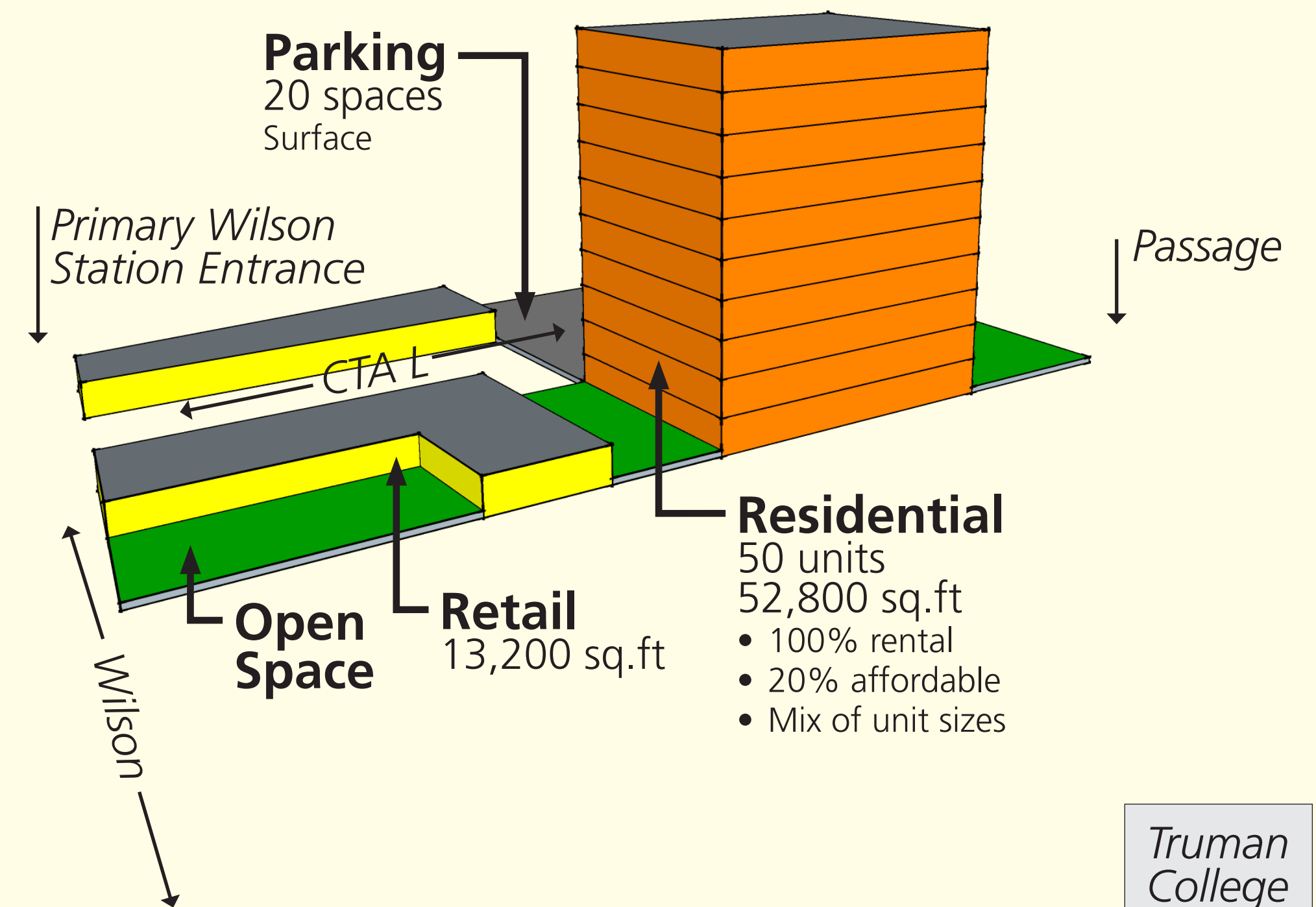
Construction costs:

- \$165/sq.ft for residential.
- \$171/sq.ft for office.
- \$122/sq.ft for retail/non-profit.

Occupancy rents/month:

- Market housing: \$2.30/sq.ft.
- Affordable housing: \$0.51/sq.ft.
- Non-Profit: \$0.42/sq.ft.
- Retail: \$1.51/sq.ft.
- Office: \$1.81/sq.ft.

TABLE 12 (Proposal B)



Total acquisition and development costs: \$16.6 million
Percent of total development and operations costs covered by project revenues: 85%
Funding gap: \$3.6 million

Developer comments:

- This project focuses retail along Wilson Avenue, where the highest retail demand is likely to be, and directly adjacent to the station.
- Lack of affordable units limits subsidy available.

Potential improvements:

- Expanding the number of affordable units would make the project more viable and reduce the required additional subsidy.

Proposal Sketches

Table 1 - Stewart School



Table 3 - Stewart School



Table 5 - Stewart School



Table 8 - Wilson Station

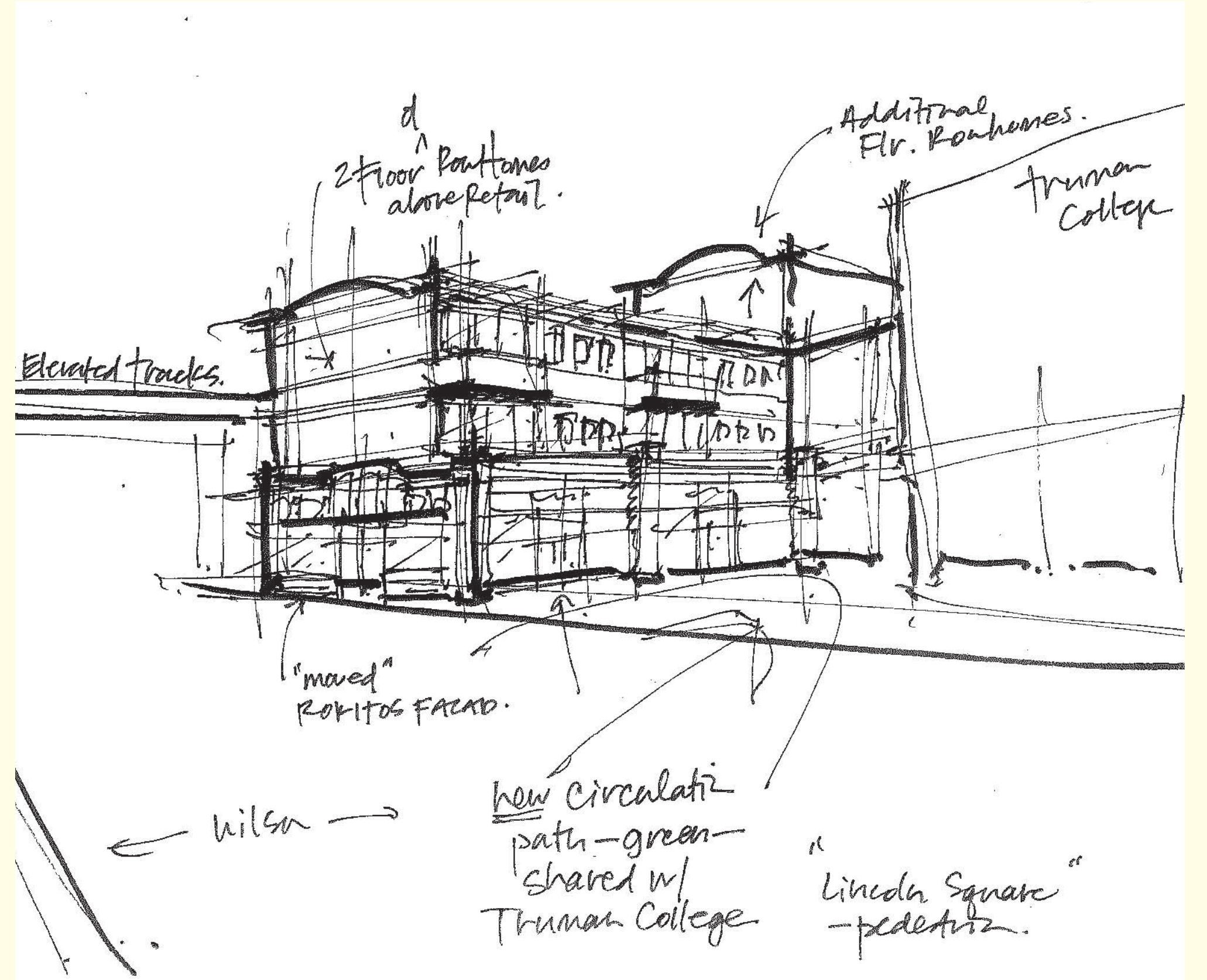


Table 9 - Wilson Station



Table 10 - Wilson Station

