

February 16, 2021

Kathryn Murphy  
City of Peoria  
Grants Manager, Community Development  
419 Fulton Street, Room 300  
Peoria, IL 61602

**RE: Parkwood Commons, 1617 North Great Oak Road, Peoria, IL 61604  
2021 HOME Fund Request**

Dear Kathryn Murphy,

Please accept this letter to initiate a request for consideration from the City of Peoria for a 2021 HOME fund allocation for Parkwood Commons, formerly known as Pierson Hills I, located at 1617 North Great Oak Road, Peoria, IL 61604. This request would be an additional allocation to the project as the City of Peoria has previously allocated \$204,382 with the initial closing of this project in December 2019.

At the start, the project was nearing fifty years of operating without any major investment and had suffered the effects of strained operations and mismanagement. With great effort, time, and commitment from partners like the City of Peoria, the much-needed rehabilitation of this project began in January 2019. Through the course of the construction period, the project has experienced several cost overruns that were unforeseen and not included in the original construction budget. Major items include additional environmental remediation and underground sewer and sanitary work. These expenditures were essential to the successful completion of the project and long-term viability of the asset. Furthermore, the Covid-19 pandemic has resulted in demand impacts on the construction market. These issues stemmed from a variety of issues but resulted in the unavailability and delay in the delivery of products, such as doors and appliances. These items were critical to the project scope as Parkwood Commons is being transformed to a like-new condition. These costs could not have been anticipated when the construction budget was originally developed. Please see "[Cost Overrun Detail](#)" document for further detail.

The project costs overruns are beyond the 10% construction contingency in the original budget. This amount has been fully utilized. The total estimated construction cost overrun amount is \$719,676. To date, these cost overruns have been covered through a combination of deferring additional developer fee and from other project cost savings. Please see "[Post Construction Adjustments](#)" document for further detail.

For these reasons, the project is requesting \$150,000 from the City of Peoria to solve for the remaining balance as all other existing project sources have been exhausted. No one sources are available or proposed for the project at this time.

It has been the mission of Wallick to provide decent affordable housing to those that need it most. The additional funds expended at Parkwood Commons provide for critical, required items that

could not be circumvented or ignored. The renovation of Parkwood Commons is invaluable to the families in the City of Peoria who now call it home. Though addressing these items during construction, Wallick is certain the asset will not suffer from operational issues which would inevitably strain the project and further compromise the ability to provide this critical housing to the residents of Peoria. With the help of our partners, these additional funds not only secure the proper preservation of critical affordable housing but ensure the viability of a long-term asset to the community.

Current progress photos have been included in this package to demonstrate project progress and improvement. Construction completion is anticipated April 2021. Please see "[Construction Photos December 2020](#)" for further detail.

If you have any questions or concerns, please don't hesitate to reach out. I can be contacted at [adunfee@wallick.com](mailto:adunfee@wallick.com) or 614-552-5928.

Respectfully,



Alexis V. Dunfee  
Vice President