

**ARMITAGE PULASKI
TAX INCREMENT FINANCING
REDEVELOPMENT PLAN**

City of Chicago, Illinois

December 1, 2006

Prepared By:
Teska Associates, Inc.

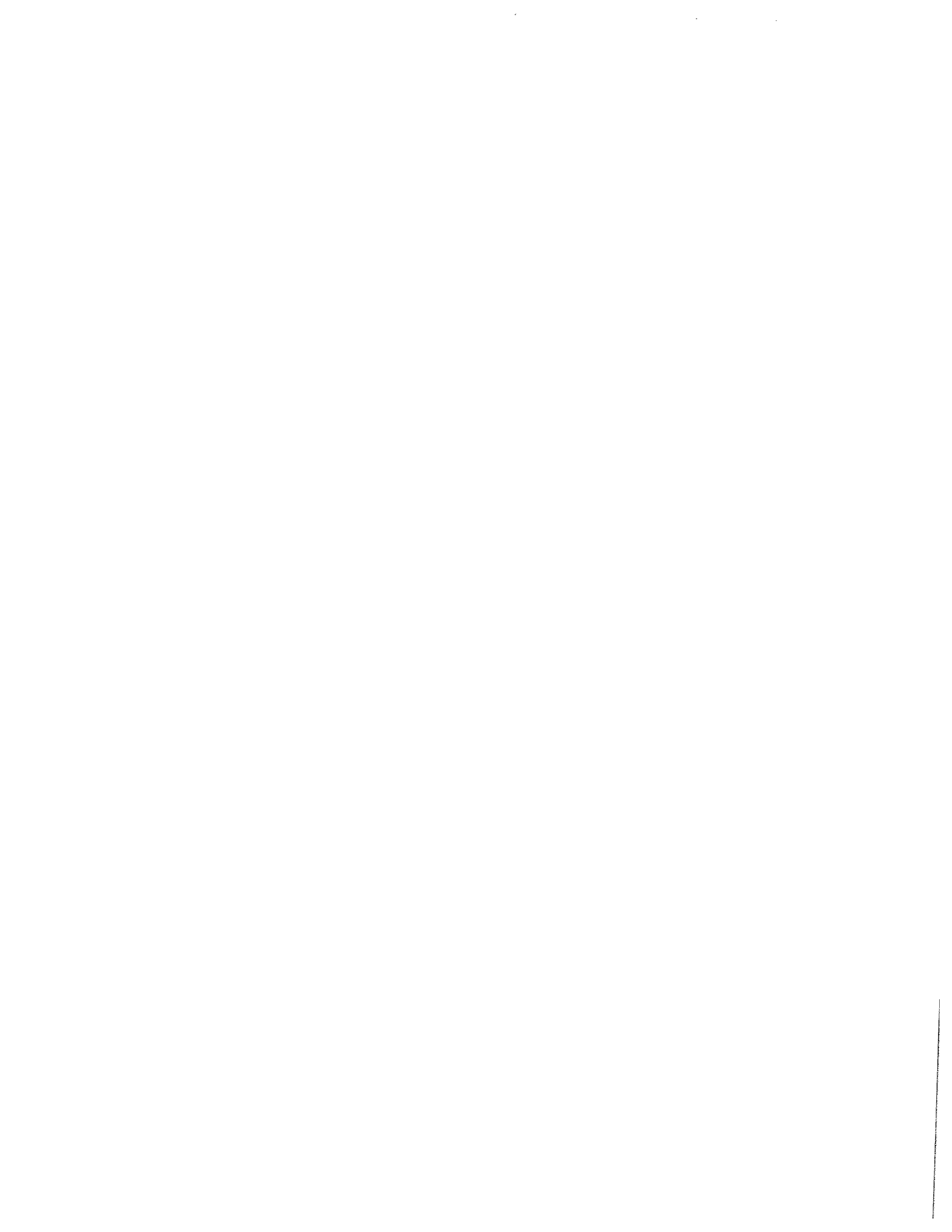


TABLE OF CONTENTS

I - INTRODUCTION	1
Project Area Description.....	1
Tax Increment Financing	3
The Redevelopment Plan.....	3
II - LEGAL DESCRIPTION.....	6
III - ELIGIBILITY OF THE PROPOSED TIF DISTRICT.....	7
IV - REDEVELOPMENT GOALS, OBJECTIVES AND STRATEGIES	8
Goals	8
Objectives.....	8
Strategies.....	9
V - FUTURE LAND USE AND REDEVELOPMENT ACTIVITIES	10
Future Land Use	10
Redevelopment Activities.....	10
VI - REDEVELOPMENT PROGRAM.....	11
Purpose of the Redevelopment Plan	11
Eligible Redevelopment Project Costs	11
Property Assembly.....	14
Property Disposition.....	14
Rehabilitation of Existing Public or Private Structures.....	15
Public Improvements.....	15
Capital Costs of Taxing Districts.....	16
Relocation	16
Job Training.....	16
Developer Interest Costs.....	16
Estimated Project Costs.....	17
Sources of Funds	18
Nature and Term of Obligations to be Issued	19
Equalized Assessed Valuation	20
VII - FINDINGS OF NEED FOR TAX INCREMENT FINANCING.....	21
Project Area Not Subject to Growth.....	21
VIII - FINANCIAL IMPACT OF REDEVELOPMENT	23
Demand on Taxing District Services	23
IX - OTHER ELEMENTS OF THE REDEVELOPMENT PLAN.....	26
Conformance with Land Uses Approved by the Planning Commission of the City.....	26
Date of Completion.....	26
Implementation Schedule	26
Provision for Amending the Redevelopment Plan	26

Affirmative Action and Fair Employment Practices	26
Affordable Housing	27
Environmental Standards	27
Intergovernmental Agreements and Redevelopment Agreements	28
Housing Impact	28

LIST OF PLAN EXHIBITS

Table 1: Existing Land Use	2
Table 2: Estimated Redevelopment Project Costs	17
Table 3: Building Permit Activity, January 1994 to June 1999	21
Figure 1: Project Area Boundaries	29
Figure 2: Existing Land Use	30
Figure 3: Future Land Use	31

APPENDIX A: ELIGIBILITY STUDY

APPENDIX B: LEGAL DESCRIPTION

APPENDIX C: EQUALIZED ASSESSED VALUATION BY PARCEL

APPENDIX D: HOUSING IMPACT STUDY

I - INTRODUCTION

This report documents the Tax Increment Redevelopment Plan and Program (the "Redevelopment Plan") for the Armitage/Pulaski Redevelopment Project Area (the "Project Area"). The Redevelopment Plan has been prepared for the use of the City of Chicago (the "City") by Teska Associates, Inc. The proposed Redevelopment Plan seeks to respond to a number of problems and needs within the Project Area, and is indicative of a strong commitment and desire on the part of the City to improve and revitalize the Project Area. This document is intended to provide a framework for improvements and reinvestment within the Project Area over the next 23 years. The goal of the Redevelopment Plan is to encourage the redevelopment of existing obsolete and deteriorating buildings for uses which will contribute to the economic strength and vitality of the surrounding community.

In December 2005, the City retained the planning consulting firm of Teska Associates, Inc. ("TAI") along with project team members The Architect's Enterprise, Ltd. (architects), and Valerie S. Kretchmer Associates, Inc. (real estate analysts), to assist the City in the creation of a tax increment financing ("TIF") program for the Project Area. TAI and its project team members conducted field surveys, performed site evaluations, and identified redevelopment opportunities and necessary public improvements. The consultant team also documented the presence of age, dilapidation, deterioration of buildings and surface improvements, presence of structures below minimum code standards, excessive vacancies, and lack of community planning. This evidence has allowed TAI to conclude that the Project Area meets the statutory requirements for a Conservation Area and should be designated as a tax increment financing district under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "Act").

The Redevelopment Plan summarizes the analyses and findings of the consultants' work, which, unless otherwise noted, is the responsibility of TAI. The City is entitled to rely on the findings and conclusions of this Redevelopment Plan in designating the Project Area as a redevelopment project area under the "Act". TAI has prepared this Redevelopment Plan and the related eligibility study with the understanding that the City would rely on: (a) the findings and conclusions of the Redevelopment Plan and the related eligibility study in proceeding with the designation of the Project Area and the adoption and implementation of the Redevelopment Plan; and (b) the fact that TAI has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

PROJECT AREA DESCRIPTION

The Project Area is located approximately 5.5 miles northwest of the central business district of the City of Chicago. The Project Area encompasses portions of two major corridors: West Armitage Avenue from Harding Avenue on the east to Kenneth Avenue on the west, and North Pulaski Road from Dickens Avenue on the north to Cortland Street on the south (see Figure 1, Page 29).

The boundaries of the Project Area have been carefully established to include those properties that will gain an immediate and substantial benefit from the proposed redevelopment projects and Redevelopment Plan. The Project Area contains 222 buildings and 177 parcels, and consists of approximately 31 acres within 18 legal blocks or portions thereof. The Project Area is zoned predominantly for commercial uses. The Armitage Avenue commercial corridor, which comprises the majority of the Project Area, represents the retail and business center for the residential neighborhoods

north and south of Armitage Avenue. The commercial businesses, particularly the retail businesses, within the corridor reflect the diversity of the neighborhood populations which they serve.

Land use in the Project Area is primarily composed of residential, commercial, and mixed uses which are typically commercial uses with residences above (see Figure 2, Page 30). Most blocks are characterized by a mix of the primary uses, including combinations of retail, office, and residential uses. Residential uses occur both in single- and multi-family buildings, as well as in apartments above commercial uses. Several blocks contain only commercial uses. There are no Chicago Park District parks in the Project Area.

Table 1: Existing Land Use

Land Use Category	Acres	Percent
Single Family	2.21	7.1%
Multi-Family	2.10	6.8%
Commercial	6.80	21.9%
Mixed Use	5.88	18.9%
Institutional	0.04	0.1%
Parking	1.00	3.2%
Vacant	0.71	2.3%
Right-of-Way	12.36	39.7%
Total	31.10	100%

The Project Area is characterized by convenient access to transportation options. The Kennedy Expressway is approximately 2.5 miles to the east of the Project Area, and several major arterial streets are in close proximity to the area, including Armitage Avenue and North Avenue in an east-west direction, and Pulaski Road, Cicero Avenue, Kedzie Avenue, and Western Avenue in the north-south direction. Two bus lines run through the Project Area, including #73 along Armitage Avenue and #53 along Pulaski Road. The Metra Rail regional transit system has two stops in close proximity to the Project Area. The Milwaukee District North Line's Healy stop is located on Fullerton Avenue just west of Pulaski Road which is north of the Project Area. The Milwaukee District West Line's Hermosa stop is located on Keeler Avenue just south of Bloomingdale Avenue to the south of the Project Area.

Despite this advantageous and well-connected location, the Project Area has become blighted, and is characterized by underutilized or vacant commercial property. As Section VII, Findings of Need for Tax Increment Financing, and the Eligibility Study in the Appendix demonstrate, the Project Area has not been subject to appropriate growth and development through investment by private enterprise, and is not reasonably expected to be developed without the direct intervention and leadership of the City. The City believes that tax increment financing will be of substantial benefit in the redevelopment of the Project Area. Tax increment financing will induce private investment that will arrest and reverse the blighting conditions which currently exist.

TAX INCREMENT FINANCING

Tax increment financing is permitted in Illinois under the Act. Only areas which meet certain specifications outlined in the Act are eligible to use this financing mechanism. This document has been prepared in accordance with the provisions of the Act and can be used as a guide for public and private development in the Project Area. In addition to describing the redevelopment objectives, the Redevelopment Plan sets forth the overall program to be undertaken to achieve these objectives.

The Act permits municipalities to use tax increment financing to improve eligible "blighted" or "conservation" areas in accordance with an adopted redevelopment plan over a period not to exceed 23 years. The municipal cost of certain public improvements and programs can be paid with the revenues generated by increased equalized assessed values of private taxable real estate within a designated project area ("incremental property taxes"). The key to this financing tool is that it allows for the public to make capital investments that are repaid by property taxes from private development investment induced by those public capital investments. Incremental property taxes are taken from the increase in equalized assessed valuation (principally from new private development) generated within the designated project area during the limited term of the redevelopment project. Thus, the project can pay for itself without the need for additional taxes to be levied city-wide, outside the boundaries of the particular project area.

The successful implementation of the Redevelopment Plan requires that the City take full advantage of the real estate tax increment attributed to the Project Area as provided for by the Act. The Project Area would not reasonably be developed and improved without the use of such incremental revenues.

Public and private reinvestment is possible only if Tax Increment Financing ("TIF") is used as authorized by the Act. The revenue generated by the development activity will play a major and decisive role in encouraging private development. Through this Redevelopment Plan, the City will serve as a catalyst for assembling the assets and energies of the private sector in a unified, cooperative public-private redevelopment effort. Implementation of the Redevelopment Plan and Redevelopment Program (as defined below) will benefit the City, its residents, and all taxing districts in the form of improved economic well-being and the improvement of the community living, working, and learning environment.

THE REDEVELOPMENT PLAN

As evidenced in Redevelopment Plan Section VII "Findings of Need of Tax Increment Financing," the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of TIF.

The Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through implementation of this Redevelopment Plan, is that the entire Project Area be revitalized through a coordinated public and private enterprise effort of reinvestment, rehabilitation, and redevelopment of uses compatible with a strong, stable neighborhood, and that such revitalization occurs:

- On a coordinated, rather than piecemeal basis, to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards; and
- On a reasonable, comprehensive, and integrated basis to ensure that the factors leading to blight are eliminated; and
- Within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the City.

This Redevelopment Plan specifically describes the Project Area and summarizes the factors which qualify the Project Area as a "conservation area" as defined in the Act.

The success of this redevelopment effort will depend on cooperation between the public and private sectors. By means of public investment, the Project Area will become a stable environment for area-wide redevelopment by the private sector. The City will serve as the central force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

This Redevelopment Plan sets forth the overall "Redevelopment Program" to be undertaken to accomplish the City's above-stated goal. During implementation of the Redevelopment Program, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and activities; and (ii) enter into redevelopment agreements or intergovernmental agreements with private entities or public entities, respectively, in order to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

Successful implementation of this Redevelopment Plan requires that the City utilize incremental property taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the existing and threatened conditions which may lead to blight and which have precluded development of the Project Area by the private sector.

The use of incremental property taxes will permit the City to direct, implement, and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities, and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. These benefits are anticipated to include:

- A strengthening of the economic vitality of the community, arising from new residential and non-residential development;
- An increase in construction and long-term employment opportunities for residents of the Project Area and the City;
- The replacement of unsightly uses, blight, and vacated properties with viable, high-quality developments;

- The elimination of numerous physical impediments within the Project Area on a coordinated and timely basis so as to minimize costs and promote comprehensive, area-wide redevelopment;
- The construction of public improvements which may include new road surfaces, utilities, sewers, water lines, sidewalks, street lights, landscaping, etc., intended to make the Project Area more attractive to investment;
- The provision of job training services to community members which make the Project Area more attractive to investors and employers; and
- The creation of opportunities for women and minority businesses to share in the redevelopment of the Project Area.

II – LEGAL DESCRIPTION

The legal description of the Project Area can be found in Appendix B.

III – ELIGIBILITY OF THE PROPOSED TIF DISTRICT

During December 2005 and January 2006, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the proposed TIF district. The results of the study indicate that the Project Area meets the Act's requirements for a "conservation area," and is eligible to be designated by the City Council of the City as a "Tax Increment Financing Redevelopment Project Area." The detailed findings of this study are described in Appendix A of this report.

The Project Area qualifies as a conservation area under the Act based on the predominance and extent of parcels exhibiting the following characteristics:

1. Age of structures greater than 35 years old
2. Deterioration of buildings and surface improvements
3. Presence of structures below minimum code standards
4. Excessive vacancies
5. Lack of community planning
6. Decline of the Project Area equalized assessed value at a rate greater than experienced by the remainder of the City for at least three of the last five years

Each of these factors contributes to the eligibility of the Project Area as a conservation area.

IV – REDEVELOPMENT GOALS, OBJECTIVES AND STRATEGIES

In order to establish a workable Redevelopment Plan for the Project Area, it is important to establish both the general, overall goals and specific objectives of the Redevelopment Plan, and to present strategies for meeting these goals and objectives.

GOALS

The overall goals which are specifically directed to this Redevelopment Plan are:

- Reduction or elimination of those conditions which qualify the Project Area as a conservation area;
- Provision of sound economic redevelopment in the Project Area;
- Contribution to the economic well being of the City;
- Creation of strong public and private partnerships to capitalize upon and coordinate all available resources and assets;
- Encouragement of land uses which strengthen the function and appeal of the Project Area for a wide range of activities, including commercial, residential, public, and institutional uses;
- Improvement of the quality of life in the City by reducing incidences of both physical and economic deterioration within the Project Area;
- Improvement of existing utilities and roadways to enhance the potential for development and accessibility of redevelopment sites;
- Employment of residents living in and around the Project Area in jobs in the Project Area;
- Creation of an environment within the Project Area that will contribute to the health, safety, and general welfare of the City, that will maintain or enhance the value of properties in and adjacent to the Project Area, and that will stimulate private investment in new construction, expansion, and rehabilitation; and
- Creation of additional affordable housing units, as consistent with City policies.

OBJECTIVES

- Assemble and prepare sites which are conducive to modern development;
- Encourage the use and maintenance of the commercial corridor so as to contribute to the vitality of the adjacent uses;
- Upgrade infrastructure throughout the Project Area;

- Establish a distinctive and cohesive visual identity for both the Armitage Avenue and the Pulaski Road corridors;
- Ensure high quality and harmonious architectural and landscape design throughout the Project Area;
- Preserve and create housing for diverse markets through adaptive rehabilitation and/or new construction, and use financial incentives such as the Neighborhood Improvement Program (NIP) to rehabilitate existing residential structures; and
- Capitalize on the potential of vacant or underutilized retail/commercial property by spurring growth through financial incentives such as the Small Business Improvement Fund (SBIF) to businesses in the Armitage/Pulaski Project Area.

STRATEGIES

Based on an analysis of the existing conditions of the Project Area and the overall goals and specific objectives stated above, the strategies for redevelopment should be to:

- Rehabilitate, where appropriate, existing commercial, residential, and mixed use structures;
- Assemble and prepare property necessary to attract new investment;
- Undertake appropriate environmental remediation measures on rehabilitation or redevelopment sites, according to customary procedures;
- Establish job readiness and job training programs to provide residents within and surrounding the Project Area with the skills necessary to secure jobs in the Project Area and in adjacent project areas;
- Secure commitments from employers within the Project Area and adjacent project areas to interview graduates of the Project Area's job readiness and job training programs;
- Promote non-residential uses that support the needs of the community; and
- Repair and replace the infrastructure where needed, including, but not limited to: roads, sidewalks, public utilities, and other public infrastructure.

V – FUTURE LAND USE AND REDEVELOPMENT ACTIVITIES

FUTURE LAND USE

The following land uses are anticipated within the Project Area (see Figure 3, Page 31):

Residential: This category is reflective of the existing residential uses found along the north-south Pulaski Road corridor. While there are limited vacancies, the age and level of deterioration of most structures are indicative of rehabilitation or redevelopment opportunities. For vacant sites or where existing physical conditions are not conducive to rehabilitation, redevelopment of sites to multi-family buildings should be considered.

Mixed Use: This category is reflective of the existing mixed use nature of the primary east-west corridor in the Project Area. Currently, the Armitage corridor is characterized by a diverse mix of residential, retail, and office uses, which occur on the same block and often within the same building. The intention of the Mixed Use designation is to strengthen the mix of uses that already exists, by encouraging appropriate redevelopment and building re-use of underutilized buildings and properties, compatible with the current mix of uses. Generally, multi-family residential uses (including apartments or condominiums above other ground-floor uses), retail, service, office and institutional uses are appropriate. Industrial uses are not encouraged.

REDEVELOPMENT ACTIVITIES

The redevelopment of the Project Area will be driven by private reinvestment induced through public assistance and support. In the absence of assistance from the City as provided by the Redevelopment Plan, the private sector is not expected to pursue these opportunities.

Many sites throughout the Project Area may be appropriate for rehabilitation. Rehabilitation may involve facade improvements and repairs, as well as improvements to the interior of buildings which are structurally sound but require work to address appearance or safety issues. Other sites may be appropriate for redevelopment. Such sites may include vacant properties, or properties which contain buildings in extremely poor physical condition or with deleterious uses. Redevelopment of these sites will spur other redevelopment and rehabilitation projects throughout the Project Area.

In addition, public improvements will increase the functionality, appearance, and viability of the Project Area as a strong commercial corridor. Recommended public improvements in the Project Area could include additional streetscape elements along Armitage Avenue to supplement existing elements. In addition, special gateway treatments would be appropriate at locations that maximize the impact and recognition of the east and west entrances into the Project Area.

VI – REDEVELOPMENT PROGRAM

This section describes the public and private improvements and activities anticipated to be made and undertaken to implement the Redevelopment Plan.

PURPOSE OF THE REDEVELOPMENT PLAN

The Act defines the Redevelopment Plan as: "...the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a 'blighted area' or 'conservation area' or combination thereof or 'industrial park conservation area,' and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area" (65 ILCS 5/11-74.4-3(n), as amended).

Further, the Act states that for such areas, "It is hereby found and declared that in order to promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas. The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas by redevelopment projects is hereby declared to be essential to the public interest" (65 ILCS 5/11-74.4-2(b), as amended).

The Future Land Use Plan in Figure 3 (See Page 31) illustrates proposed land uses. Ultimately, the Redevelopment Plan should help to better integrate the Project Area with adjacent uses, becoming an asset to the community and reversing decay.

ELIGIBLE REDEVELOPMENT PROJECT COSTS

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Plan (the "Redevelopment Project Costs.")

In the event the Act is amended after the date of the approval of this Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Plan, to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Table 3 or otherwise adjust the line items in Table 3 without amendment to this Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Plan.

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Plan pursuant to the Act. Such costs may include, without limitation, the following:

- a) Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) The cost of marketing sites within the Project Area to prospective businesses, developers, and investors;
- c) Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation and site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- e) Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Project Area, and as long as such proposals feature a community-based training program which ensures maximum reasonable opportunities for residents of the Hermosa Community Area with particular attention to the needs of those residents who have previously experienced inadequate employment opportunities and development of job-related skills including residents of public and other subsidized housing and people with disabilities;
- g) Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued there under including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan;
- i) Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or state law or by Section 74.4-3(n)(7) of the Act (see "Relocation" section);
- j) Payment in lieu of taxes as defined in the Act;

- k) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs; (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;
- l) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total:
 - (i) cost paid or incurred by the redeveloper for such redevelopment project;
 - (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act;
 5. for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, the percentage of 75 percent shall be substituted for 30 percent in subparagraphs 2 and 4 above.
- m) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- n) An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- o) Instead of the eligible costs provided for in (l) 2, 4 and 5 above, the City may pay up to 50% of the cost of construction, renovation, and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the

units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act; and

- p) The cost of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

PROPERTY ASSEMBLY

To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program or other programs and may be for the purpose of (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its power to acquire real property not currently identified herein, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary procedures of having each site acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

Relocation assistance may be provided in order to facilitate redevelopment of portions of the Project Area, and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City.

PROPERTY DISPOSITION

Property to be acquired by the City as part of the Redevelopment Program may be assembled into appropriate redevelopment sites. As part of the redevelopment process the City may: (i) sell, lease or convey such property for private redevelopment; or (ii) sell, lease or dedicate such property for construction of public improvements or facilities. Terms of conveyance shall be incorporated into appropriate disposition agreements, and may include more specific restrictions than contained in the

Redevelopment Plan or in other municipal codes and ordinances governing the use of land or the construction of improvements.

REHABILITATION OF EXISTING PUBLIC OR PRIVATE STRUCTURES

The City of Chicago may provide assistance to encourage rehabilitation of existing public or private structures which will remove conditions which contribute to the decline of the character and value of the district. Appropriate assistance may include, but is not limited to:

- Financial support to private property owners for the restoration and enhancement of existing structures within the Project Area; and
- Improvements to the facade or rehabilitation of public or private buildings.

PUBLIC IMPROVEMENTS

The City of Chicago may install public improvements to enhance the Project Area as a whole, to support the Redevelopment Program, and to serve the needs of Project Area residents. Appropriate public improvements may include, but are not limited to:

- Vacation, removal, resurfacing, widening, reconstruction, construction, and other improvements to streets, alleys, pedestrian ways, and pathways;
- Installation of traffic improvements, viaduct improvements, street lighting and other safety and accessibility improvements;
- Development of parks, playgrounds, plazas, and places for public leisure and recreation;
- Installation, reconstruction, improvement or burial of public or private utilities;
- Construction of public buildings;
- Beautification, lighting and signage of public properties;
- Maintenance of rights-of-way in privately owned properties;
- Demolition of obsolete or hazardous structures; and
- Improvements to publicly owned land or buildings to be sold or leased.

Recommended public improvements in the Project Area are listed in Section V, Future Land Use and Redevelopment Activities.

The City may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list, or may add new improvements to the list.

CAPITAL COSTS OF TAXING DISTRICTS

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Redevelopment Plan.

RELOCATION

In the event that the implementation of the Redevelopment Plan results in the removal of residential housing units in the Project Area occupied by low-income households or very low-income households, or the displacement of low-income households or very low-income households from such residential housing units, such households shall be provided affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The City shall make a good faith effort to ensure that this affordable housing is located in or near the Project Area.

As used in the above paragraph "low-income households", "very low-income households" and "affordable housing" shall have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Plan, these statutory terms are defined as follows: (i) "low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development ("HUD") for purposes of Section 8 of the United States Housing Act of 1937; (ii) "very low-income household" means a single person, family or unrelated persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD; and (iii) "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.

JOB TRAINING

Separate or combined programs designed to increase the skills of the labor force to meet employers' hiring needs and to take advantage of the employment opportunities within the Project Area may be implemented.

DEVELOPER INTEREST COSTS

Funds may be provided to redevelopers for a portion of interest costs incurred by a redeveloper related to the construction, renovation, or rehabilitation of a redevelopment project provided that:

1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
2. such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year.

ESTIMATED PROJECT COSTS

Table 2 outlines the estimated costs of the Redevelopment Program.

Table 2: Estimated Redevelopment Project Costs

ELIGIBLE EXPENSE	ESTIMATED COST
Administration, Studies, Surveys, Legal, Marketing, Etc	\$500,000
Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$1,500,000
Rehabilitation of Existing Buildings, Fixtures, and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Cost	\$4,000,000
Public Works or Improvements ^{(1) (2)}	\$2,500,000
Job Training, Retraining, Welfare-to-Work	\$500,000
Relocation Costs	\$500,000
Interest Costs	\$2,000,000
Total Redevelopment Costs ^{(3) (4) (5)}	\$11,500,000 ⁽⁶⁾

Notes:

1. This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.
2. Public improvements may also include capital costs of taxing districts. Specifically, public improvements as identified in the Redevelopment Plan and as allowable under the Act may be made to property and facilities owned or operated by the City or other public entities. As provided in the Act, to the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.
3. The total Estimated Redevelopment Project Costs provides an upper limit on expenditures and adjustments may be made in line items without amendment to this Redevelopment Plan.
4. Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.
5. The amount of the Total Redevelopment Project Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right-of-way.
6. Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.

SOURCES OF FUNDS

The Act provides methods by which municipalities can finance eligible redevelopment project costs with incremental real estate tax revenues. Incremental tax revenue is derived from the increase in the current equalized assessed valuation (EAV) of real property within the Project Area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate, resulting in the tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, federal, state, county, or local grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur redevelopment project costs which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed from such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area may be contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or other project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible redevelopment project costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1, et seq., as amended. If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible redevelopment project costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 2 of this Redevelopment Plan.

In the event that adequate funds are not available as anticipated from aforementioned sources, the City may utilize its taxing power to sustain the Redevelopment Project or repay obligations issued in connection therewith, to be reimbursed over time, if possible, from tax increment revenues.

NATURE AND TERM OF OBLIGATIONS TO BE ISSUED

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area was originally adopted, assuming the ordinance is adopted in 2007, December 31, 2031. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

One or more issues of obligations may be sold at one or more times in order to implement the Redevelopment Plan, as amended, and as it may be amended in the future. Obligations may be issued on a parity or subordinate basis.

The City may, by ordinance, in addition to obligations secured by the tax allocation fund, pledge for a period not greater than the term of the obligations any part or any combination of the following:

- Net revenues of all or part of any redevelopment project;
- Taxes levied and collected on any or all property in the City;
- The full faith and credit of the City;
- A mortgage on part or all of a redevelopment project; and
- Any other taxes or anticipated receipts that the City may lawfully pledge.

EQUALIZED ASSESSED VALUATION

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Project Area is to provide an estimate of the initial EAV, which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Project Area. The most recent (2005) equalized assessed valuation (EAV) of all the taxable parcels in the Project Area is approximately \$18,041,199. This total EAV amount, by PIN, is summarized in Appendix D. This EAV is based on 2005 EAV figures collected by TAI and is subject to verification by the County Clerk. After verification, the final figure shall be certified by the County Clerk of Cook County, Illinois. This certified amount shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by the County.

Upon completion of anticipated private development of the Project Area, it is anticipated that the equalized assessed valuation will be approximately \$36 million. The calculation assumes that assessments appreciate at a rate of 3% per year. Other new projects, rehabilitation of existing buildings, and appreciation of real estate values may result in substantial additional increases in equalized assessed valuation.

VII – FINDINGS OF NEED FOR TAX INCREMENT FINANCING

Pursuant to the Act, TAI makes the following findings:

PROJECT AREA NOT SUBJECT TO GROWTH

Although the City and its surrounding regional area, as a whole, have evidenced growth, the Project Area has not been subject to appropriate growth and redevelopment through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.

The lack of growth in the Project Area is supported by the following:

Presence of Blighting Factors

Lack of investment is evidenced by the widespread extent and distribution of blighting factors, including deterioration, vacancies, and code violations. As elaborated upon in the Eligibility Study (Appendix A), the presence of these factors to such a significant degree illustrates that appropriate private investment, particularly for maintenance and improvements to property, has not been undertaken in the Project Area.

Lack of Building Permit Activity Representing Substantial Investment

During the period from January 2004 to February 2006, 15 building permits were issued in the Project Area at a total value of \$827,900. This represents less than a 4.75% of market value investment in the Project Area. In addition, over 60% of this investment is represented by one project while seven of the 15 permits are for basic maintenance and to address code violations. This level of building activity does not represent a sign of economic well-being through private investment. As elaborated upon in the Eligibility Study, the Project Area has been subject to code violations over the past three years, and much of the building permit activity addresses City building code requirements.

Table 3: Building Permit Activity, January 2004 to February 2006

Type of Permit	Number of Permits	Value of Permits	Value as a Percent of Total Permits
Additions	1	\$507,000	61.2%
Renovation	7	\$276,500	33.4%
Repair/code violations	7	\$44,400	5.4%
Total	15	\$827,900	100.0%

Specifically, as depicted in Table 3, during the period from January 2004 to February 2006, only 8 permits were issued for the erection of additions or for substantial interior renovations. These permits, which represent significant private investment, affected only 4.5% of the 177 parcels in the

Project Area. The remaining permits were for general maintenance or in response to building code violations.

As Table 3 illustrates, only 1 out of the 177 properties in the Project Area had any kind of substantial private investment through an addition. While 1/3 of the building permit values went towards renovation, this affected less than 4% of the 177 Project Area parcels and resulted in only a 1.65% market value reinvestment. The increase in value to properties arising from new construction, additions, or substantial renovations was isolated on a small number of properties and is not uniformly distributed throughout the Project Area.

Less than 5.5% of the building permit values went towards addressing building code violations, affected less than 4% of the Project Area parcels and was less than a 0.27% market value reinvestment. These simple repairs and maintenance activities are unlikely to increase the value of property. In general, the building permit data suggests that private investment undertaken in the community is not as substantial, or widespread, as would be anticipated in a strong, stable portion of the City.

VIII – FINANCIAL IMPACT OF REDEVELOPMENT

Without the adoption of the Redevelopment Plan and Program, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment, there is a prospect that blighting factors will continue to exist and spread, and the Project Area on the whole, in addition to adjacent properties, will become less attractive for the maintenance and improvement of existing buildings and sites. Erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Implementation of the Redevelopment Project is expected to have significant short and long term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short term, the City's effective use of tax increment financing can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long term, after the completion of all redevelopment improvements and activities, the completion of redevelopment projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in EAV caused by the Redevelopment Program.

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

DEMAND ON TAXING DISTRICT SERVICES

The following taxing districts presently levy taxes against properties located within the Project Area:

Cook County - The County has principal responsibility for the protection of persons and property, the provision of public health services and the maintenance of County highways.

Cook County Forest Preserve District - The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure and recreation of the public.

Metropolitan Water Reclamation District of Greater Chicago - This district provides the main trunk lines for the collection of waste water from cities, villages and towns, and for the treatment and disposal thereof.

City of Chicago - The City is responsible for the provision of a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; building, housing and zoning codes, etc.

Board of Education of the City of Chicago and Associated Agencies - General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade.

Chicago Community College District #508 - This district is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the City and other students seeking higher education programs and services.

Chicago Park District - The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs.

The replacement of vacant and underutilized property with non-residential or residential development may cause increased demand for services and/or capital improvements to be provided by Cook County, the Metropolitan Water Reclamation District of Greater Chicago, the City of Chicago, the Board of Education of the City of Chicago, Chicago Community College District #508, and the Chicago Park District. The estimated nature of these increased demands for services on these taxing districts, and the activities to address increased demand, are described below.

Cook County - The replacement of vacant and underutilized property with non-residential or residential development may cause increased demand for the services and programs provided by the County. Because many new residents in the Project Area are likely to relocate from other portions of the County, the increase in demand is not anticipated to be significant. A portion of Redevelopment Project Costs may be allocated to assist in the provision of such increased services, as provided in the Act and in this Redevelopment Plan.

Metropolitan Water Reclamation District of Greater Chicago - The replacement of vacant and underutilized property with new development may cause increased demand for the services and/or capital improvements provided by the Metropolitan Water Reclamation District. As it is expected that any increase in demand for treatment and sanitary and storm sewage associated with the Project Area will be minimal, no assistance is proposed for the Metropolitan Water Reclamation District.

City of Chicago - The replacement of vacant and underutilized property with new development may cause increased demand for the services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc. Such increases in demand may be significant. A portion of Redevelopment Project Costs may be allocated to assist in the provision of such increased services, as provided in the Act and in this Redevelopment Plan.

Board of Education of the City of Chicago and Associated Agencies - The replacement of vacant and underutilized properties with new residential and/or mixed-use development may result in additional school-aged children in the Project Area, and may affect the demand for educational services and/or capital improvements to be provided by the Board of Education. The increased number of students may be significant. The City will work with the Board of Education and its associate agencies to address any increase that does arise.

Chicago Community College District #508 - The replacement of vacant and underutilized properties with mixed-use development may result in an increase in population within the Project Area. Therefore, demand for educational services and programs provided by the community college district may increase, although this change is not anticipated to be significant. The City will work with the Community College District #508 to address any increase that does arise.

Chicago Park District - The replacement of underutilized properties with non-residential and residential development may increase the population within the Project Area, so that demand for recreational services and programs provided by the Park District may increase. Although this increase is not expected to be significant, the City will work with the Chicago Park District to address any increase that does arise.

This proposed program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Program occurring as anticipated in the Redevelopment Plan, (ii) the Redevelopment Program resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs, and (iii) the generation of sufficient incremental property taxes to pay for the Redevelopment Project Costs listed above. In the event that the Redevelopment Program fails to materialize, or involves a different scale of development than that currently anticipated, the City may revise this proposed program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

IX – OTHER ELEMENTS OF THE REDEVELOPMENT PLAN

CONFORMANCE WITH LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY

The Redevelopment Plan and Project described herein includes land uses which have been approved by the Chicago Plan Commission.

DATE OF COMPLETION

The Redevelopment Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving this Project Area is adopted (assuming the ordinance is adopted in 2007, December 31, 2031).

IMPLEMENTATION SCHEDULE

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area. It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Program expenditures by private developers and the receipt of incremental property taxes by the City. The estimated date for completion of Redevelopment Projects is no later than December 31, 2030.

PROVISION FOR AMENDING THE REDEVELOPMENT PLAN

The Redevelopment Plan may be amended pursuant to provisions of the Act.

AFFIRMATIVE ACTION AND FAIR EMPLOYMENT PRACTICES

The City is committed to and will affirmatively implement the following principles with respect to this Redevelopment Plan:

1. The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Program, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
2. Redevelopers will meet City of Chicago's standards for participation of Minority Business Enterprises and Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.
3. This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

4. Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

In order to implement these principles, the City shall require and promote equal employment practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties engaged by the City shall be required to agree to the principles set forth in this section.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of gender, color, race or creed, etc. Neither party will countenance discrimination against any employee or applicant because of gender, marital status, national origin, age or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including hiring, upgrading and promotions, terminations, compensation, benefit programs and educational opportunities.

Anyone involved with employment or contracting activities for this Redevelopment Plan and Program will be responsible for conformance with this policy and the compliance requirements of applicable city, state, and Federal laws and regulations.

The City and the private developers involved in the implementation of the Redevelopment Plan and Program will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level for the project being undertaken in the Project Area. Any public/private partnership established for the development project in the Project Area will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites and facilities at which employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals. The partnership will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner.

The City shall have the right, in its sole discretion, to exempt certain small business, residential property owners, and developers from the above.

AFFORDABLE HOUSING

The City requires that developers who receive TIF assistance for market rate housing set aside 20% of the units to meet affordability criteria established by the City's Department of Housing or any successor agency. Generally, this means the affordable for-sale units should be priced at a level that is affordable to persons earning no more than 100% of the area median income, and affordable rental units should be affordable to persons earning no more than 60% of the area median income.

ENVIRONMENTAL STANDARDS

The City requires that developers who receive TIF assistance must comply with the City of Chicago environmental standards as per Department of Planning and Development policy.

INTERGOVERNMENTAL AGREEMENTS AND REDEVELOPMENT AGREEMENTS

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

HOUSING IMPACT

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan.

The Project Area contains 221 inhabited residential units. The Plan provides for the development or redevelopment of several portions of the Project Area that may contain occupied residential units. As a result, it is possible that by implementation of this Plan, the displacement of residents from 10 or more inhabited residential units could occur.

The results of the housing impact study section are described in a separate report which presents certain factual information required by the Act. The report, prepared by TAI, is entitled "Armitage/Pulaski Redevelopment Plan Housing Impact Study," and is attached as Appendix D to this Plan.

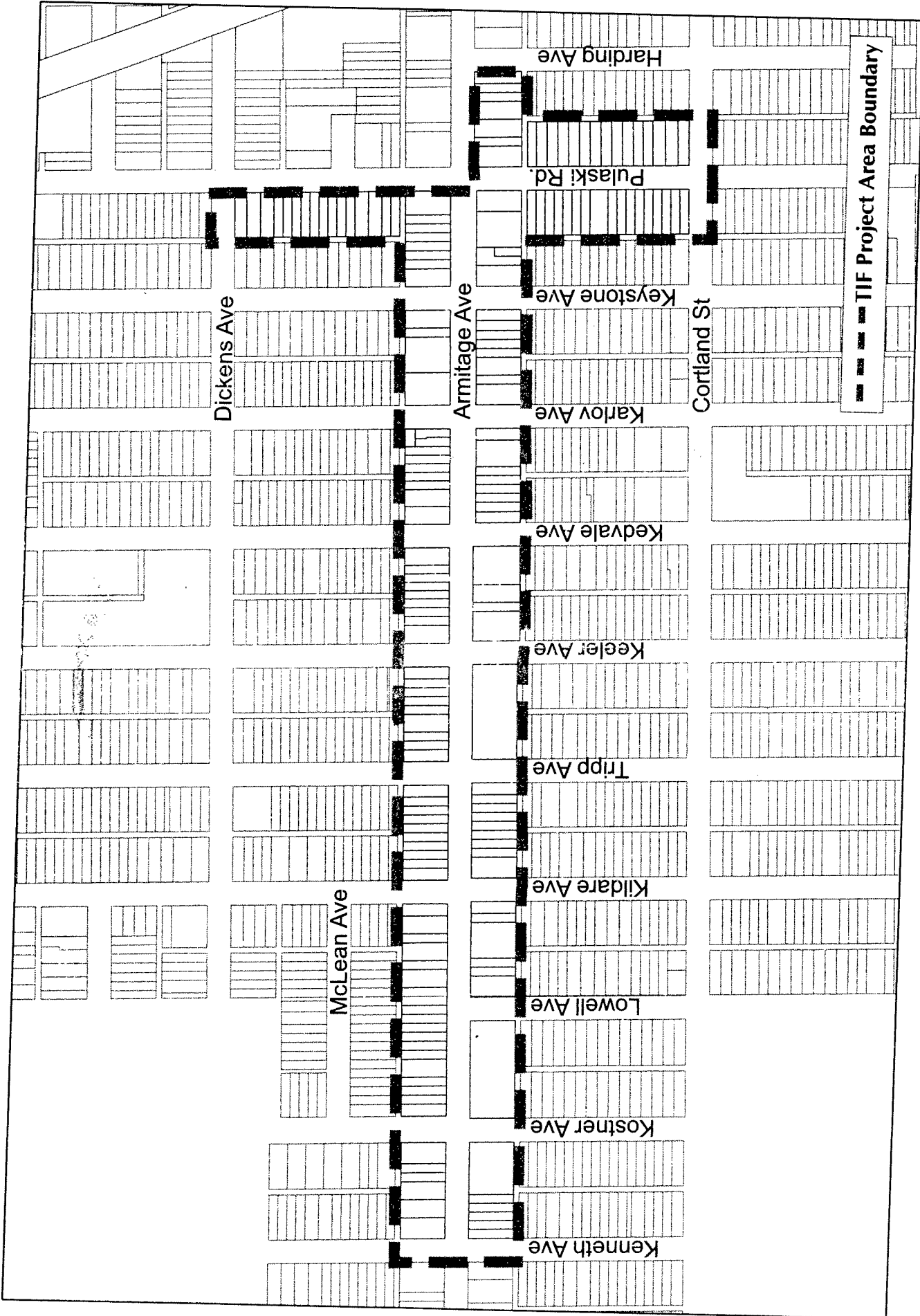
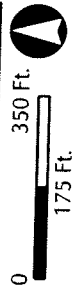


Figure 1: Project Area Boundary

Armitage and Pulaski TIF Redevelopment Plan
 City of Chicago, Illinois

December 1, 2006



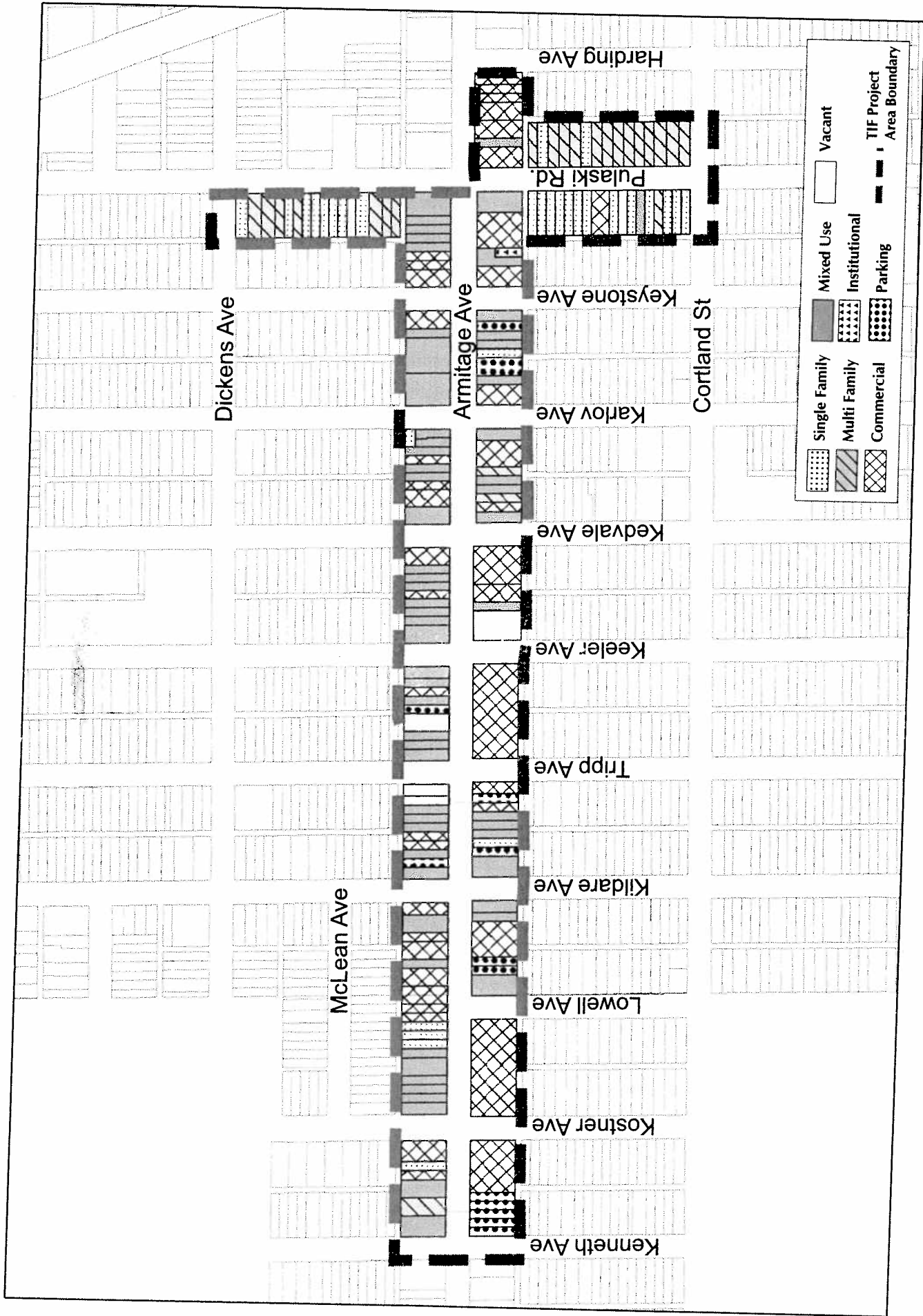
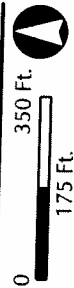


Figure 2: Existing Land Use

Armitage and Pulaski TIF Redevelopment Plan
 City of Chicago, Illinois

December 1, 2006



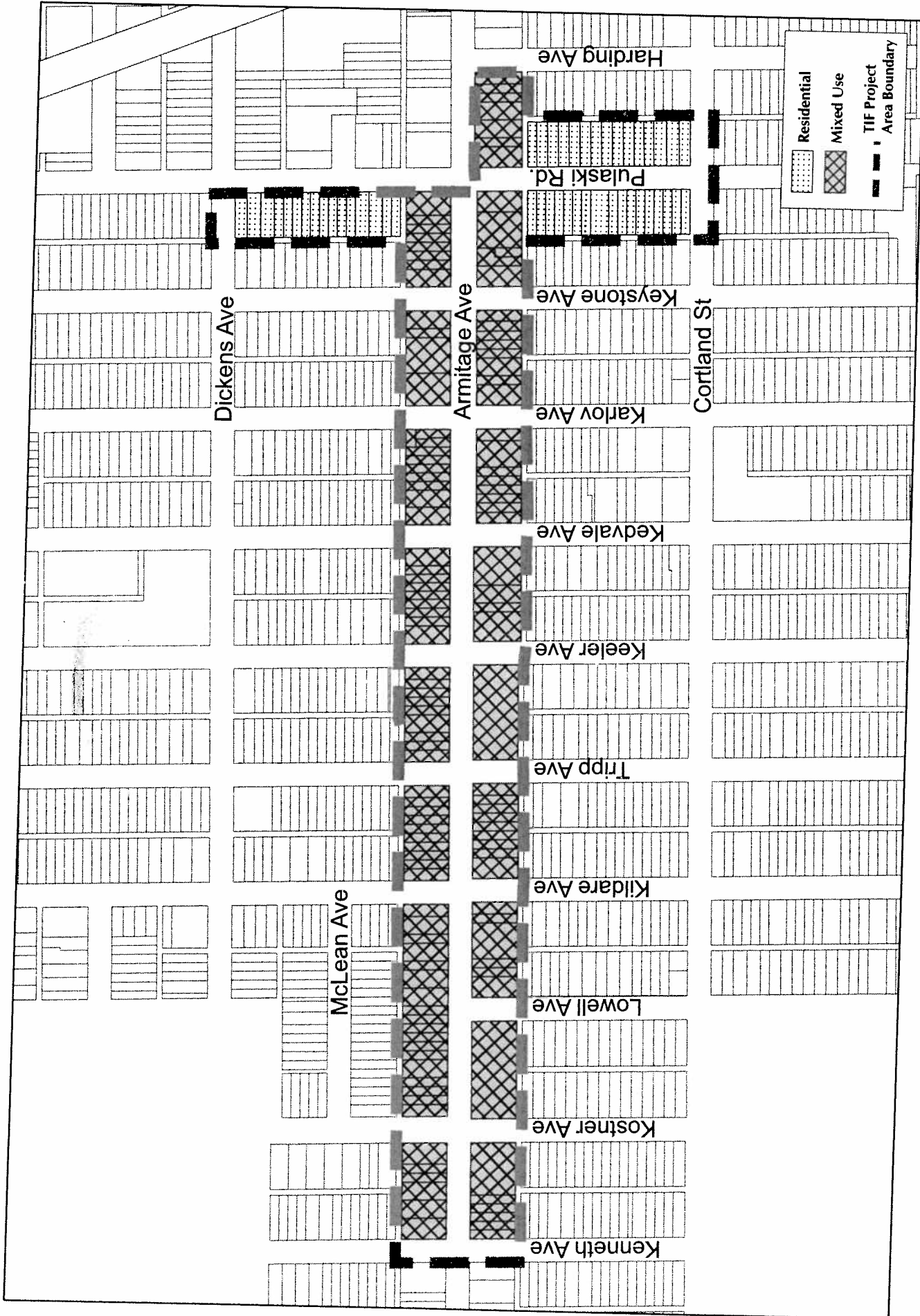
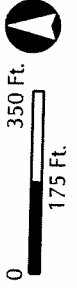


Figure 3: Future Land Use

Armitage and Pulaski TIF Redevelopment Plan
 City of Chicago, Illinois

December 1, 2006



APPENDIX A:

ARMITAGE/PULASKI
TAX INCREMENT FINANCING
REDEVELOPMENT PLAN

ELIGIBILITY FINDINGS

December 1, 2006

TABLE OF CONTENTS

Introduction	A-1
Description of the Project Area.....	A-2
Eligibility Findings	A-2
Age of Buildings	A-2
Dilapidation	A-3
Obsolescence	A-3
Deterioration	A-3
Presence of Structures Below Minimum Code Standards	A-4
Illegal Use of Individual Structures.....	A-4
Excessive Vacancies	A-5
Lack of Ventilation, Light, or Sanitary Facilities	A-5
Inadequate Utilities	A-5
Excessive Land Coverage	A-6
Deleterious Land Use or Layout	A-6
Lack of Community Planning	A-6
Environmental Clean-Up	A-7
Lag in Growth of the Equalized Assessed Value	A-7
Conclusion.....	A-9

LIST OF ELIGIBILITY STUDY EXHIBITS

Figure A Project Area Boundaries.....	A-10
Figure B TIF Eligibility Factor – Age	A-11
Figure C TIF Eligibility Factor – Deterioration	A-12
Figure D TIF Eligibility Factor – Code Violations	A-13
Figure E TIF Eligibility Factor – Vacancies	A-14

INTRODUCTION

In order to establish a Tax Increment Financing (TIF) Redevelopment Project Area the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 - 74.4 - 1, et seq., as amended (the "Act"), identifies specific characteristics which must be identified and documented. A Redevelopment Project Area is defined as:

"...an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, or a blighted area, or a conservation area, or a combination of both blighted areas and conservation areas" (65 ILCS 5/11-74.4-3(p)).

Section 5/11-74.4-3(b) defines a "conservation area" as:

"...any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area."

Therefore, in order to qualify as a "conservation area," an improved area must demonstrate the presence of at least three (3) of the following factors named by the Act and each must be reasonably distributed throughout the designated Redevelopment Project Area: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; need for environmental clean-up; and the lag in growth of the equalized assessed value ("EAV") for the Project Area in comparison to the remaining areas of the City.

Determination of eligibility of the Armitage/Pulaski Redevelopment Project Area (the "Project Area") for tax increment financing is based on a comparison of data gathered through field observation, document and archival research, and information provided by Cook County and the City of Chicago (the "City") against the eligibility criteria set forth in the Act. The eligibility criteria identified as part of the Act are the basis for the evaluation.

This report summarizes the analyses and findings of the consultants' work, which is the responsibility of Teska Associates, Inc. (TAI). TAI has prepared this report with the understanding that the City would rely on: (i) the findings and conclusions of this report in proceeding with the designation of the Project Area as a Redevelopment Project Area under the Act; and (ii) the fact that TAI has obtained the necessary information to conclude that the Project Area can be designated as a Redevelopment Project Area in compliance with the Act.

The Project Area is eligible for designation as a "conservation area" based on the predominance and extent of parcels exhibiting the following characteristics: **age, deterioration of buildings and surface improvements, lack of community planning, and lag in growth of the equalized assessed value and to a minor extent the presence of structures below minimum code standards and excessive vacancies.** Under the Act, at least 50% of the buildings in the Project Area must be 35 years of age or more, and

three of 13 listed conservation area factors must be present in and reasonably distributed throughout the Project Area for it to be considered a conservation area. The Project Area is characterized by three of the factors to a major extent, and two of the factors to a minor extent. The major factors are distributed throughout the Project Area.

DESCRIPTION OF THE PROJECT AREA

The Project Area is located approximately 5.5 miles northwest of the central business district of the City of Chicago. The Project Area encompasses portions of two major corridors: West Armitage Avenue from Harding Avenue on the east to Kenneth Avenue on the west, and North Pulaski Road from Dickens Avenue on the north to Cortland Street on the south.

The boundaries of the Project Area have been carefully established to include those properties that will gain an immediate and substantial benefit from the Redevelopment Plan. The Project Area contains 222 buildings and 177 parcels, and consists of approximately 31 acres within 18 legal blocks or portions thereof. The 222 buildings consist of 161 principal use buildings and 61 accessory structures such as garages. Figure A delineates the precise boundaries of the Project Area.

ELIGIBILITY FINDINGS

TAI, in association with the Architect's Enterprise, Ltd., conducted a field survey of the subject properties in December 2005 and January 2006. Based on an inspection of the improvements and grounds, field notes were taken which recorded the condition of all buildings and parcels. Photographs further document the observed conditions. Additional research was conducted at the Cook County Treasurer's Office and the City Building Department.

For the purposes of this study, a factor is considered to be "major" if the factor occurred on a relatively large number of properties, buildings, or blocks. Alternatively, a factor which affects a relatively smaller proportion of properties may also be major, if the effects of the factor are highly visible, and exert a significant depressing or blighting effect upon neighboring properties and the entire Project Area. "Minor" factors, while affecting fewer properties than major factors, also exert a negative effect on the Project Area. Overall, the combination of major and minor blighting factors contributes to a blighted appearance and inhibits investment in the Project Area.

AGE OF BUILDINGS

The characteristic of age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings or improvements typically exhibit more problems than buildings constructed in later years because of longer periods of active use (wear and tear) and the impact of time, temperature and moisture. Additionally, older buildings tend not to be well suited for modern-day uses because of contemporary space and development standards.

Based on the observed style and construction methods of the buildings within the Project Area and information provided by the Cook County Assessor's Office, 136 of 161 principal use buildings (84%) are more than 35 years old. Age is also widely distributed throughout the area. At least one

building characterized by age can be found on 15 of the 18 Project Area blocks (83%), and at least half of all buildings are characterized by age on those 15 blocks. Figure B illustrates the parcels on which at least 50% of all buildings are more than 35 years of age. As required, more than 50% of the structures within the Project Area are more than 35 years of age. Age is therefore a major contributing factor in the designation of the Project Area as a conservation area.

DILAPIDATION

Dilapidation refers to an advanced state of disrepair of buildings or improvements or the neglect of necessary repairs, causing the building or improvement to fall into a state of decay. At a minimum, dilapidated buildings should be those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that: (i) major repair is required or; (ii) the defects are so serious and extensive that the buildings must be removed.

Since the extent to which dilapidation exists in the project area is minimal and does not appear to be affecting the level of investment in adjacent property, dilapidation is not a contributing factor toward the Project Area's designation as a conservation area.

OBSOLESCENCE

According to the Act, an obsolete building or improvement is one which is in the condition or process of falling into disuse. Obsolescence does not exist in the Project Area and is not a factor in the conservation area designation of the Project Area.

DETERIORATION

Deterioration refers to physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

Deterioration of Buildings

Buildings in a state of deterioration exhibit defects which are not easily correctable in the course of normal maintenance. Such buildings may be classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of defects. This would include buildings with major defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and major defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

Deterioration occurs in 87 of 161 of the principal buildings (54%) and 94 of all 222 of all buildings in the Project Area. Such buildings create a visible environment of deterioration throughout the Project Area, causing owners of other nearby properties to be less inclined to invest in their own buildings. Thus, the effects of deterioration can become magnified beyond those buildings identified in the eligibility survey. This effect is widespread throughout the Project Area; deteriorated buildings are found on 14 of 18 blocks (78%). Figure C illustrates those parcels which have deteriorated buildings.

Deterioration of Site Improvements

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration through surface cracking, crumbling, potholes, depressions, loose paving materials, and weeds protruding through the surface.

Deteriorated surface improvements can be identified on 10 of 177 parcels (6%). Seven of 18 blocks (39%) show some deteriorated surface improvements. Figure C illustrates those parcels which display deteriorated surface improvements.

Deterioration, both of structures and of surface improvements, occurs significantly throughout the Project Area. More importantly, such deterioration has depressing effects on investment in neighboring properties, to a much greater extent than the proportion of properties exhibiting this factor might suggest. Therefore, the combined deterioration of structures and surface improvements is a major factor in the designation of the Project Area as a conservation area.

PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

Structures below minimum code standards include all structures that do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from this type of occupancy, to be safe for occupancy against fire and similar hazards, and/or establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which presume to threaten health and safety.

Correspondence with City Staff determined that 15 of 161 principal structures (9.3%) were in violation of minimum code standards of the City. These instances of code violations mainly occur west of Keeler Avenue on the west side of the Project Area. Four of the nine blocks (44%) in this area have a minimum of 20% of their structures in violation of City codes. The concentration of this characteristic in this portion of the Project Area is prevalent to the extent that its presence exerts a negative impact on the neighboring properties and is likely to spread to other properties within the Project Area. Given the current negative impact of this characteristic and its potential to spread into other sections of the Project Area, this characteristic is a minor contributing factor to the conservation area designation of the Project Area. Figure D identifies the location of the buildings with code violations.

ILLEGAL USE OF INDIVIDUAL STRUCTURES

Illegal use of individual structures refers to the use of structures in violation of applicable federal, state, or local laws exclusive of those applicable to the presence of structures below minimum code standards.

Due to limited documentation and limited observances of illegal land use within the Project Area during field surveys, it is not a contributing factor to the designation of the Project Area as a conservation area.

EXCESSIVE VACANCIES

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portions of buildings. Excessive vacancy refers to the presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of the frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

Out of the 161 principal buildings in the Project Area, 12 buildings (7.5%) are partially or entirely vacant. Vacancies are mainly concentrated at the intersection of Armitage Avenue and Pulaski Road and occur on 4 of the 18 blocks in the Project Area (22%). This concentration of vacancies exerts significant blighting affect in this section of the Project Area to the point that it will begin to negatively impact adjacent properties and uses. The further dispersal of vacancies could begin to indicate that a significant portion of the Project Area is underutilized, and the appearance of vacancies would exert a further drain upon the vitality of the community. Given the propensity of this characteristic and its potential to spread into other sections of the Project Area, this characteristic is a minor contributing factor to the conservation area designation of the Project Area. Figure E illustrates the parcels which contain a vacant or partially vacant building.

LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES

The lack of proper air circulation, access to natural light and ventilation by means of windows or skylights and a lack of bathroom facilities, kitchens, hot water and garbage storage/enclosure are characteristics that define a lack of ventilation, light or sanitary facilities. Structures with these characteristics would be found in violation of applicable federal and municipal codes and identified as violators.

No properties were identified in the Project Area to be obviously inadequately lit or ventilated. As a result, this factor does not significantly contribute to the eligibility of the Project Area as a conservation area.

INADEQUATE UTILITIES

This factor relates to all underground and overhead utilities, including, but not limited to, storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electric service which may be shown to be inadequate. Inadequate utilities would include those which are: (i) of insufficient capacity to serve the uses in the redevelopment project and surrounding areas; and (ii) deteriorated, antiquated, obsolete, or in disrepair or are lacking.

While the condition of inadequate utilities has not been documented as part of the surveys and analyses undertaken within the Project Area, existing utilities may need to be relocated or upgraded to adequately serve new development. Inadequate utilities are not a major factor in the designation of the Project Area.

EXCESSIVE LAND COVERAGE AND OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

This factor refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and multiple buildings on a single parcel. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service.

Based on the exterior field survey conducted by TAI and the Architect's Enterprise, Ltd., there are no structures in the Project Area which exhibit visible overcrowding. This factor is not a major factor in the designation of the Project Area.

DELETERIOUS LAND USE OR LAYOUT

Deleterious land uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses which may be considered noxious, offensive or environmentally unsuitable.

Given the existing land use relationships throughout the Armitage Avenue corridor and based on additional field observations, there are no parcels within the Project Area which can be characterized by deleterious land use or layout. Therefore, deleterious land use or layout is not a contributing factor in the designation of the Project Area as a conservation area.

LACK OF COMMUNITY PLANNING

This may be a significant factor if the Project Area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the development of the area. This may be documented by establishing the date of adoption of the City's master plan or other plans which address the Project Area and determining whether development occurred before or after that date. This finding may be amplified by evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards.

While the City of Chicago has a long history of planning, the early 20th century focus was on the downtown loop area and its adjacent neighborhoods. It is at this time that the vast majority of Project Area parcels were developed. This is documented by the average year of Project Area development, 1923, and the fact that more than 74% of the parcels were developed prior to 1930. As the mid to late 20th century became more auto-oriented, the ability of the Project Area to accommodate larger parking areas, loading zones, auto repair facilities and other uses became hampered by the platting and layout of parcels. Investment in the area began to decline and resulted in the blighting factors that are present today.

This Project Area did develop without the guidance of a community plan that contributed to the presence of blighting factors. As a result, lack of planning is a major factor in the designation of the Project Area

ENVIRONMENTAL REMEDIATION COST IMPEDING DEVELOPMENT

This factor may be documented by determining if any requirements by the Illinois Environmental Protection Agency, the United States Environmental Protection Agency, or any study conducted by a recognized independent expert consultant has resulted in the need to incur remediation costs for a site that have resulted in impeding further site redevelopment.

Based on field survey, there do not appear to be any environmental remediation projects required within the Project Area. Therefore there could be no costs associated with a remediation project that could impede the redevelopment of a site. This factor does not significantly contribute to the status of the Project Area as a conservation area.

LAG IN GROWTH OF THE PROJECT AREA'S EQUALIZED ASSESSED VALUE

This factor can be cited if the total equalized assessed value of the Project Area has declined for 3 of the last 5 calendar years in which information is available; or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available; or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

<i>Table A-1: City of Chicago EAV Data: Years 2000 - 2005</i>						
Year	2005	2004	2003	2002	2001	2000
Total Equalized Assessed Value of the Project Area	\$18,041,199	\$16,505,119	\$16,391,173	\$12,010,121	\$11,202,477	\$11,124,178
Percent Change in Project Area EAV from prior year	9.31 %	0.70 %	36.48 %	7.21 %	0.70 %	N/A*
EAV of the City of Chicago excluding Project Area	\$59,286,488,999	\$55,260,590,995	\$53,158,973,588	\$45,325,753,267	\$41,977,656,552	\$40,476,002,104
Percent change in City EAV from prior year	7.29 %	3.95 %	17.28 %	7.98 %	3.71 %	N/A*
Growth less than City?	No	Yes	No	Yes	Yes	

Source: Cook County Assessor's Office November 2006

N/A* - Percentage change in Project Area EAV from 1998 not required for analysis

Table A-1 represents the most recent data available from the Cook County Assessor's Office as of November 2006. Based on information provided obtained from Cook County regarding the growth rate of equalized assessed value for the whole City over the last 5 years, the percent change in the EAV for the Project Area was less than the percent change for the City of Chicago in the years 2001, 2002, and 2004. Relative to the immediate surroundings, the Project Area has not experienced appropriate growth to the tax base or shown evidence of private investment, which increases the value of properties.

Based on this evidence, lag in growth of EAV is a major contributing factor to the status of the Project Area as a conservation area.

CONCLUSION

The Project Area qualifies as a conservation area according to the criteria established by the Act, based on the predominance and extent of parcels exhibiting the following characteristics:

1. Age
2. Deterioration of buildings and surface improvements
3. Presence of structures below minimum code standards
4. Excessive vacancies
5. Lack of community planning
6. Decline of the Project Area equalized assessed value at a rate greater than experienced by the remainder of the City for at least three of the last five years

Each of these factors is present to a significant degree and is reasonably distributed throughout the Project Area. Further, these factors act in combination with one another, reinforcing the negative affects of the other factors. For example, a property owner may be less likely to invest in maintenance for an obsolete building, which may lead to deterioration, which further inhibits investment. In turn, investment in neighboring properties is inhibited in this environment of decay. Therefore, while not every block exhibits every factor, the combination of the factors throughout the Project Area has an adverse impact on the stability of the Project Area. Due to the negative effect on the public safety and welfare caused by these factors, the Project Area is declared eligible as a conservation area. All of these characteristics point to the need for designation of the Project Area as a conservation area, to be followed by public intervention in order that redevelopment might occur.

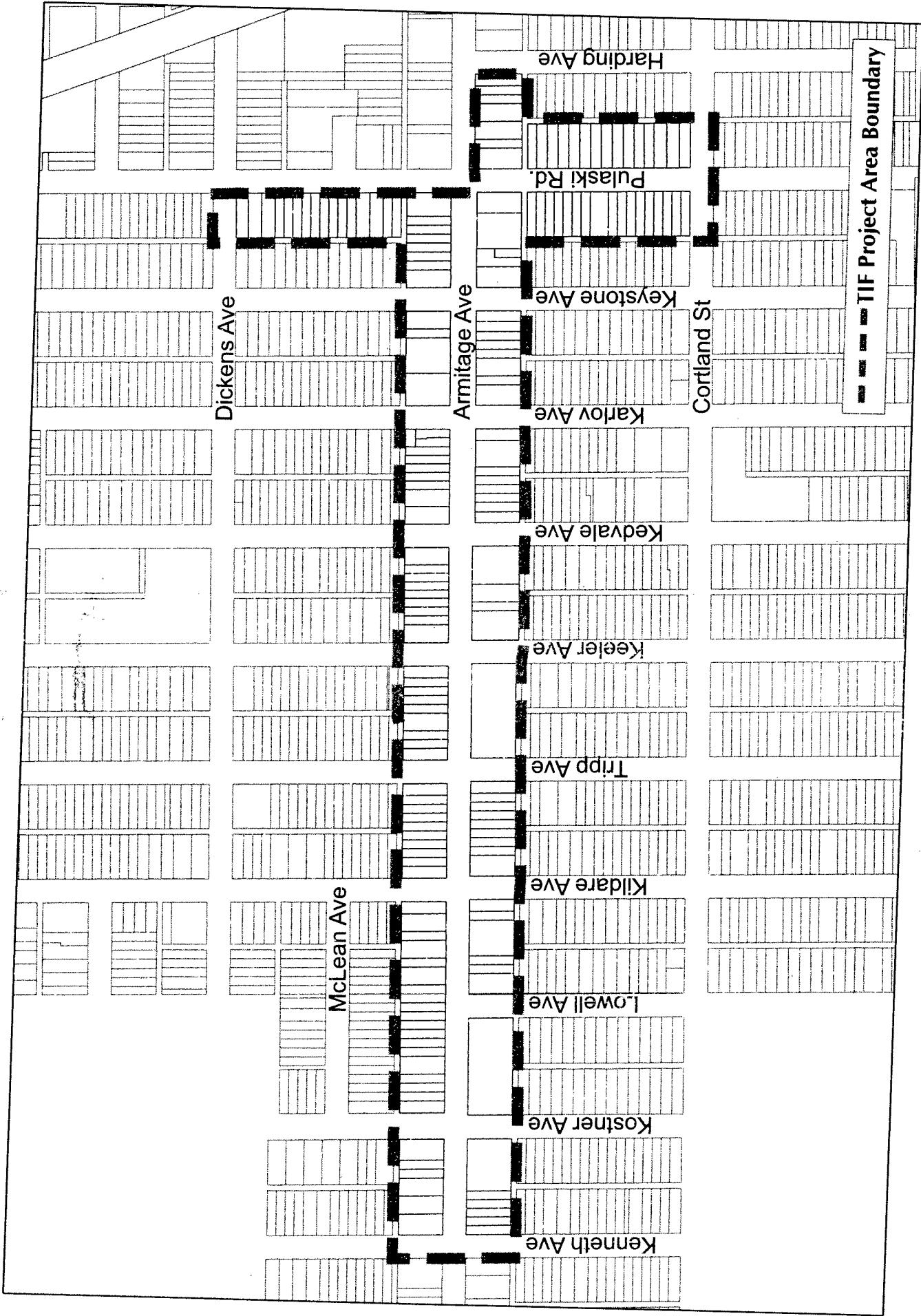
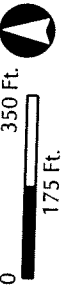


Figure A: Project Area Boundary

Armitage and Pulaski TIF Redevelopment Plan
 City of Chicago, Illinois

December 1, 2006



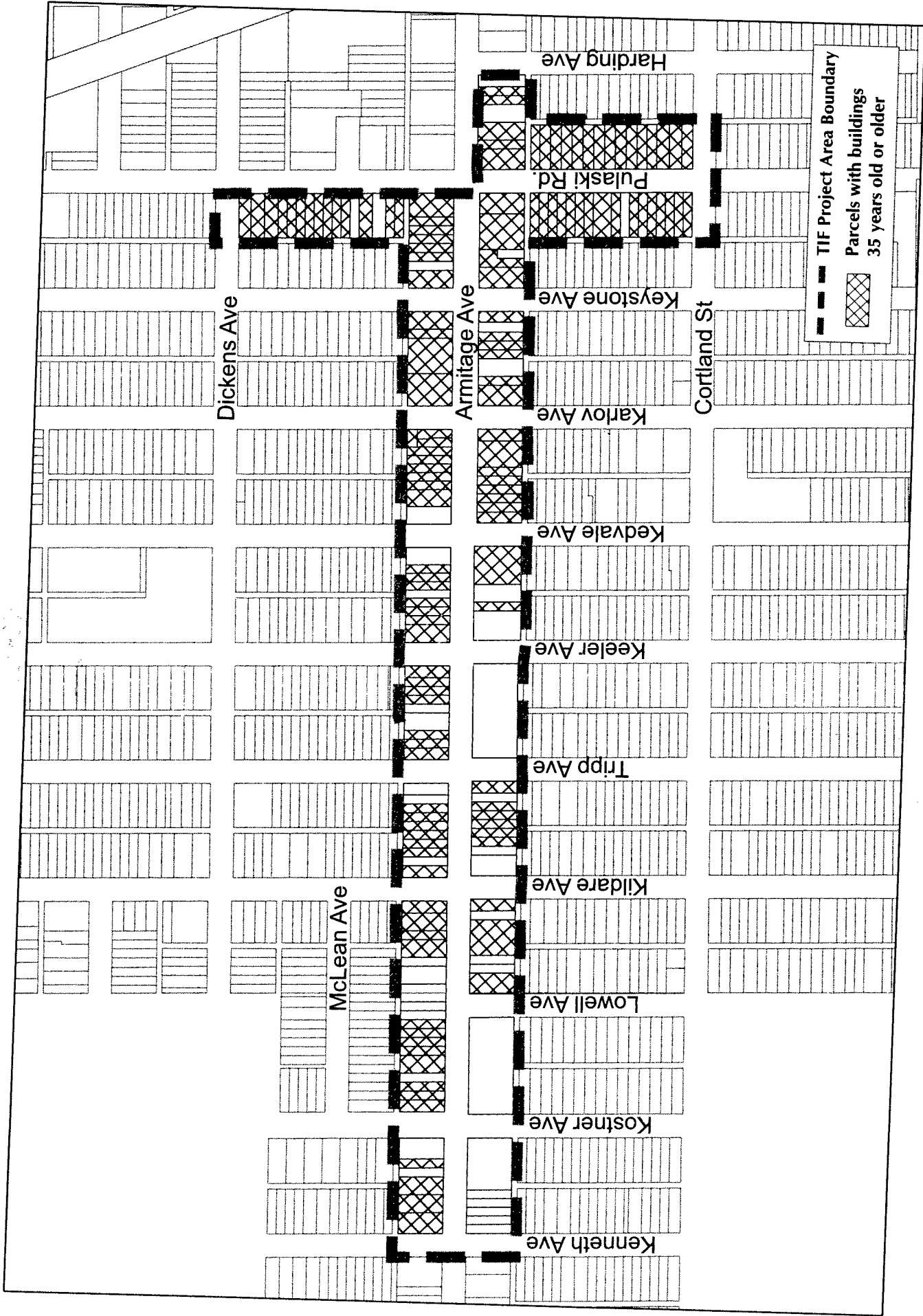
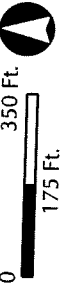


Figure B: TIF Eligibility Factor - Age

Armitage and Pulaski TIF Redevelopment Plan
 City of Chicago, Illinois

December 1, 2006



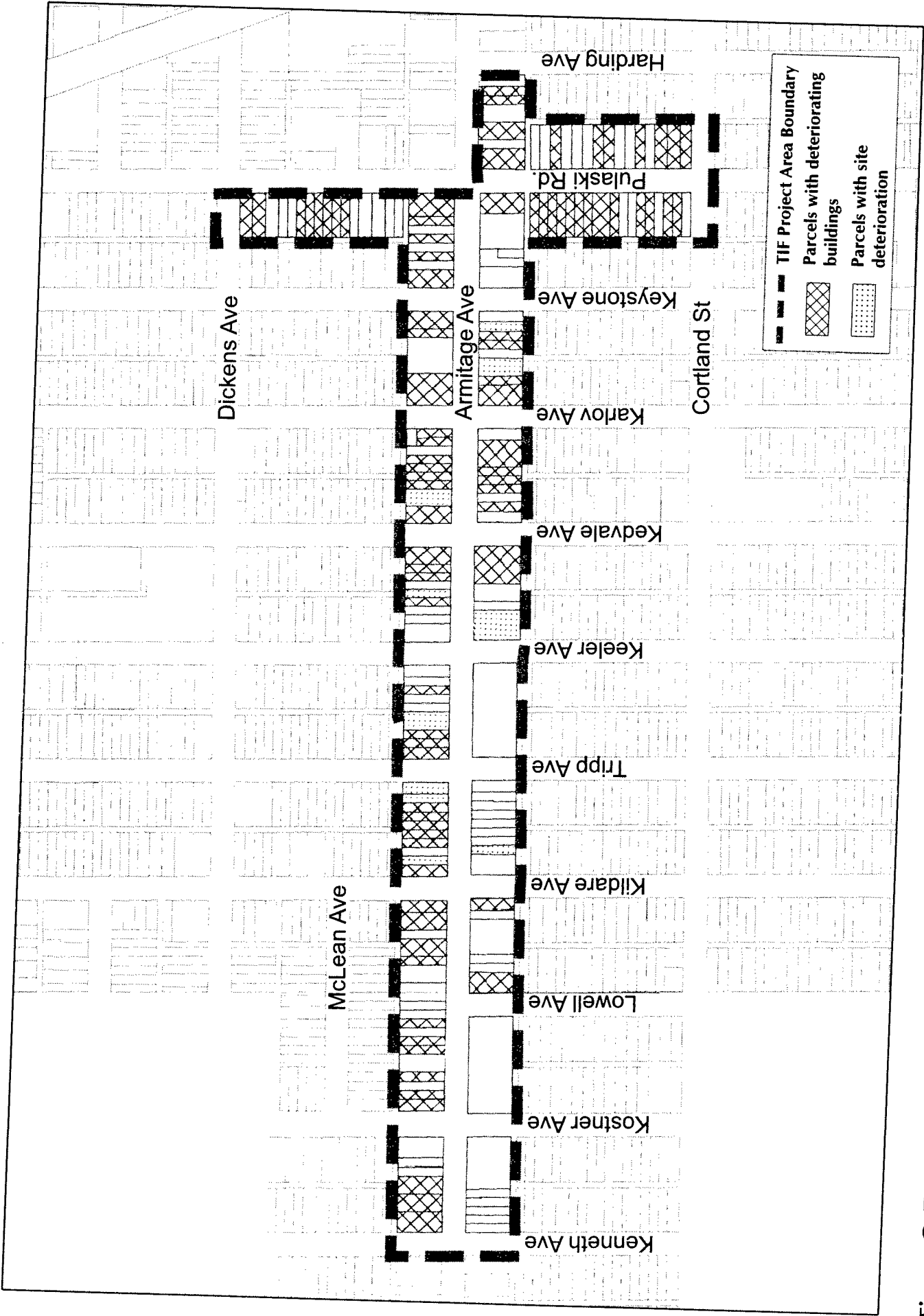
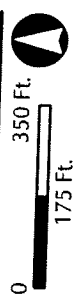


Figure C: TIF Eligibility Factor - Deterioration

Armitage and Pulaski TIF Redevelopment Plan
 City of Chicago, Illinois

December 1, 2006



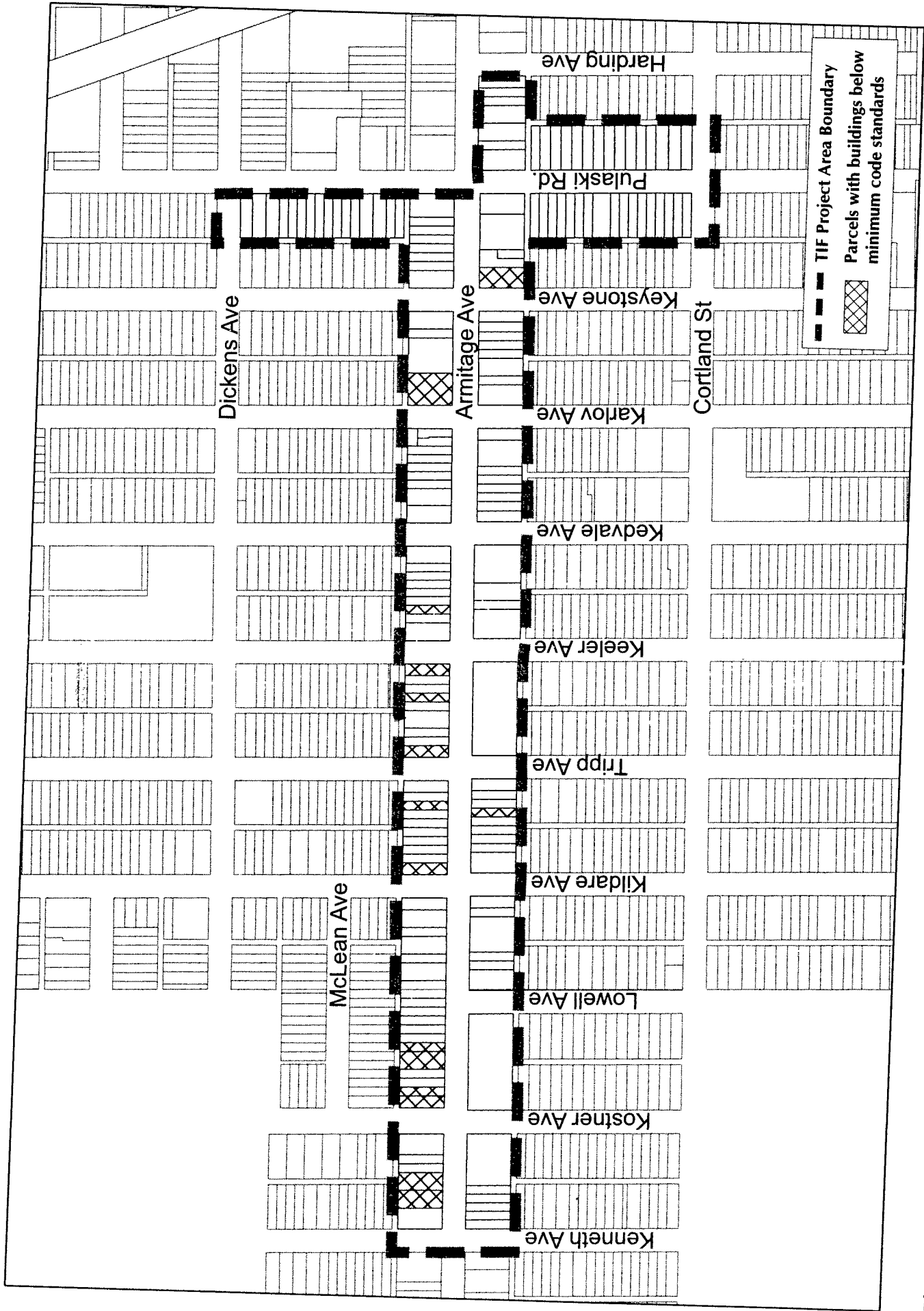


Figure D: TIF Eligibility Factor - Code Violations

Armitage and Pulaski TIF Redevelopment Plan
 City of Chicago, Illinois

December 1, 2006



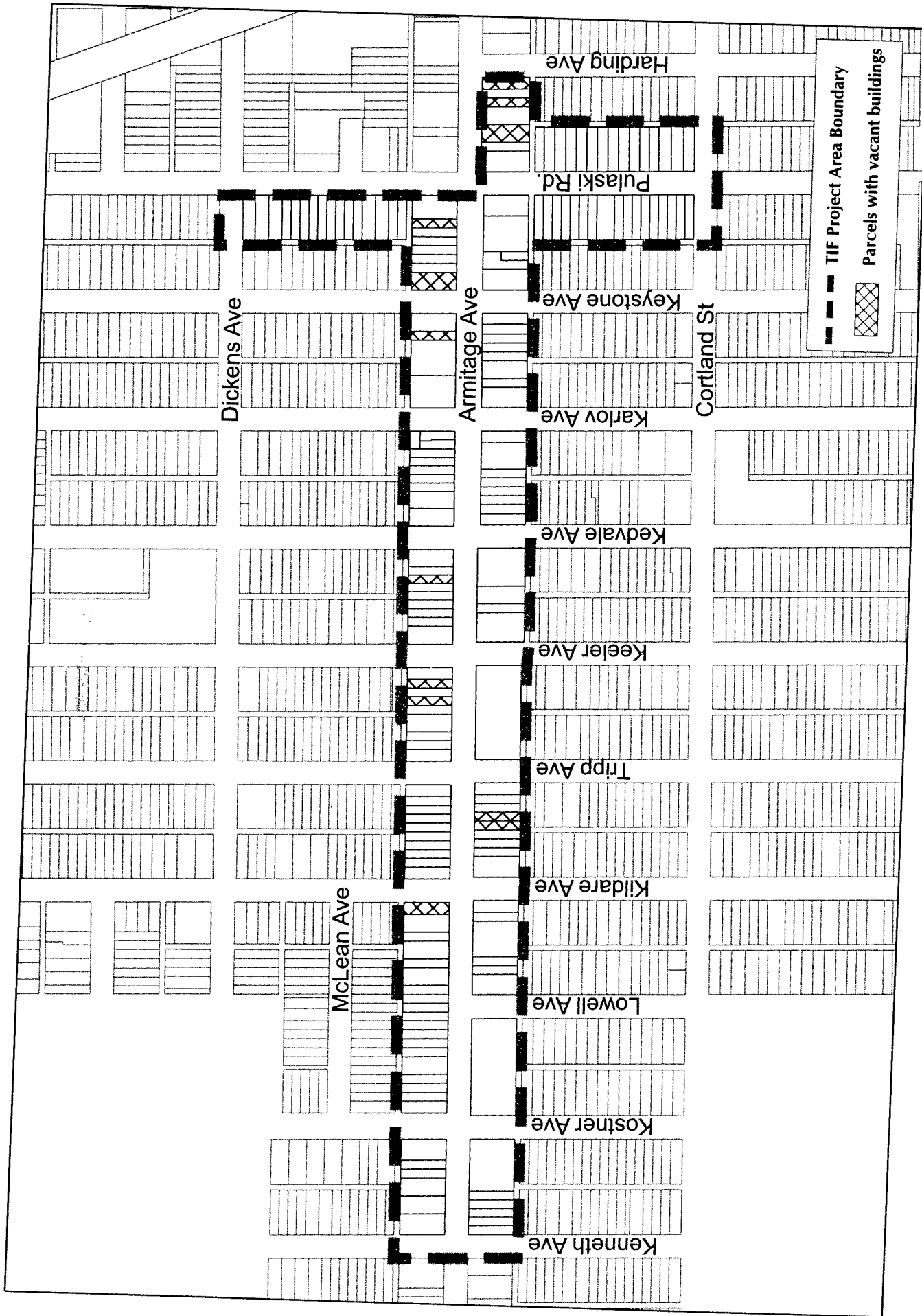
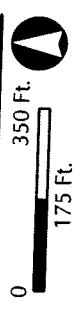


Figure E: TIF Eligibility Factor - Vacancies
 Armitage and Pulaski TIF Redevelopment Plan
 City of Chicago, Illinois

December 1, 2006



APPENDIX B:
LEGAL DESCRIPTION

1 THAT PART OF SECTION 34 AND THE WEST HALF OF THE SOUTHWEST QUARTER OF
2 SECTION 35, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN,
3 IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS, MORE PARTICULARLY DESCRIBED AS
4 FOLLOWS:
5

6 BEGINNING AT THE INTERSECTION OF THE EAST LINE OF NORTH KENNETH AVENUE AND
7 THE NORTH LINE OF 16 FEET WIDE PUBLIC ALLEY, NORTH OF WEST ARMITAGE AVENUE IN
8 THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 34; THENCE EASTWARD
9 ALONG NORTH LINE OF SAID 16 FEET WIDE PUBLIC ALLEY TO THE WEST LINE OF
10 ANOTHER 16 FEET WIDE PUBLIC ALLEY, WEST OF NORTH PULASKI ROAD; THENCE
11 NORTHWARD ALONG WEST LINE OF SAID 16 FEET WIDE PUBLIC ALLEY TO THE NORTH
12 LINE OF 66 FEET WIDE WEST DICKENS AVENUE IN EAST HALF THE NORTHEAST QUARTER
13 OF SAID SECTION 34; THENCE EASTWARD ALONG NORTH LINE OF SAID WEST DICKENS
14 AVENUE TO THE WEST LINE OF 66 FEET WIDE NORTH PULASKI ROAD; THENCE
15 SOUTHWARD ALONG WEST LINE OF SAID NORTH PULASKI ROAD TO THE SOUTH LINE OF
16 WEST ARMITAGE AVENUE; THENCE EASTWARD ALONG SOUTH LINE OF SAID WEST
17 ARMITAGE AVENUE TO THE WEST LINE OF 66 FEET WIDE NORTH HARDING AVENUE IN
18 WEST HALF OF THE SOUTHWEST QUARTER OF AFORESAID SECTION 35; THENCE
19 SOUTHWARD ALONG WEST LINE OF NORTH HARDING AVENUE TO THE SOUTH LINE OF
20 16 FEET WIDE PUBLIC ALLEY, SOUTH OF WEST ARMITAGE AVENUE; THENCE WESTWARD
21 ALONG SOUTH LINE OF SAID PUBLIC ALLEY TO THE EAST LINE OF ANOTHER 16 FEET WIDE
22 PUBLIC ALLEY, WEST OF SAID NORTH HARDING AVENUE; THENCE SOUTHWARD ALONG
23 EAST LINE OF SAID PUBLIC ALLEY TO THE SOUTH LINE OF 66 FEET WIDE WEST CORTLAND
24 STREET; THENCE WESTWARD ALONG SOUTH LINE OF SAID WEST CORTLAND STREET TO
25 THE WEST LINE OF A 16 FEET WIDE PUBLIC ALLEY, WEST OF NORTH PULASKI ROAD;
26 THENCE NORTHWARD ALONG WEST LINE OF SAID PUBLIC ALLEY TO THE SOUTH LINE OF
27 ANOTHER 16 FEET WIDE PUBLIC ALLEY, SOUTH OF WEST ARMITAGE AVENUE; THENCE
28 WESTWARD ALONG SOUTH LINE OF SAID PUBLIC ALLEY TO THE EAST LINE OF 66 FEET
29 WIDE NORTH KENNETH AVENUE; THENCE NORTHWARD ALONG EAST LINE OF SAID
30 NORTH KENNETH AVENUE TO THE POINT OF BEGINNING, ALL IN COOK COUNTY,
31 ILLINOIS.

APPENDIX C:
EQUALIZED ASSESSED
VALUATION BY PARCEL

PIN				2005 EAV
13	34	129	28	\$ 228,444
13	34	129	29	\$ 123,743
13	34	129	30	\$ 357,135
13	34	129	31	\$ 52,061
13	34	129	32	\$ 44,185
13	34	129	33	\$ 158,380
13	34	226	24	\$ 69,680
13	34	226	25	\$ 64,265
13	34	226	26	\$ 64,265
13	34	226	27	\$ 122,044
13	34	226	28	\$ 87,577
13	34	226	29	\$ 71,557
13	34	226	30	\$ 51,069
13	34	226	31	\$ 44,198
13	34	226	32	\$ 50,957
13	34	226	33	\$ 54,807
13	34	226	34	\$ 54,807
13	34	226	35	\$ 289,701
13	34	226	36	\$ 120,039
13	34	226	37	\$ 162,964
13	34	226	38	\$ 304,916
13	34	226	39	\$ 83,140
13	34	226	42	\$ 121,664
13	34	226	43	\$ 88,629
13	34	227	31	\$ 102,955
13	34	227	32	\$ 28,172
13	34	227	33	\$ 58,336
13	34	227	34	\$ 95,926
13	34	227	35	\$ 21,856
13	34	227	36	\$ 72,313
13	34	227	37	\$ 89,927
13	34	227	38	\$ 60,497
13	34	227	43	\$ 28,454
13	34	227	44	\$ 38,010
13	34	228	36	\$ 101,297
13	34	228	37	\$ 54,913
13	34	228	38	\$ 67,306
13	34	228	39	\$ 56,348
13	34	228	40	\$ 28,172
13	34	228	41	\$ 70,150
13	34	228	42	\$ 52,323
13	34	228	43	\$ 54,413
13	34	228	44	\$ 79,553
13	34	229	33	\$ 172,007
13	34	229	35	\$ 55,878
13	34	229	36	\$ 89,694
13	34	229	37	\$ 77,731
13	34	229	38	\$ 72,690
13	34	229	39	\$ 61,710

PIN				2005 EAV
13	34	229	40	\$ -
13	34	229	43	\$ 69,202
13	34	229	44	\$ 69,202
13	34	230	37	\$ 164,707
13	34	230	38	\$ 61,470
13	34	230	39	\$ 129,565
13	34	230	40	\$ 80,785
13	34	230	41	\$ 97,636
13	34	230	42	\$ 87,203
13	34	230	43	\$ 63,440
13	34	230	46	\$ 34,685
13	34	230	47	\$ 58,052
13	34	230	48	\$ 78,354
13	34	231	34	\$ 297,826
13	34	231	35	\$ 330,285
13	34	231	36	\$ 146,173
13	34	231	37	\$ 87,970
13	34	232	15	\$ 54,315
13	34	232	16	\$ 71,622
13	34	232	17	\$ 67,278
13	34	232	18	\$ 73,742
13	34	232	19	\$ 46,529
13	34	232	20	\$ 86,588
13	34	232	21	\$ 44,089
13	34	232	22	\$ 47,641
13	34	232	23	\$ 51,853
13	34	232	24	\$ 41,297
13	34	232	25	\$ 47,684
13	34	232	26	\$ 7,650
13	34	232	27	\$ 51,564
13	34	232	28	\$ -
13	34	232	29	\$ 60,948
13	34	232	30	\$ 72,119
13	34	232	31	\$ 95,229
13	34	232	32	\$ 227,100
13	34	232	33	\$ 114,993
13	34	232	34	\$ 86,003
13	34	232	35	\$ 99,666
13	34	232	36	\$ 81,771
13	34	232	37	\$ 71,076
13	34	232	38	\$ 607,550
13	34	304	1	\$ 23,555
13	34	304	2	\$ 22,173
13	34	304	3	\$ 22,173
13	34	304	4	\$ 22,173
13	34	304	5	\$ 22,173
13	34	304	46	\$ 543,217
13	34	400	1	\$ 841,502
13	34	401	3	\$ 7,893

APPENDIX D:

ARMITAGE/PULASKI
TAX INCREMENT FINANCING
REDEVELOPMENT PLAN

HOUSING IMPACT STUDY

December 1, 2006

TABLE OF CONTENTS

Introduction	D-3
Part I: Residential Units	D-5
Type and Number of Residential Units	D-5
Type and Number of Rooms in Residential Units	D-5
Inhabited Units	D-7
Demographics	D-7
Part II: Relocation Plans	D-9
Residential Units Which May be Removed	D-9
Relocation Program	D-9
Availability of Replacement Housing	D-9
Type and Extent of Relocation Assistance	D-11

LIST OF STUDY EXHIBITS

Table D-1 Estimated Number of Rooms per Dwelling Unit	D-6
Table D-2 Estimated Number of Bedrooms per Dwelling Unit	D-6
Table D-3 Estimated Number of Units with Kitchen and Plumbing Facilities	D-7
Table D-4 Types of Dwelling Units	D-7
Table D-5 Estimated Number of Residents	D-8
Table D-6 Estimated Racial and Ethnic Composition of Residents	D-8
Table D-7 Apartment Listings in the Armitage/Pulaski TIF Vicinity	D-10
Table D-8 Estimated Number of Households by Income Level	D-12
Table D-9 Estimated Number of Occupied Units by Number of Bedrooms	D-12

INTRODUCTION

Teska Associates, Inc. along with project team member Valerie S. Kretchmer Associates, Inc. has been retained to conduct a Housing Impact Study for the City of Chicago (the "City") Armitage/Pulaski Tax Increment Financing Redevelopment Plan and Project (the "Redevelopment Plan") pursuant to the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11 - 74.4 - 1, et seq.) (the "Act"). This report summarizes the analyses and findings of the consultants' work, which is the responsibility of Teska Associates, Inc.

The Armitage/Pulaski Redevelopment Project Area ("Project Area") is located approximately 5.5 miles northwest of the central business district of Chicago. The Project Area encompasses the blocks of West Armitage Avenue from Harding (one block east of Pulaski) to Kenneth (two blocks east of Cicero Avenue). The Project Area also includes the lots on the west side of Pulaski Road between Dickens Avenue, Cortland Street, and the lots on the east side of Pulaski Road between Armitage Avenue and Cortland Street.

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and the City does not certify at that time that no displacement of residents will occur, the municipality shall prepare a housing impact study and incorporate the study in the Redevelopment Plan.

The number and type of residential buildings in the Project Area potentially affected by the Redevelopment Plan were identified during the survey of building condition and land use conducted as part of the eligibility analysis for the Project Area. An estimate of the number of residential units within each such building, and whether such residential units were inhabited or uninhabited, was based on a number of analytical tools including, where appropriate, physical building surveys, Cook County tax assessment records, and United States Census data. As of March 2006 the Project Area contained 223 residential units, of which 207 were inhabited and 16 were uninhabited.

The goal of the Redevelopment Plan is not to displace existing residents. The primary goal of the Redevelopment Plan is to increase housing opportunities and strengthen commercial nodes. However, the City is unable to certify that no displacement of residents will occur throughout the 23-year life of the Redevelopment Plan. Therefore, based on the requirements of the Act, this housing impact study contains the following parts:

Part I herein identifies the residential units in number and type, indicating whether they are inhabited or uninhabited, and the racial and ethnic composition of the residents. Specifically, the housing impact study shall provide the following:

- data as to whether the residential units are single family or multi-family units;
- the number and type of rooms within the units, if that information is available;
- data as to whether the units are inhabited or uninhabited, as determined not less than 45 days before the Redevelopment Plan is considered by the Community Development Commission; and
- data as to the racial and ethnic composition of the residents in the inhabited residential units (this data requirement shall be deemed to be fully satisfied by data from the most

recent federal census).

Part II herein identifies the inhabited residential units in the proposed project area that may be removed, including:

- the number and location of those units that may be removed;
- the municipality's plans for relocation assistance for those residents in the proposed redevelopment project area whose residences are to be removed;
- the availability of replacement housing for those residents whose residences are to be removed, and the type, location, and cost of the housing; and
- the type and extent of relocation assistance to be provided.

PART I: RESIDENTIAL UNITS

Part I of this study provides the type, size and number of residential units within the Project Area, the number of inhabited and uninhabited units, and the racial and ethnic composition of the residents in the inhabited residential units.

TYPE AND NUMBER OF RESIDENTIAL UNITS

Field studies conducted by Teska Associates, Inc. in March 2006 indicate that the Project Area contains 223 residential units. There are 30 single family homes, 50 units in multi-family buildings, and 143 units in mixed use buildings (typically, upper story apartments above commercial uses).

TYPE AND NUMBER OF ROOMS IN RESIDENTIAL UNITS

Tables D-1, D-2, and D-3, respectively, describe the distribution of the 223 residential units in the Project Area by number of rooms, by number of bedrooms, and by kitchen and plumbing facilities.

For purposes of this study, data has been gathered from the 2000 United States Census and is represented in Block Groups. A Block Group is a combination of census blocks (a census block is the smallest entity for which the Census Bureau collects and tabulates 100-percent data). The Block Group is the lowest level of geography for which the Census Bureau has tabulated sample, or long-form, data.

In this study, we have relied on the 2000 federal census because it is the best available information regarding the structures and residents of the Project Area. We have obtained information for the five block groups in the Project Area. These five block groups contain a total of 2,238 residential units.

The number of residential units in the Project Area (223) represents 10.2% of the total residential units within the five block groups. Therefore, that percentage has been consistently applied to estimate the distributions of rooms, number of bedrooms, and kitchen and plumbing facilities as presented in the tables below. For example, the number of one-room units in all five block groups is 58. Multiplying 10.2% by this total determines that there are 6 one-room units in the Project Area ($58 \times 0.102 = 5.92$).

Table D-1 shows the estimated number (rounded to the nearest whole number) of conventional residential units in the Project Area, by number of rooms. As defined by the Census Bureau, a room includes living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use, and lodger's rooms. Excluded are 'strip' or Pullman kitchens, bathrooms, open porches, balconies, halls or foyers, half-rooms, utility rooms, unfinished attics or basements, or other unfinished space used for storage. A partially divided room is a separate room only if there is a partition from floor to ceiling, but not if the partition consists solely of shelves or cabinets.

Table D-1 Estimated Number of Rooms per Dwelling Unit

Number of Rooms	Number of Units within All Block Groups	Number of Units within Project Area
1	58	6
2	117	12
3	261	26
4	312	31
5	545	54
6	692	69
7	99	10
8	81	8
9 or more	73	7
Total	2,238	223

Source: 2000 Census, US Bureau of the Census

Table D-2 describes the estimated number of bedrooms in the conventional residential units in the Project Area. As defined by the Census Bureau, number of bedrooms includes all rooms intended for use as bedrooms even if they are currently used for some other purpose. A residential unit consisting of only one room, such as a one-room efficiency apartment, is classified by definition as having no bedroom.

Table D-2 Estimated Number of Bedrooms per Dwelling Unit

Number of Bedrooms	Number of Units within All Block Groups	Number of Units within Project Area
0	76	8
1	379	38
2	770	77
3	841	84
4	101	10
5 or more	73	7
Total	2,240	223

Source: 2000 Census, US Bureau of the Census
Numbers may not add due to rounding

Table D-3 describes the estimated number of conventional residential units in the Project Area with kitchen facilities and with plumbing facilities. As defined by the Census Bureau, a unit has complete kitchen facilities when it has all of the following: (1) an installed sink with piped water, (2) a range, cook top and convection or microwave oven, or cookstove, and (3) a refrigerator. All kitchen facilities must be located in the structure. They need not be in the same room. Portable cooking equipment is not considered a range or cookstove. An ice box is not considered to be a refrigerator. As defined by

the Census Bureau, complete plumbing facilities include hot and cold piped water, a flush toilet, and a bathtub or shower. All three facilities must be located inside the house, apartment, or mobile home, but not necessarily in the same room. Housing facilities are classified as lacking complete plumbing facilities when any of the three facilities are not present.

Table D-3 Estimated Number of Units with Kitchen and Plumbing Facilities

Facility	Number of Units within All Block Groups which have Facility	Number of Units within All Block Groups which do not have Facility	Number of Units within Project Area which have Facility	Percentage of Project Area Total
Kitchen	2,179	59	217	97%
Plumbing	2,179	59	217	97%

Source: 2000 Census, US Bureau of the Census

INHABITED UNITS

Field surveys were completed on a building-by-building basis by Teska Associates, Inc. to determine the total number of inhabited and uninhabited residential units within the Project Area. As required by the Act, this information was ascertained as of March 2006, which is not less than 45 days before the date that the resolution required by subsection (a) of Section 11-74.4-5 of the Act is or will be passed.

The Project Area contains 223 residential units, including 207 inhabited units and 16 uninhabited units. All of these uninhabited units are contained in mixed use buildings.

Table D-4 Types of Dwelling Units

Type of Unit	Inhabited	Vacant	Total
Single Family Home	30	0	30
Units in Multiple Family Buildings	50	0	50
Units in Mixed Use Buildings	127	16	143
Total	207	16	223

Source: TAI Field Survey

DEMOGRAPHICS

As required by the Act, the racial and ethnic composition of the residents in the inhabited residential units is determined according to the most recent federal census data.

First, the estimated number of persons in the Project Area is calculated. The United States Department of Housing and Urban Development (HUD) has determined a family size adjustment rate based on the number of bedrooms in a unit. This rate is applied to the estimated number of units in the Project Area, in order to estimate the number of persons living in the Project Area. Estimates are shown in Table D-5 below. Currently, an estimated 783 persons reside in the Project Area.

Table D-5 Estimated Number of Residents

Number of Bedrooms	Number of Units within Project Area (see Table D-2)	HUD Family Size Adjustment Rate (persons per unit)	Estimated Number of Persons within Project Area
0	8	1.0	8
1	38	1.5	57
2	77	3.0	231
3	83	4.5	374
4	10	6.0	60
5 or more	7	7.5	53
Total	223	n/a	783

Source: United States Department of Housing and Urban Development, 2000

Second, racial and ethnic composition is available from the 2000 United States Census, for the five block groups which contain residential units in the Project Area. These block groups contain a total of 8,459 residents. Table D-6 identifies the residents of the five block groups by their racial and ethnic composition, and estimates the racial and ethnic composition of the estimated 783 residents of the Project Area. For example, census data indicates that 36.6% of the total number of residents within the five block groups are white. By applying this percentage to the estimated Project Area population of 783 and rounding to the nearest whole number, we estimate that there are 287 white persons among the 783 residents of the Project Area ($783 \times 0.366 = 287$).

Table D-6 Estimated Racial and Ethnic Composition of Residents

Race	2000 Census Percentage in All Block Groups	Estimated Number of Residents within Project Area
White Only	36.6%	287
Black or African American Only	4.0%	31
American Indian and Alaska Native Only	0.6%	5
Asian Only	0.7%	5
Native Hawaiian and Other Pacific Islander Only	NA	NA
Other Single Race	53.9%	422
Two or More Races	4.2%	33
Total	100%	783
Ethnic Composition		
Hispanic or Latino (of any race)	89.8%	703

Source: 2000 Census, US Bureau of the Census - Totals may not add due to rounding

PART II: RELOCATION PLANS

As required by the Act, Part II contains information on any acquisition, relocation program, replacement housing, and relocation assistance.

RESIDENTIAL UNITS WHICH MAY BE REMOVED

The Redevelopment Plan indicates that no property is being targeted for acquisition at this time. However, there is a possibility over the 23-year life of the Project Area that some inhabited residential units may be removed as a result of the implementation of the adopted plan. The methodology used to estimate the number and location of residential units that may be removed is as follows:

- First, all inhabited residential units identified on any underlying acquisition maps are counted. The Armitage/Pulaski Redevelopment Area Plan identified no residential units that may be acquired.
- Second, if any properties were targeted for acquisition, inhabited residential units on those properties would be counted. Since no properties are identified for acquisition in the Redevelopment Plan, no inhabited residential units are counted in this step.
- Third, we count the number of residential units that exist where the future land use indicated by the Redevelopment Plan is different than the current use. No parcels which currently contain residential units are designated for redevelopment to a different future land use that would preclude the inclusion of residential units on site; therefore the Redevelopment Plan is not minimizing the number of potential residential units in the future. The number of residential units removed under this step is zero.

RELOCATION PROGRAM

If during the life of the 23-year tax increment financing district, the City acquires property which includes residential units, the City's plans for relocation assistance for qualified residents in the proposed Project Area shall be consistent with the requirements set forth in Section 11-74.4-3(n)(7) of the Act. The terms and conditions of such assistance are described under "Type and Extent of Relocation Assistance" below. The City, as of the date of this report, has prepared no specific relocation plan because it is not the intent of the City to acquire any occupied residential units within the Project Area.

AVAILABILITY OF REPLACEMENT HOUSING

In accordance with Section 11-74.4-3(n)(7) of the Act, the City shall make a good faith effort to ensure that affordable replacement housing for any qualified displaced resident whose residence is removed is located in or near the Project Area.

To promote development of affordable housing, the Redevelopment Plan requires that developers who receive tax increment financing assistance for market-rate housing are to set aside at least 20 percent of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means the affordable for-sale units should be priced at a level that is affordable to households earning

no more than 100 percent of the area median income (adjusted for family size), and affordable rental units should be affordable to households earning no more than 60 percent of the area median income (adjusted for family size).

Samples of the type, location, and cost of a sample of possible replacement housing units located in the Hermosa, Logan Square and Belmont-Cragin community areas are listed in Table D-7. The information presented is based on classified advertisements from the Chicago Tribune, Chicago Sun-Times and Chicago Reader newspaper listings (compiled from both on-line and print versions from the week of December 14, 2005), as well as physical inspection of for rent signs in these areas. It is important to note, however, that Chicago has a rental cycle that turns over in greater volume on May 1 and October 1 of each year. The majority of the apartments in the City that turn over in any given year become available during the months prior to those dates. Therefore, housing ads placed at these times will likely reflect a wider variety of rental rates, unit sizes and locations. There are always fewer listings during December when people are less likely to move at holiday times and during very cold weather.

Table D-7: Apartments Listings in the Armitage-Pulaski TIF Vicinity

Housing type	Location	Rent
Studio apt	3133 W. Augusta Blvd.	\$550
Studio apt	2162 N. Washtenaw Ave.	\$575
Studio apt	3034 W. Logan Blvd.	\$595
One bedroom apt	3544 W. Belden Ave.	\$500
One bedroom apt	3058 N. Kolmar Ave.	\$595
One bedroom apt	1907 N. Keeler Ave.	\$600
One bedroom apt	2629 N. Spaulding Ave.	\$600
One bedroom apt	3700 W. Fullerton Ave.	\$615
One bedroom apt	5915 W. Fullerton Ave.	\$630
One bedroom apt	3058 N. Kolmar Ave.	\$650
One bedroom apt	1932 N. Keeler Ave.	\$650
One bedroom apt	3147 W. Wellington Ave.	\$775
One bedroom apt	3255 W. Belden Ave.	\$835
Two bedroom apt	2038 N. Kostner Ave.	\$650
Two bedroom apt	1819 N. Keystone Ave.	\$650
Two bedroom apt	2049 N. Kostner Ave.	\$700
Two bedroom apt	2225 N. Hamlin Ave.	\$700
Two bedroom apt	5915 W. Fullerton Ave.	\$750
Two bedroom apt	5904 W. Fullerton Ave.	\$750
Two bedroom apt	1912 N. Tripp Ave.	\$750

Housing type	Location	Rent
Two bedroom apt	3225 W. Belden Ave.	\$835
Two bedroom apt	2025 N. Kedvale	\$850
Two bedroom apt	2435 N. Ridgeway Ave.	\$895
Two bedroom apt	1928 N. Keeler Ave.	\$900
Two bedroom apt	3255 W. Belden Ave.	\$975
Three bedroom apt	1847 N. Karlov Ave.	\$700
Three bedroom apt	1916 N. Tripp Ave.	\$700
Three bedroom apt	2056 N. Kildare Ave.	\$800
Three bedroom apt	3433 W. Lyndale Ave.	\$850
Three bedroom apt	2022 N. Tripp Ave.	\$900
Three bedroom apt	2216 N. Keystone Ave.	\$950

Source: Field inspection during the week of December 12, 2005; Chicago Tribune, Chicago Sun-Times, Chicago Reader.

TYPE AND EXTENT OF RELOCATION ASSISTANCE

In the event that the implementation of the Redevelopment Plan results in the removal by the City of residential housing units in the Redevelopment Project Area occupied by low-income households or very low-income households, the occupants of such units shall be provided relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations there under, including the eligibility criteria. The City shall make a good faith effort to ensure that affordable replacement housing for the aforementioned households is located in or near the Redevelopment Project Area.

As used in the above paragraph, "low-income households," "very low-income households" and "affordable housing" have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3. As of the date of this Redevelopment Plan, these statutory terms have the following meaning: (i) "low-income household" means a single person, family or unrelated persons living together whose adjusted income is more than 50 percent but less than 80 percent of the median income of the area of residence, adjusted for family size, as such adjusted income and median income are determined from time to time by the United States Department of Housing and Urban Development ("HUD") for purposes of Section 8 of the United States Housing Act of 1937 ("Section 8"); (ii) "very low-income household" means a single person, family or unrelated persons living together whose adjusted income is not more than 50 percent of the median income of the area of residence, adjusted for family size, as so determined by HUD for purposes of Section 8; and (iii) "affordable housing" means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30 percent of the maximum allowable income for such households, as applicable.

An estimate of the number of low and very low-income households in the Redevelopment Project Area is based on the 2000 United States Census data for the block groups which contain the residential units in the Project Area and an estimate of the percentage low, very-low, and 30 percent of the median income of the area as provided by HUD. The average of the HUD income category percentages for the block groups was used to determine the number of household within the Redevelopment Project Area (See Table D-8).

Table D-8 Estimated Number of Households by Income Category

Income Category	Percentage of Block Group Households	Number of Project Area Households	Annual Income (Based on average 4 person household)
30% Area Median Income	27 %	56	\$0 - \$19,150
Very Low Income	19 %	39	\$19,151 - \$31,900
Low Income	16 %	33	\$31,901 - \$47,800
Above Low Income	38 %	79	\$47,801 +
Total	100 %	207	

*Source: 2000 Census, US Bureau of the Census,
US Department of Housing and Urban Development*