

Artspace // Building better communities through the arts
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On Wed, Sep 27, 2017 at 3:20 PM, Andrew Michaelson
<andrew.michaelson@artspace.org> wrote:

Jenna,

Thank you for taking the time to have a call this afternoon to discuss the issues with the Pullman NEPA.

As we discussed, the development team has had conversations in the last day or so with Melanie Castillo at HUD Chicago, and then Nancy Boone, Historic Preservation Officer for HUD in DC, the crux of which is that HUD has determined that the IL SHPO has not conducted its Section 106 reviews in accordance with federal statute, and as such are invalid. By extension, the pending NEPA for the Pullman Artspace Lofts cannot be approved in its current form.

There are avenues to correct the Section 106, but those will require significant additional time, 60 days at minimum, which will push us past the timeline to close with our current funding commitments. In particular, we will not be able to meet the 10% test, nor will be in a position to complete construction in advance of December 31, 2018, and therefore will not meet investor requirements.

We are providing this same information to all our funders and partners so that we can collectively chart a path forward. As part of that, we are asking IHDA to consider exchanging our 2016 LIHTC reservation for 2017 credits, which would relieve the timing issues we're facing.

I want to underscore again the great gratitude we have for IHDA's support of this project thus far, and our desire to deliver on all the commitments we've made relative to the Pullman project.

Please let me know what additional information you'll need from our team.

Thank you very much,

Andrew Michaelson
Director, Property Development
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