

Q&A Responses:

1. *What is the age of your first redevelopment? How has it fared?*

Holsten's first redevelopment effort was the purchase of some three story walk-ups on North Side of Chicago. These properties were owned and operated for close to twenty years before being sold. Holsten's longest running project was done in 1999 - - in the Cabrini Green area. We still manage this property and will continue to do so for a total of 40 years or more.

2. *How will your company make money on this project?*

Mixed-income housing, as is proposed for Evergreen Terrace, gets funded by many different layers. We will perform a market study to determine what unit types will be successful. From there, we put together financing including a first mortgage paid for by rents. Often times, there is secondary financing – equity from tax credits, grants, and financing from the County, State, and Federal government(s). On rental housing projects, we get developer fees for meeting certain investor-related benchmarks.

3. *You indicated or present a number of success stories. How would you compare the ET residential area in terms of challenge? We want to raise the quality of life here – will you do that?*

We have to raise the quality of life or we're not doing our job. There are many definitions for quality of life. Ours is how are people doing - - that they are succeeding and being good neighbors. Since we haven't been provided the opportunity to tour Evergreen Terrace, we aren't sure what it's like right now, but we'll find out. Ultimately, we want the project to be a success with lots of amenities. We want residents to thrive and be good neighbors. We plan to mix people (income groups) together and work with non-profit organizations, such as Holsten Human Capital Development NFP, to help families be successful.

4. *Are you afraid to walk in any of the redeveloped properties or adjacent neighborhoods? Former Cabrini Green area?*

Not at all – we've walked them many times. One of our most challenging projects is located in the North Lawndale neighborhood of Chicago - - 170 units in 10 separate buildings. When we're on site, we're there with a purpose and are doing something positive. We have no reason to be afraid.

5. *How will you accommodate the people who get vouchers? How will people qualify for the vouchers? When is the new affordable housing? Will people stay in their current housing or is the plan to evict them and then find alternative housing?*

All of this information has to come together. At this point, we don't have a specific timeline. We don't expect construction to begin until well into next year as it takes time to put plans and financing together. In response to current tenants, people should be aware that U.S. Department of Housing and Urban Development (HUD) has a policy called the Uniform Relocation Act (URA) that protects residents' rights. Relocation notices are required to be sent

out to alert people of redevelopment efforts and the timing of such. These notices are typically sent out six months prior to any required relocation/move. In terms of housing vouchers -- we will follow HUD's rules and comply with the URA. If people don't choose to come back, they get a voucher. Our intent for this site is mixed-income. We're still looking at density options to see how many replacement housing units there will be.

6. *Where do we go while you fix up Evergreen Terrace? What is the qualification? Does everybody get Section 8?*

We expect that we'll redevelop Evergreen Terrace in phases; likely a couple buildings at a time. We cannot renovate buildings with residents in them as any rehabilitated buildings will have revised floor plans. The current floor plans are obsolete. Residents will be relocated during construction and will be invited back in a fair manner. Vouchers are administered by the local housing authority -- we'll defer to them on who qualifies for Section 8.

7. *If vouchers are passed out where can they be used?*

Vouchers are administered by local housing authorities who provide the guidelines for vouchers and their usage.

8. *Is the safety of the area really going to change? And if it actually does change, how will that be maintained?*

We take safety very seriously. On a site this size, we normally have a guard service to make sure that residents feel safe. In addition, we strictly enforce the rules outlined in our lease. Our property management company has a resident service affiliate. If a lease is violated, the two organizations work together to help residents become successful. From an architectural standpoint, we plan to make buildings well lit and secure.

9. *We need professional and helpful property management.*

Holsten has been managing properties for over 40 years. We have a good reputation in the City of Chicago and look forward to bringing our experience to Joliet.

10. *What about the residents who need to be close to public transportation? What about housing at 300, 301, 311, and 316 Bluff Street?*

We're not familiar with public transit in Joliet, but plan to get familiar with it. We can't speak to specific housing/addresses as we don't have plans at this point.

11. *What do you mean that the property is dense?*

Dense is a real estate term that essentially means the number of units per acre. The more units you have on an acre of land, the more dense it is. At our Cabrini Green development in Chicago, we're around 35 units per acre. To give you an idea, this looks like townhomes with small yards,

6 flats and midrises. Neighborhoods with entirely single family homes are approximately 15 units per acre.

12. *Isn't the whole idea to reduce the population on this site and not expand with more buildings?*

That we have to find out. We've heard that people think it's too dense, but we need to weigh density versus economics. We're not sure of the appropriate housing and number of units at this point.

13. *Is it correct that you are only talking about tearing down Evergreen Terrace I? Why ETI and not ETII?*

We don't know yet. Absolutely no decisions have been made. It's way too early in the process.

14. *How do you plan to demonstrate that Joliet is ready for mixed-income housing?*

We feel that the government policies of 30 -50 years ago might have worked then, but not now. We're hearing far and wide that the concentration of people with limited means isn't working. The mixed-income approach, favored by HUD, has been successful. We expect that it will also be a success in Joliet.

15. *Does HHCD help individuals with felonies gain access to jobs and employment?*

Yes, we do. We work with people that have criminal backgrounds or other challenges. We take people "how they come" and try to identify the right fit for them to move forward.

16. *HHCD services 1000 clients annually. How many potential clients? How many stay in a given program? Completion rate? Where does the funding come from?*

The 1000 clients referenced are assigned case workers at all of the sites we serve. About 30% of these people are engaged on an ongoing basis - - others we check in with annually. We have service contracts with Holsten's ownership entities at its various sites and also receive funding from HUD, private donors, and other funders. Typically, our clients aren't self-sufficient overnight. When living in affordable or subsidized housing, they typically participate for a while. We work with our clients to decrease their dependence on public assistance.

17. *Why do you want to take this away from poor people? Evergreen Terrace is a nice place.*

We face similar questions when working on projects in the City of Chicago. We realize that Evergreen Terrace is a community. However, we don't know its functionality. Our ultimate goal is to get as many residents as possible back into new housing or identify new housing opportunities for them.