



DU PAGE COUNTY

421 N. COUNTY FARM ROAD
WHEATON, IL 60187
www.dupagecounty.gov

Home Advisory Group Final Regular Meeting Agenda

Tuesday, April 1, 2025

11:45 AM

Room 3500B

****Or immediately following CDC****

1. CALL TO ORDER
2. ROLL CALL
3. PUBLIC COMMENT
4. APPROVAL OF MINUTES
 - 4.A. [25-0899](#)
Home Advisory Group - Regular Meeting - March 4, 2025
5. COMMITTEE VOTE REQUIRED
 - 5.A. [25-0900](#)
Recommendation for approval of Modification One to HOME Agreement HM21-02a between Catholic Charities, Diocese of Joliet, Inc. and the County of DuPage, increasing the amount of HOME funding by \$110,339 for a total HOME amount of \$410,339.
 - 5.B. [25-0901](#)
Recommendation for approval of a \$2,400,336 preliminary set-aside of HOME Investment Partnerships (HOME) Program funds between DuPage County and Gorman & Company, LLC – Tower Court Residences – for new construction of 71 units of affordable rental housing development in Naperville, IL for seniors and persons with disabilities.
6. OTHER BUSINESS
7. ADJOURNMENT
8. NEXT MEETING DATE - MAY 6, 2025



Minutes

421 N. COUNTY FARM
ROAD
WHEATON, IL 60187
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File #: 25-0899

Agenda Date: 4/1/2025

Agenda #: 4.A.



DU PAGE COUNTY

421 N. COUNTY FARM ROAD
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Home Advisory Group Final Summary

Tuesday, March 4, 2025

11:30 AM

Room 3500B

1. CALL TO ORDER

11:30 AM meeting was called to order by Chair Lori Chassee at 11:30 AM.

2. ROLL CALL

Staff Present: Julie Hamlin, Community Development Administrator, Ashley Miller, Community Development Manager, Mark Franz, Village of Glen Ellyn Manager (Remote); Assistant State’s Attorney - Trevor Prindle

PRESENT	Barfuss, Bastian, Bricks, Chassee, Crandall, Flint, Haider, Honig, Krajewski, and LaPlante
ABSENT	Cage, Cronin Cahill, and Schwarze

3. PUBLIC COMMENT

No public comments were offered.

4. APPROVAL OF MINUTES

PRESENT	Barfuss, Bastian, Bricks, Chassee, Crandall, Flint, Haider, Honig, Krajewski, and LaPlante
ABSENT	Cage, Cronin Cahill, and Schwarze

4.A. [25-0638](#)

Home Advisory Group - Regular Meeting - Tuesday, January 7, 2025

RESULT:	APPROVED
MOVER:	Lynn LaPlante
SECONDER:	Saba Haider

5. COMMITTEE VOTE REQUIRED

5.A. [25-0639](#)

Recommendation for approval of a \$1,750,000 preliminary set-aside of HOME Investment Partnerships (HOME) Program funds between DuPage County and Full Circle Communities, Inc. – Taft and Exmoor Development – for new construction of 42 units of affordable rental housing development in Glen Ellyn, IL for families and persons with disabilities.

Julie Hamlin referenced the agenda packet and focused on the project highlights to offer more background information and to clarify this set aside is preliminary and doesn't fully commit the HOME funds. Upon the completion of the underwriting application, a conditional commitment recommendation will be returned to this committee for approval. Julie Hamlin reiterated that Community Development is pleased to be involved with Full Circle Communities and the Village of Glen Ellyn who collaborated for many years to bring this project to fruition.

Full Circle Communities has applied to the County for \$1.75M in HOME funding to serve as gap financing for the construction of a three-story, 42-unit building. The development will include integrated housing for both working families and individuals with intellectual or developmental disabilities. The development located at 640 Taft Avenue in Glen Ellyn, will feature a mix of studio, one-bedroom and two-bedroom units with access to shared amenities. The developer plans to partner with Associated for Individual Development or AID, to provide optional on-site supportive services for residents. The total project cost is \$21.4M and there is a breakdown of preliminary and permanent financing sources, which were part of the document review. Julie Hamlin wanted to point out the key sources, as of this meeting, there will be a bank mortgage of \$2,050,0000 and the project has received low-income housing tax credit investment of \$16,150,274. Additionally, there will be a deferred developer fee of \$864,792 and the HOME loan of \$1.75M. There is a ComEd energy efficiency grant of \$140,843 and an Illinois affordable housing tax credit of \$445,000. The terms of the HOME loan are currently being negotiated and will be presented to this committee as part of a conditional commitment recommendation upon secured financing sources. The investment will offer ten units designated as County HOME units. Per regulations, at least 20% of these units must serve households earning at or below 50% of the area median income (AMI), which is currently \$39,250 for a one-person household and \$44,852 for a two-person household, also, referred to as low-HOME units. Full Circle Communities is proposing a deeper income target and has requested that all 10 County HOME units be designated as low-HOME units.

All 42 units within the project will be income-restricted and occupied by households earning at or below 80% of AMI and DuPage County will have ten designated units. The proposed breakdown of the units; 16 units will serve households at or below 30% of the area median income (AMI), 4 units at or below 50% AMI, 17 units at or below 60% AMI, and 5 units at or below 80% AMI. The project is also expected to receive 26 project-based vouchers from the DuPage Housing Authority, ensuring that residents will pay no more than 30% of their household income toward rent. Additionally, 7 units will be designated as State Referral Network (SRN) units which serve households at or below 30% AMI. The head of household would have a qualifying disability, including but not limited to physical developmental, or mental health disabilities, substance use disorders, HIV/AIDS, experience of gender-based violence, or homelessness/at risk of homelessness. These units will be filled through the State Referral Network. HOME units will be subjected to a 20-year regulatory affordability period and County HOME units must remain affordable as will be defined in the HOME written agreement for the full 20-year term. There are several contingencies associated with this set-aside which

are outlined in the memo, but Julie Hamlin noted the key requirements:

- Approval of all other funding sources; and
- Completion of an environmental review in accordance with regulations; and
- Successful purchase of the property by Full Circle Communities from the Village of Glen Ellyn; and
- Successful rezoning of the proposed development site; and
- Further County underwriting once all the funding sources have been secured by Full Circle Communities; and
- Inclusion of ten (10) county HOME units in the project; and
- Agreement on the terms of the County HOME loan; and
- Ensuring the project has a twenty (20) year affordability period; and
- County approval of the Tenant Selection Plan, Affirmative Marketing Plan, HOME unit lease, and other required documentation to effectuate the transaction; and
- Any additional review and underwriting as determined by County staff.

Julie Hamlin announced on February 24th Full Circle community received final approval from their board for their zoning and redevelopment agreement and opened the discussion for questions. Member Crandal voiced concern about the high price of the project and Julie Hamlin advised that affordable housing is usually more expensive than typical market-rate housing. Member Krajewski requested the Village of Glen Ellyn to waive the permit fees and Mark Franz from the Village of Glen Ellyn advised the Village of Glen Ellyn has a strict policy and does not waive fees for projects. Mark Franz shared his appreciation regarding the project and for the opportunity to attend the meeting. Chair Chassee spoke as another municipal representative that they have the same policy as the Village of Glen Ellyn and do not waive permit fees due to the frequency of requests and the slippery slope it creates. Member Crandall agreed that the Village of Glen Ellyn will endure out-of-pocket costs during this project. Member LaPlante thanked disability advocates, fair housing advocates, affordable housing advocates, and Glen Ellyn residents and staff for working diligently to ensure the success of the project. Mark Franz expressed gratitude to the village board members for accepting the risky endeavor with the purchase of a property with many challenges and appreciated the vision and determination to complete this project.

RESULT:	APPROVED
MOVER:	Lynn LaPlante
SECONDER:	Saba Haider
AYES:	Barfuss, Bastian, Bricks, Chassee, Crandall, Flint, Haider, Honig, Krajewski, and LaPlante
ABSENT:	Cage, Cronin Cahill, and Schwarze

6. OTHER BUSINESS

Julie Hamlin wanted to mention that CDC staff is currently underwriting another potential affordable housing development in Naperville. That project proposes 71 units of housing for seniors and persons with intellectual or developmental disabilities. Staff is hoping to bring a Preliminary Set-Aside request to this committee in April. Currently, the staff is waiting on additional documentation to complete the initial underwriting.

7. ADJOURNMENT

With no further business, the meeting was adjourned at 11:42 AM

8. NEXT MEETING DATE - April 1, 2025



Action Item

421 N. COUNTY FARM
ROAD
WHEATON, IL 60187
www.dupagecounty.gov

File #: 25-0900

Agenda Date: 4/1/2025

Agenda #: 5.A.



**DUPAGE
COUNTY**

COMMUNITY SERVICES

630-407-6500
Fax: 630-407-6501
csprograms@dupageco.org

www.dupageco.org/community

TO: Home Advisory Group
FROM: Mary A. Keating, Director,
Department of Community Services

DATE: March 18, 2025

SUBJECT: HM21-02a Catholic Charities Tenant-Based Rental Assistance Program –
HOME Agreement Modification One

**Community
Development**
630-407-6600
Fax: 630-407-6601

Family Center
422 N. County Farm Rd.
Wheaton, IL 60187
630-407-2450
Fax: 630-407-2451

**Housing Supports
and Self-Sufficiency**
630-407-6500
Fax: 630-407-6501

Intake and Referral
630-407-6500
Fax: 630-407-6501

Senior Services
630-407-6500
Fax: 630-407-6501

Action Requested: Staff recommend approval of Modification One to the HOME Investment Partnerships (HOME) Program Agreement HM21-02a between Catholic Charities, Diocese of Joliet and the County of DuPage, increasing the amount of HOME funding by \$110,339 for a total HOME amount of \$410,339.

Details: On November 14, 2023, under Resolution #HS-R-0065-23, Catholic Charities was awarded \$300,000 in HOME funding to provide ongoing rental assistance to eligible low-income formerly homeless households in DuPage County.

Catholic Charities has requested an additional \$110,339 in HOME funding to continue to provide ongoing rental assistance to TBRA eligible households. The current Agreement runs through November 14, 2025, however, based on current TBRA needs, Catholic Charities anticipates the original \$300,000 awarded HOME funds will be fully expended by May 2025.

Catholic Charities has indicated that without additional HOME funding, the organization will be unable to continue supporting existing households or accept any new TBRA eligible participants, resulting in housing instability for households currently served through the program as well as for those who are eligible but unable to enter into the program.

The increased funding is anticipated to serve clients through October 2025. Assuming the County receives a HOME allocation for our 2025 program year, additional TBRA funding has been earmarked and will be available once the County receives its 2025 HUD HOME Agreement. If allocated, we anticipate 2025 HOME funding will be available around the time the existing HOME Agreement is set to expire.



**catholic
charities**

Diocese of Joliet

Downers Grove Office

3040 Finley Road, Suite 200
Downers Grove, IL 60515
p: 630.495.8008
f: 630.495.9854

Administrative Office

16555 Weber Road
Crest Hill, IL 60403
p: 815.723.3405
f: 815.723.3452

Kankakee Office

100 College Drive
Kankakee, IL 60901
p: 815.933.7791
f: 815.933.4601

Morris Office

519 W. Illinois Street
Morris, IL 60450
p: 815.774.4663

Daybreak Center

611 East Cass Street
Joliet, IL 60432
p: 815.774.4663
f: 815.726.1083

Head Start

203 N. Ottawa Street
Joliet, IL 60432
p: 815-723-3053
f: 815-726-9484

catholiccharitiesjoliet.org



March 13, 2025

DuPage County Community Development Commission
421 N. County Farm Road
Wheaton, IL 60187
Attn: Momina Baig

Re: HOME TBRA HM21-02A Modification Request

Catholic Charities, Diocese of Joliet's (CCDOJ) current HOME-TBRA project, #HM21-02A, is set to expire November 14, 2025. We are writing to advise that the \$300,000 award will be expended earlier than anticipated, by April 2025. Therefore, CCDOJ is requesting additional funding in the amount of \$110,339 to cover current rental payments as well as the rent of two new households.

Presently there are thirteen households enrolled in the program, for which rent assistance expense is expected to be paid with HOME-TBRA funds for the months of April 2025 - October 2025. During these months, four households will complete the program and will exit the project. Additionally another two households have been approved and are expected to move into their units mid April. Based on available funds, if needed, CCDOJ has the ability to pay for these client's security deposits with other funding sources.

The total amount remaining on the grant, based on expenses incurred through March 2025, is \$4,613.13. The additional \$110,339 being requested will enable CCDOJ to cover the rental payments of the existing and new households through October 2025. This end date was selected to ensure that CCDOJ could have its final reimbursement request for HM21-02A submitted by the November 1, 2025 deadline as specified in the grant agreement.

Thank you for considering this request for grant modification. If you have any questions, or require additional information, please do not hesitate to reach out.

Sincerely,

signature on file

Bill Hassett
Interim Executive Director

We are a faith-based organization providing service to people in need and calling others of good will to do the same.

MODIFICATION ONE HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM
 AGREEMENT BETWEEN THE COUNTY OF DUPAGE AND
 CATHOLIC CHARITIES, DIOCESE OF JOLIET, INC.
 PROJECT NUMBER HM21-02A

THIS MODIFICATION ONE TO AGREEMENT is entered into this ___ day of April, 2025 by and between the COUNTY OF DU PAGE, Illinois (hereinafter called “COUNTY”) and CATHOLIC CHARITIES, DIOCESE OF JOLIET, INC. with a principal place of business located at 16555 WEBER RD., CREST HILL, IL 60403 (hereinafter called “SUBGRANTEE”). The purpose of this MODIFICATION ONE TO AGREEMENT is to modify an existing agreement between the above parties known as Community Development Commission Agreement HM21-02A. which was adopted by Resolution HHS-R-0065-23 on November 7, 2023 to grant funding in the amount of \$300,000.00, of which \$21,546.60 is unexpended, for the purpose of providing Tenant-Based Rental Assistance (TBRA) for eligible families to reside in eligible housing in accordance with the DuPage County TBRA Program Policy and HOME regulations at 24 CFR Part 92, at 3040 Finley Rd., Downers Grove, IL (hereinafter, together with any previous modifications thereto, called “Agreement”).

In consideration of the premises of the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to the following modification of the terms of the Agreement in accordance with Section XI. A. of the Agreement:

1. Section III.A. is hereby amended to increase the maximum amount of GRANT FUNDS by \$110,339 from THREE HUNDRED THOUSAND and 00/100 dollars (\$300,000.00) to FOUR HUNDRED TEN THOUSAND THREE HUNDRED THIRTY-NINE and 00/100 (\$410,339.00).
2. Section III. C. is hereby deleted in its entirety and replaced with the following, “The budget for the project is anticipated to be as follows:

Rents	\$392,424.00
Security deposit only	\$16,700.00
Determining income eligibility of families	\$1,215.00
TOTAL	\$410,339.00

These are estimated numbers and variations in the line items will be tracked but will not require modification to this AGREEMENT.”

In all other respects, the terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Modification on the dates recited below:

CATHOLIC CHARITIES, DIOCESE OF JOLIET, INC.
an Illinois Not-for-Profit Corporation

By: _____
William Hassett,
Interim Executive Director

Date: _____

Attest: _____

COUNTY OF DU PAGE, a body politic in the
State of Illinois

By: _____
Deborah A. Conroy,
DuPage County Board Chair

Date: _____

Attest: _____



Action Item

421 N. COUNTY FARM
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WHEATON, IL 60187
www.dupagecounty.gov

File #: 25-0901

Agenda Date: 4/1/2025

Agenda #: 5.B.



**DUPAGE
COUNTY**

COMMUNITY SERVICES

630-407-6500
Fax: 630-407-6501
csprograms@dupageco.org

www.dupageco.org/community

TO: HOME Advisory Group

FROM: Mary A. Keating, Director,
Department of Community Services

DATE: March 26, 2025

SUBJECT: HOME Program Application - \$2,400,336 – Gorman & Company, LLC –
Tower Court Residences – Preliminary Set-Aside

**Community
Development**
630-407-6600
Fax: 630-407-6601

Family Center
422 N. County Farm Rd.
Wheaton, IL 60187
630-407-2450
Fax: 630-407-2451

**Housing Supports
and Self-Sufficiency**
630-407-6500
Fax: 630-407-6501

Intake and Referral
630-407-6500
Fax: 630-407-6501

Senior Services
630-407-6500
Fax: 630-407-6501

Action Requested:

Staff recommend approval of a Preliminary Set-Aside of \$2,400,336 of HOME Investment Partnerships (HOME) Program funds for the Gorman & Company, LLC (Gorman) Tower Court Residences development subject to the following:

1. Approval of all other funding sources; and
2. Completion of an Environmental Review per regulations found at 24 CFR Part 58; and
3. Successful purchase by Gorman from the City of Naperville of the site needed for the project; and
4. Further County underwriting once all other funding sources are obtained by Gorman; and
5. That the project includes fourteen (14) County HOME units, three (3) of which are low-HOME units; and
6. Agreement upon the terms associated with the County HOME loan; and
7. That the project has a twenty (20) year affordability period commencing when the project is complete, County HOME units are leased up, and the project is completed in HUD's Integrated Disbursement and Information System (IDIS); and
8. Removal of "Local Preference" language within the Purchase and Sale Agreement, Tenant Selection Plan, and all other documentation related to the project; and
9. County approval of a Tenant Selection Plan, Affirmative Marketing Plan, HOME unit lease, and other required documentation to effectuate the transaction; and
10. Any additional review and underwriting that County staff deem necessary to complete the County's due diligence prior to advancing the project to a Conditional Commitment.

Details: Gorman has submitted an application to the County for new construction of a three-story, elevator, 71-unit affordable rental housing development, for low-income seniors aged 62 and older and individuals with Intellectual or Developmental Disabilities (IDD). The proposed development will be located at the southeast corner of the intersection of Highway 59 and 103rd Street on the far southern side of the City of Naperville, IL, in Will County. The City of Naperville is part of the DuPage County

Consortium. As such, the City has elected to include their Will County areas as part of the DuPage County Consortium, allowing for HOME investment within Will County portions of the City of Naperville. The project site area is approximately 4.68 acres with nearby amenities including grocery and retail stores, bus service, parks and recreational facilities, healthcare facilities, and educational facilities.

The development will include a mix of one and two-bedroom apartments and many common area amenities, including the following: community room, fitness center, computer room, craft room, picnic area, bike storage, and storage units. Additionally, the development will include in-unit amenities such as a security alarm, kitchen appliances, washer and dryer, central air-conditioning, window treatments, as well as cable and internet hookups.

Gorman will partner with Ray Graham Association (RGA) to ensure the project has appropriate supportive services available to residents wishing to access services. RGA will offer person-centered services, which are tailored to the unique needs of each resident who choose to participate. These optional services will include wraparound case management and direct services like financial literacy, along with a robust network of partners for referrals to other services such as behavioral, mental, and physical health care, education, and the arts.

Gorman has been managing Low Income Housing Tax Credit (LIHTC) properties since 1990 and has since expanded to managing over 6,500 income restricted units across six states. Gorman expanded into Illinois with its first project in 2004, a historic preservation and adaptive reuse of the former Moline High School into affordable housing in Moline, IL.

The project proposes to produce 14 County HOME units. HOME regulations require 20 percent, or three of the 14 County HOME units, to be occupied by residents at 50% or less of the Area Median Income (AMI), based upon household size. For a one-person household, that limit is currently \$39,250.00 annual income. The remaining 11 County HOME units will be occupied by residents at or below 60% AMI upon initial lease up.

Proposed permanent financing sources include a bank loan, LIHTCs, Federal Home Loan Bank Affordable Housing Program grant, deferred developer fee, additional tax credits awarded through the Illinois Housing Development Authority (IHDA), seller note, and County HOME loan. Terms of the County HOME loan are in negotiation and will be presented to the HAG under a conditional commitment recommendation once all financing sources have been secured.

All units will be income restricted and occupied by tenants at or below 60% AMI at initial occupancy. 15 units will be occupied by households at or below 30% AMI, 28 units will be occupied by households at or below 50% AMI, and 28 units will be occupied by households at or below 60% AMI. The current 60% AMI for a one-person household is \$47,100, the current 30% AMI for a one-person household is \$23,600.

Seven one-bedroom units will be dedicated as State Referral Network (SRN) units, which will be filled through referrals from the SRN. Gorman has requested Section 811 Project-Based Vouchers (PBVs) from IHDA. IHDA administers the Section 811 Supportive Housing for Persons with Disabilities Program and awards rental subsidy to property owners via a selection

process. While this project anticipates 15 Section 811 PBVs, Gorman has been informed that IHDA will not award the subsidy until closer to the real estate closing. Therefore, this preliminary set-aside underwriting does not assume the 811 subsidy in case the vouchers are not committed to the project. Should the 811 subsidy be awarded, HOME underwriting will be updated to include the increased rent limits allowable under the 811 program for designated units.

HOME Program regulations require a 20-year affordability period for new construction projects. The Operating Cash Flow Projection indicates sufficient debt coverage ratios throughout the affordability period from a strong 1.27 to a weaker 1.15 in year twenty. This is largely due to the higher rate of increase for operating expenses versus gross income potential increases. The gross income potential increase of 2.0% is based upon historical increases in the HUD-defined HOME rent limits.

Any changes to the County's HOME application and/or underwriting will be presented to the HAG committee as part of a conditional commitment recommendation.

Underwriting Memo – Tower Court Residences

HOME Investment Partnerships Program - Affordable Housing New Construction Project

1. Overview

Gorman & Company, LLC (Gorman) proposes to build one three-story, elevatored, 71-unit affordable rental housing development, for low-income seniors aged 62 and older and individuals with Intellectual or Developmental Disabilities (IDD). 75% of the units will serve seniors and 25% of the units will serve those with IDD. The development will include a mix of one-, two-, and three-bedroom apartments as well as surface parking, a walking path and gardens.

The development includes 52 one-bedroom units, 18 two-bedroom units, and one three-bedroom unit. All units will be occupied by seniors or individuals with IDD at or below 60%, 50% and 30% of the Area Median Income (AMI).

The total project cost is estimated at \$28,710,024. The primary funding source is Low Income Housing Tax Credits (LIHTC).

Gorman intends to form a limited liability company which will be the owner of the project, and a limited liability company that will be the Manager Member (MM) of the owner. Gorman will own a 49% interest in the MM and Ray Graham Association (RGA) will own 51% interest in the MM. The partnership will ensure the project has appropriate supportive services available to residents wishing to access services.

15 units are anticipated to receive project based rental subsidy under the Section 811 program, which allows persons with disabilities to live as independently as possible in the community by subsidizing rental housing opportunities which provide access to appropriate supportive services. Individuals with IDD have diverse service needs and RGA offers person-centered services, which are tailored to the unique needs of each resident who chooses to participate. These optional services will include wraparound case management and direct services like financial literacy, along with a robust network of partners for referrals to other services such as behavioral, mental, and physical health care, education, and the arts.

The Illinois Housing Development Authority (IHDA) administers the Section 811 Supportive Housing for Persons with Disabilities Program and awards rental subsidy to property owners via a selection process. While this project anticipates the Section 811 subsidy, Gorman has been informed that IHDA will not award the subsidy until closer to the real estate closing. Therefore, this preliminary set-aside underwriting **does not** assume the 811 subsidy in case the vouchers are not committed to the project. Should the 811 subsidy be awarded, HOME underwriting will be updated to include the increased rent limits allowable under the 811 program for designated 811 units. Anticipated 811 unit designations are indicated within the attached HOME Application & Underwriting documents.

2. Executive Summary

2.A Challenges/Opportunities Presented

Gorman seeks HOME funds of **\$2,400,336** of the total project costs of **\$28,710,024**. The development process, including site control, entitlements, financing, closing and construction monitoring will be handled as a fully integrated platform through Gorman & Company, LLC, which has been managing LIHTC properties since 1990. Site control will be obtained from the City of Naperville upon closing of the real estate transaction which has been agreed upon via an executed purchase and sale agreement. The City

of Naperville is in support of the project. Gorman & Company LLC is working to secure other financing required for the project.

The proposed project site has been found to have known contaminants that are required to be remediated by the City of Naperville. Gorman is requiring an Environmental Protection Agency (EPA) approved site mitigation plan to have been followed, resulting in clean post-mitigation soil testing prior to closing on the property. Upon completion of site mitigation, a No Further Remediation (NFR) letter will be requested from the EPA. Community Development Commission (CDC) staff will complete an Environmental Review Record (ERR) as required under 24 CFR Part 58. The HOME investment is contingent upon successful completion of the ERR and receipt of the U.S. Department of Housing and Urban Development’s (HUD’s) Authority to Use Grant Funds (AUGF) prior to the County committing HOME funds to the project.

The Purchase and Sale Agreement include local preference language requiring Gorman to prioritize City of Naperville residents as part of the tenant selection process. However, the CDC’s Geographic Distribution Policy was implemented to promote greater locational choice for both low-income persons and minorities by encouraging affordable housing outside of communities of minority concentrations and within municipalities with insufficient affordable housing. A local preference would limit locational choice for eligible tenants residing outside of the City of Naperville. The Naperville City Council is expected to review and approve updates to the Purchase and Sale Agreement, which eliminates the local preference, anticipated in April.

2.B Affordability

Preliminarily, 14 units within Tower Court Residences development will be HOME-assisted units. Of these, 11 will target households at or below 60% Median Family Income (MFI) at initial occupancy (High-HOME Units), and three units will be targeted to households at or below 50% MFI (Low-HOME Units). The 11 High- HOME units will be designated as eight one-bedroom units and three two-bedroom units. The Low-HOME units will consist of two one-bedroom units and one two-bedroom unit.

2.C Permanent Sources - Preliminary

Bank Loan	\$3,264,000
Low Income Housing Tax Credits	\$14,098,590
Illinois Housing Development Authority – Additional Tax Credits	\$4,781,518
Deferred Developer Fee	\$750,000
DuPage HOME Funds (Development Subsidy)	\$2,400,336
Federal Home Loan Bank Affordable Housing Program	\$2,000,000
City of Naperville Seller Note	\$1,415,580
Total	\$28,710,024

2.D Risks

Pertinent risk factors for this project are:

Market	Low - The project is located at the southeast corner of the intersection of Highway 59 and 103 rd Street on the far southern side of the City of Naperville, IL. A site and market study performed by Baker Tilly US, LLP concluded the proposed redevelopment is feasible from a market perspective and a market exists for the development as proposed. The prospect for long-term performance of the property is positive given the housing, demographic trends, and economic factors. Although the proposed development may directly compete for residents within comparable developments, the proposed development will not have a material negative impact on the existing housing market
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	including LIHTC housing, other affordable housing properties (Section 8, 515, 236, and public housing), or market rate housing.
Construction	Low - similar to existing projects by the Developer.
Developer	Low - many years of experience; highly capitalized.
Community Opposition	Low - the City supports the project.
Financing	Moderate - Developer working to secure commitments from other funding sources. Conditional commitment will be contingent upon securing funding sources.
Underwriting Assumptions	<p>Low - 8% vacancy loss rate, as required by IDHA. Reserve at \$350 per unit annually, as required by IHDA. Debt Coverage Ratio (DCR) of 1.27 in year 1 and 1.15 in year 20 with \$228,197 in annual debt service payments. However, this will change as financing terms are finalized, including those for the DuPage County HOME loan.</p> <p>The project would create 14 HOME units at a cost of \$171,453 per unit, which is within HOME Program allowances.</p> <p>Underwriting does not assume the anticipated 811 project-based subsidy in case the vouchers are not committed to the project. Should the 811 subsidy be awarded, HOME underwriting will be updated to include the increased rent limits allowable under the 811 program for designated 811 units.</p>
Other	Moderate – ERR clearance required. Conditional commitment will be contingent upon satisfactory completion of an ERR.

3. Property Description

The project consists of new construction of one three-story, elevatored, 71-unit affordable rental housing development, for low-income seniors aged 62 and older and individuals with IDD. 75% of the units will serve seniors and 25% of the units will serve those with IDD. The development will include a mix of one, two, and three-bedroom apartments as well as surface parking, a walking path and gardens.

The development includes 52 one-bedroom units, 18 two-bedroom units, and one three-bedroom unit. All units will be occupied by seniors or individuals with IDD at or below 60%, 50% and 30% of the Area Median Income (AMI).

HOME Program guidelines allow rents up to \$1,346 per month for a one-bedroom unit, \$1,618 per month for a two-bedroom unit, and \$1,860 per month for a three-bedroom, all including utilities. As underwritten, the development proposes 13 one-bedroom units at \$530, which are expected to receive Project-Based Vouchers under the Section 811 Program, 18 one-bedroom units at \$930, seven of which will be State Referral Network (SRN) units, and 21 one-bedroom units at \$1,129 per month. The project will also contain two two-bedroom units at \$636, both of which are expected to received 811 PBV subsidy, 10 two-bedroom units at \$1,115, and six two-bedroom units at \$1,129. There will be one three-bedroom unit at \$1,551 per month. Should the anticipated 811 PBVs be awarded, contract rent for those units will increase, impacting the project’s overall cash flow. Financing terms for the County’s HOME loan are under negotiation and will be contingent upon underwriting the project with PBVs, if awarded.

Gorman will pay for water & sewer and trash collection. Tenants will cover the electricity for lighting, cooking, and heating. The HOME units will use utility allowances for tenant-furnished utilities and other services as calculated using HUD methodology in effect.

4. Development Entity and Capacity

The development process, including site control, entitlements, financing, closing and construction monitoring will be handled by Mr. Ron Clewer, Illinois Market President at Gorman. Mr. Clewer has more than 20 years of leadership experience and over 20 years of multi-use real estate development and asset management experience. Gorman Property Management will hire new site management and leasing staff for this project. Candidates will be from the area, a common trait of Gorman's process. Candidates will be brought into Oregon, WI "Gorman U" for training and compliance. The regional manager with oversight will be Sonja Droste, Regional Director of Property Management.

Gorman Property Management will hire new site management and leasing staff for this project. Candidates are from the area, a common trait of our process. They are brought into Oregon, WI "Gorman U" for training and compliance. The regional manager with oversight will be Sonja Droste. Droste has been with Gorman since 1998 and is responsible for the supervision of the total operations of individual apartment communities in her 3,500+ unit portfolio. Prior to joining Gorman, Droste was a regional manager for 12 years with a national company.

4.A Prior Developments

Gorman has been managing LIHTC properties since 1990 and has since expanded to managing over 6,500 income restricted units across six states. Gorman expanded into Illinois with its first project in 2004, a historic preservation and adaptive reuse of the former Moline High School into affordable housing in Moline, IL.

4.B Current Operational Capacity

Gorman will act as Developer and Owner under the HOME Agreement and will provide financial oversight, grant compliance, and contractor selection for the project. Construction management will be performed by the project manager, who is part of Gorman's staff. Operational and rental management will be handled by Gorman Property Management.

4.C Financial Strength

The most recent audit of Gorman and Subsidiaries and Affiliates indicates total assets over \$124 Million with net assets over \$72 Million. In addition, the ongoing property management and maintenance allow for continuation of an affordable and attractive property; therefore, turnover is low. The lack of affordable housing in the Naperville area and the low expected turnover enhances positive cash flow.

4.D Guaranty/Bonds

Gorman will be required to sign and abide by the terms of the HOME Agreement, Mortgage and Note, and a Regulatory Land Use Restrictions Agreement. In addition, contractors will be required to supply bonds at the level stated in the HOME Agreement.

5. Location and Market Dynamics

5.A Town/County Characteristics

According to the City of Naperville's website, which cites American Community Survey (ACS) data, the City encompasses 39.08 square miles, is located approximately 30 miles west of the City of Chicago and has a population of 149,540. Demographics are reported as: White (not Hispanic or Latino) - 65.1%, Asian - 20.6%, Hispanic or Latino - 6.5%, Two or More Races - 5.1%, Black - 4.3%, American Indian and Alaska Native - 0.2%, Native Hawaiian and Other Pacific Islander - 0.0%. The median home value is \$433,400 and the median household income is \$135,772. Median gross rents are reported as \$1,645. (Source: <https://www.naperville.il.us/about-naperville/demographics-and-key-facts/>).

The Primary Market Area (PMA) for the proposed development is generally bordered by 75th Street to the north, US Highway 30 to the west, West 135th Street to the South, and the DuPage River to the east. Based on the site’s pedestrian linkages, convenient access to major thoroughfares, proximity to numerous major employers, and discussions with property managers of potentially competing developments, it is likely that 20 to 25 percent of the residents that ultimately rent from the proposed development will originate from outside the PMA (most likely from other areas of DuPage, Will, and Kendall Counties).

5.B Property Location

The property is located on the southeast corner of the intersection of Highway 59 and 103rd Street on the far southern side of the City of Naperville, IL, in Will County. The City of Naperville is part of the DuPage County Consortium. As such, the City has elected to include their Will County areas as part of the DuPage County Consortium, allowing for HOME investment within Will County portions of the City of Naperville. An approximate address for the site is 10474 Route 59, Naperville, Illinois 60564. The subject site is bordered by additional foliage and wooded land in all directions. IL Route 59 is less than 1/10th of a mile to the west and 103rd Street is approximately 0.2 miles north. With all surrounding streets appearing to be moderately to heavily traveled, the site is expected to have above average drive-by exposure and should experience adequate marketability. Nearby businesses include Angelo Caputo’s Fresh Market, Amazon Fresh, TJ Maxx, and Dollar Tree. Naperville Bus Services Fixed Route 672 provides bus service to the nearest Metra train station. Nearby parks and/or recreational facilities include George Pradel Park and Fry Family YMCA. Nearby health care facilities include DuPage Medical Group and Walgreens Pharmacy. Lastly, there are three educational facilities nearby, Kendall Elementary School, Thomas G. Scullen Middle School, and Neuqua Valley High School. As such, the site appears to be well served by the amenities and services needed by seniors and IDD residents.

6. Physical Character and Issues

Gorman will be responsible for ensuring that the building complies with existing property standards per municipality and/or County CDC policies.

An Environmental Review Record (ERR) is required to be completed in accordance with 24 CFR Part 58. Upon approval of a preliminary set-aside, Community Development Commission (CDC) staff may begin the ERR process. Additional building requirements, including mitigation requirements, identified as result of the ERR will be incorporated into the updated memo presented to the HOME Advisory Group (HAG) committee when recommending a conditional commitment of HOME funds. A conditional commitment will be contingent upon completion of the ERR.

7. Proposed Financial Structure

Total Development Costs are projected at \$28,710,024. Funding is anticipated to be provided from the following sources: 11.4% Bank Loan; 49.1% Illinois Housing Development Authority (IHDA) – Low Income Housing Tax Credits; 16.7% IHDA Additional Tax Credits; 8.4% DuPage County HOME funds, 2.6% Deferred Developer Fee; 7% Federal Home Loan Bank Affordable Housing Program grant; and 4.9% City of Naperville Seller Note.

Permanent Financing	Total	% of Total
Bank Loan	\$3,264,000	11.4%
Low Income Housing Tax Credits (IHDA)	\$14,098,590	49.1%
Additional Tax Credits (IHDA)	\$4,781,518	16.6%
Deferred Developer Fee	\$750,000	2.6%
DuPage HOME Funds (Development Subsidy)	\$2,400,336	8.4%

Federal Home Loan Bank Affordable Housing Program Grant	\$2,000,000	7.0%
City of Naperville Seller Note	\$1,415,580	4.9%
Total	\$28,710,024	100%

Gorman will execute a Mortgage and Note, as well as a Regulatory Land Use Restrictions Agreement (RLURA). The period of affordability for this HOME project will be twenty (20) years per HUD HOME regulations. Once all financing sources are finalized, and the term of the County HOME loan has been determined, the County may elect to impose an extended use period, separate and distinct from the regulatory HOME affordability period.

8. Underwriting

8.A Assisted Units / Rents

The Gorman project consists of 71 units of rental housing. The requested \$2,400,336 of HOME financing requires a minimum of 11 HOME units. The Developer has agreed to 14 HOME units; three Low- and 11 High-HOME rent units. The HOME agreement will stipulate the mix of HOME units. The tables below represent the preliminary HOME unit mix. HOME units are comparably distributed among non-HOME units.

Total Development Unit Mix	Units	% of Total Units	HOME Unit Mix	HOME Units	% of HOME Units
1-bedroom	52	73.2%	1-bedroom	10	71.4%
2-bedroom	18	25.4%	2-bedroom	4	28.6%
3-bedroom	1	1.4%	3-bedroom	0	0%
	71 total units	100%		14 HOME units	100%

	HOME Units	20% @ Low HOME	High HOME
1-bedroom	10	2	8
2-bedroom	4	1	3
3-bedroom	0	0	0
	14 HOME units	3	11

Gorman intends for the HOME assisted units to be floating; this is acceptable because the units are comparable. However, the unit mix, as outlined above, must be maintained during the 20-year HOME Program affordability period.

See the Units Information & Gross Revenue Potential attachment for a more detailed breakdown of units by bedroom size, income restriction and contract rent.

8.B Market Units/Rents

There are no market rate units proposed within the development.

8.C Trending

Rents are projected at a 2% inflation rate. The majority of operating expenses are projected at a 3% inflation rate with real estate taxes projected at a 4% inflation rate and the management fee projected at a 2% inflation rate. The DCR is 1.27 in year 1 and trends to 1.15 in year 20. However, this will change as financing terms are finalized, including those for the DuPage County HOME loan. Certain payments will be dependent on available cash flow, therefore, years one through 14 anticipate to break even. Years 15 through 20 show positive cash flow.

8.D Vacancy Rate

For underwriting purposes, the property is underwritten at an 8% total rent vacancy loss which is consistent with IHDA requirements.

8.E Other Income

Gorman anticipates receiving approximately \$14,200 annually from interest, revenue from craft classes, late fees, insufficient fund fees, and pet rent.

8.F Operating Expenses

Gorman will pay for the hot water electric, water, sewer, and trash collection. Tenants will cover the electric lighting, electric cooking, and electric heating utilities. Gorman will provide property management. See the Annual Operating Budget attachment of the underwriting template for a breakdown of underwritten operating expense projections.

8.G. Real Estate Taxes

Gorman anticipates paying \$75,000 of real estate taxes in year one, with trending increases of 4% annually.

8.H. Proposed Reserve Deposit

Proposed replacement reserve deposit is \$350/unit/year, totaling \$24,850 annually, with inflation projected at 3% annually. No interest is projected on the reserves balance. This produces positive capital reserves through year 20.

8.I. Other Proposed Reserves

The property is not expected to have any other operating reserves.

8.J Resulting Net Operating Income (NOI) for Debt Coverage Ratio (DCR)

The proposed unit mix at proposed rents; estimated rent loss; and underwritten expenses, and with the proposed reserve deposit, demonstrates that this project will produce stabilized Net Operating Income (NOI) of approximately \$288,796 in year one. After payment of debt service, cash flow is projected at \$60,600 in year one. However, this is anticipated to change upon finalizing all financing terms, including those of the County HOME loan.

9. Additional Considerations

9.a HOME Repayment

The terms for the County's HOME loan of \$2,400,336 are in negotiation. Once all financing sources are known, and 811 PBVs are secured, terms of the HOME loan will be presented to HAG for approval. If any portion of the project is sold, transferred, or if the property is no longer used for the purposes stated in the HOME Agreement during the 20-year HOME affordability period, Gorman will be required to pay the full amount of the principal of the loan. The County may also elect to impose an extended use period, which would incorporate extended requirements associated with the HOME loan.

10. Conclusion

Preliminarily, the proposed project aligns with HOME Program requirements and objectives of the County's Five-Year Consolidated Plan. The development also presents a favorable risk profile. CDC staff recommend a preliminary set-aside of \$2,400,336 in HOME funds for the proposed development. A conditional commitment of HOME funds is contingent upon all other financing sources having been secured, an agreement of the County's HOME loan terms, satisfactory completion of an ERR, and any other review and/or underwriting deemed necessary by CDC staff.

11. Attachments

- 0) HOME Rental Compliance Checks
- 1) HOME Rental Production Application
- 2) Utilities & Rent Limits
- 3) Unit Information & Gross Revenue Potential
- 4) Annual Operating Budget
- 5) Operating Cash Flow Projection
- 6) Development Budget
- 7) Construction Budget/Costs
- 8) Sources & Uses Summary
- 9) Capital Needs Assessment

INSTRUCTIONS FOR COMPLETING THE DU PAGE COUNTY HOUSING APPLICATION & PROFORMA WORKSHEETS

Please note that many sections of this application do not apply to homebuyer projects. Please contact CDC staff for guidance on completing the application if your project is a homebuyer project.

General Instructions

- A. Only enter information into yellow cells. Green cells are for Du Page County use. All other cells are protected.
- B. Some cells appear black based on data inputted in early sheets/cells. Do not fill in blacked-out cells.
- C. Complete the following worksheets roughly in the order corresponding with their numbering:
 - 0) Underwriting & HOME
 - 1) Application
 - 2) Rent Limits
 - 3) Units & Revenue
 - 4) Operating Budget
 - 5) Operating Cash Flow
 - 6) Development Budget
 - 7) Construction Budget
 - 8) Sources & Uses Summary
 - 9) Capital Needs Assessment
- D. All worksheets above must be completed. Information on each worksheet is linked to other sheets.
- E. If additional space is needed, enter "Refer to Attachment" in category and provide an attachment.

Underwriting & HOME

- A. This sheet informs you as to HUD and Du Page County's program & policy requirements. It also allows applicants to enter their own #s and rates for some items as appropriate.
- B. If necessary, under "Underwriting Standards" explain why your rates, #s vary from Du Page County's targets.
- C. At the bottom of this sheet, fill out the yellow cells under "Cost Allocation" to insure you have sufficient HOME assisted units in the project.

Application

- A. This is the general application form.
- B. Fill in all applicable yellow cells. Many sections will prompt you with drop-down menus. Some cells will initially be blank and will be populated once you have completed the other worksheets in this workbook.
- C. The application refers to "Required Attachments". These are listed at the end of this Instructions page.
- D. When you print a hard copy of this file, be sure to carefully read and sign the certifications on the final page.

Properties

- A. This is a subsidiary sheet to the Application form.
- B. Enter requested info about properties in the project site(s) & properties owned by the applicant and its affiliates.

Rent Limits

- A. *Utility Allowances*: Indicate the type of utilities the project will have, as well as which will be paid by owner and which by tenants. For utilities paid by tenants, enter the applicable utility allowance for each using the utility allowance tables provided on this worksheet.
- B. Review Du Page County's Contract Rent Limits. These represent the maximum starting rents you will be able to charge tenants. HUD often allows modest rent increases over time.

Units & Revenue

- A. *Unit Distribution*: For each bedroom type, enter the requested information. Be sure to enter the Contract Rent—the rent you will be charging tenants or rent that a voucher will provide.
- B. *Square Footage Breakdown*: Enter the commercial square footage and common area square footage, if applicable.
- C. *Other Income*: Enter other sources of revenue you are reasonably sure the project will receive.
- D. *Annual Operating Subsidies*: If the project will receive operating subsidy, enter the source & amount.

Operating Budget

- A. Enter a vacancy rate. A default % comes from Sheet #0. You may modify this as appropriate.
- B. Enter the expenses for Year 1 of stabilized operations.
- C. Review the Estimated Mortgage calculations. This is the permanent debt Du Page County anticipates your project can support.

Operating Cash Flow

- A. This cash flow charts revenue and expenses over 20 years to see how a project performs financially. You may not need to enter any information, but you should make sure the project has sufficient debt coverage ratios and cash flow throughout whatever compliance period applies to the funding you seek.
- B. You may modify the default inflation or vacancy factors. Be prepared to justify your changes.

Development Budget

- A. Enter development costs. Note that construction costs are entered on the 7) *Construction Budget* sheet.
- B. The worksheet will automatically calculate Total Development Costs (TDC).

Construction Budget/Costs

- A. Enter detailed construction costs.
- B. Note Du Page County's % limits for overhead, general conditions and profits. Be sure to stay within these limits.
- C. After completing, check the Development Budget to insure costs transferred properly.

Sources & Uses Summary

- A. Enter all permanent sources of funding, financing, and equity, along with interest rates and terms where applicable.
- B. Enter all construction sources along with interest rates. Some may be identical to permanent sources.
- C. Check to be sure permanent sources = uses and that construction sources = uses.
- D. Enter any additional information you wish to provide Du Page County in the "Developer's Notes" section at the bottom of the

CNA (Capital Needs Assessment)

- A. Complete this sheet to determine if your project can afford future capital improvements during the HOME compliance period-- during which time you may not receive additional HOME subsidy for the project.

How to Apply

- 1) **Email this electronic application/proforma in Excel to:**
DuPage County Community Development Commission
communitydev@dupagecounty.gov
- 2) **Mail a hard copy of this entire application/proforma along with the Required Attachments listed above to:**
DuPage County Community Development Commission
421 N. County Farm Road, Room 2-800
Wheaton, Illinois 60187

**DU PAGE COUNTY
HOME RENTAL COMPLIANCE CHECKS**

Project: Tower Court Residences Project Number: 0

Underwriting Standards	Target	Applicant's #	If outside limits, briefly explain.
Vacancy Rate Year 1-4	8.0%	8.0%	
Vacancy Rate Year 5-15	8.0%	8.0%	
Rent Inflation Rate Years 1-3	0.0%	2.0%	IHDA requires this inflation rate in their underwriting stds
Rent Inflation Rate Years 4+	1.0%	2.0%	IHDA requires this inflation rate in their underwriting stds
Operating Cost Inflation Rates			
Administrative	3.0%	3.0%	
Management Fee	2.0%	2.0%	
Operating	3.0%	3.0%	
Maintenance	3.0%	3.0%	
Utilities	3.0%	3.0%	
Taxes	4.0%	4.0%	
Insurance	3.0%	3.0%	
Reserves	3.0%	3.0%	
Replacement Reserve - Rehab	\$450		
Replacement Reserve - New Construction	\$400	\$350	IHDA requires \$350/unit all units. We can likely get a waiver for the HOME units only at \$400. please advise if this is needed.
Annual Operating Costs Per Unit	\$5,500	\$6,914	PSH projects have higher OPEX. Also increase in recent insurance/maintenance expenses. w/in IHDA approved levels for PSH projects.
Debt Coverage Ratio Year 1 - Minimum*	1.20	1.27	
Lowest DCR through entire HUD affordability period	1.15	1.15	IHDA's application required stress test of viability w/out 811 PBV subsidy.

* DuPage County recognizes that a DCR in early years may be greater than 1.2 in order to ensure long term viability of the project through the HUD required affordability period.

Household Income Limits:

PJ: DuPage County

Targeted Income	Household Size					
	1	2	3	4	5	6
30% AMI	\$23,600	\$26,950	\$30,300	\$33,650	\$36,350	\$39,050
50% AMI	\$39,250	\$44,850	\$50,450	\$56,050	\$60,550	\$65,050
60% AMI	\$47,100	\$53,820	\$60,540	\$67,260	\$72,660	\$78,060
(HOME Limit) 80% AMI	\$62,800	\$71,800	\$80,750	\$89,700	\$96,900	\$104,100

Effective: 06/01/2024

HOME Gross Rent Limits

	Low-HOME	High-HOME	FMR
0 Bedrooms	\$981	\$1,255	\$1,399
1 Bedroom	\$1,051	\$1,346	\$1,507
2 Bedrooms	\$1,261	\$1,618	\$1,714
3 Bedrooms	\$1,457	\$1,860	\$2,182
4 Bedrooms	\$1,626	\$2,056	\$2,583

Effective: 06/01/2024

Development Costs Standards

	Minimum Required	Maximum Allowed	Notes	Project #s	Within Limits?
Construction Contingency					<i>New Construction</i>
New Construction	5.0%	7.5%	of construction - recommendation only	3.4%	FALSE
Rehab	7.5%	10.0%	of construction - recommendation only		
Developer Fee					
New Construction	N/A	12.0%	of TDC - Identities of interest may lower this limit.	7.4%	Yes
Rehab	N/A	12.0%			
Contractor's Overhead, Profit, Gen Conditions					
Total Limit	N/A	14.0%	of construction	11.6%	Yes

HOME Cost Allocation

TDC for Residential & Common Space	\$28,710,024	State HOME Units	County HOME Units
Total HOME Funds Requested	\$2,400,336	\$0	\$2,400,336
HOME Subsidy as % of Total Development Costs	8.4%	0	0.083606201
Total Units	71		

Required HOME Units

	Minimum HOME Requirement		Number applicant has agreed to:	
	State HOME Units	County HOME Units	State HOME Units	County HOME Units
# of HOME-Assisted Units	0	6		14
# of Low HOME Units		2		3
HOME Subsidy Per Unit	\$400,056		\$171,453	

See other tests below for subsidy limits & non-comparable units.

Minimum HOME Affordability Period

20 Years

Breakdown of HOME Units Required by Bedroom Type: Required HOME Units

Bedrooms	# of Units	HOME as % TDC	(Estimated)
0 Bedroom	0	8.4%	0.0
1 Bedroom	52	8.4%	4.3
2 Bedroom	18	8.4%	1.5
3 Bedroom	1	8.4%	0.1
4 Bedroom	0	8.4%	0.0
Total	71	Rounded Total:	6.0

Actual Breakdown of HOME U (Must match or exceed requirements listed above.)

Bedroom Type	# High HOME Units	# Low HOME Units	Total
0 Bedroom			0
1 Bedroom	8	2	10
2 Bedroom	3	1	4
3 Bedroom			0
4 Bedroom			0
Total	11	3	14

HOME Subsidy Limits:

Bedroom Type	# Units	HUD HOME Section 234 Subsidy Limit	Gross Maximum Subsidy
0 Bedroom	0	\$181,488.00	\$0
1 Bedroom	10	\$208,048.80	\$2,080,488
2 Bedroom	4	\$252,993.60	\$1,011,974
3 Bedroom	0	\$327,292.80	\$0
4 Bedroom	0	\$359,263.20	\$0

Subsidy Limits Effective:

02/13/2024

Maximum HOME Subsidy Allowed \$3,092,462

HOME Funds Requested \$2,400,336

Within Limits? Yes

Non-Comparable Units Test (for mixed-income projects)

Are the project's units comparable in terms of bedrooms, bathrooms & size?

Development costs per residential square foot:

\$437

Calculation of Eligible Costs for HOME Units:

Type of HOME Unit	SqFt/Unit	# of HOME Units	Estimated Development Costs	HOME SqFt
			\$0	0
			\$0	0
			\$0	0
			\$0	0
			\$0	0
			\$0	0
			\$0	0
			\$0	0
		0	\$0	0
Common Space Attributable to HOME Units:		0	\$0	0.0%
Total Eligible Development Costs for HOME Units			\$0	

HOME Funds Requested \$2,400,336

Sufficient Eligible Costs? NO

HOME Match Calculation

List the sources of HOME Match in this project:

Source	Amount of Match	Form of Permanent Contribution to Affordable Housing	Notes

DU PAGE COUNTY HOME RENTAL PRODUCTION APPLICATION

Last Date Modified: **3/20/2025**

PROJECT NUMBER: _____

A. General Information

Development Information

Development Name: **Tower Court Residences**

Street Address: **IL Rt 59 & 103rd Street** Census Tract: _____

Municipality: **Naperville** IL Zip: **60564** 8803.09

Total number of rental units planned **71** units

Number of income restricted HOME Units planned **11** units

Construction Type **New Construction**

Housing Type **Multi-Story w/Elevator** Fixed or Floating Units? **Floating**

Project Summary Briefly describe your project. *Please note that many sections of this application will not apply to homebuyer projects. Please contact CDC staff for guidance if your project is a homebuyer project.*

Gorman & Company has partnered with Ray Graham Association to develop a 71 unit new construction development in Naperville. This project has two target markets; low-income elderly people (62+) and individuals with Intellectual or Developmental Disabilities (IDD). The proportion of these two populations will be 75% elderly and 25% IDD. Construction includes one new construction building in the south-east corner of the site, surface parking, a walking path, and gardens.

Funding Request (info from other worksheets)	Total	Per Unit
DuPage County Funding Request	\$2,400,336	\$33,808

Proposed use of DuPage County funds: **Construction Hard Costs** (More info will be provided in a schedule below.)

B. Developer Information

Entity Name: **Gorman & Company, LLC** Federal I.D. #: **82-3739186**

Contact Person: **Ron Clewer** Phone: **815-847-0347**

Address: **200 N. Main Street** Email: **rclewer@gormanusa.com**

City: **Oregon** State: **WI** Zip: **53575**

DUNS # **81077405** CCR# _____ Expiration Date: _____

Legal Form: **For-Profit Corp.**

Is entity registered and in good standing with the State of Illinois? **Yes**

Has a non-profit determination been made by the Internal Revenue Service?
IRS Code designation: **No**

Will the proposed project be developed, owned, or sponsored by a currently certified Community Housing Development Organization (CHDO)? **No**

Is CHDO designation from Du Page County? _____

Is the entity a Certified Minority-owned Business Enterprise (MBE)? **No**

Certifying entity: _____

Is the entity a Certified Woman-owned Business Enterprise (WBE)? **No**

Certifying entity: _____

Is the entity a Certified Section 3 Business entity? **No**

Certifying entity: _____

Describe the ownership structure of the project and explain the role of any non-profits in the project.

Gorman & Company, LLC will serve as developer and co-owner alongside non-profit service provider and co-owner Ray Graham Association. Gorman & Company, LLC will own 49% of the Managing Member, while Ray Graham will own 51%.

General Partner/Corporate Officer Information (if applicable)

(List Managing General Partner on first line.)

				Owner-ship %
Name:	Tower Court Naperville, LLC	Fed. ID	92-2183901	100.00%
Name:		Fed. ID		
Name:		Fed. ID		

Properties Currently Owned by Applicant & Affiliate Entities

On the worksheet "1a)Properties" enter all properties owned by the applicant and its affiliated entities. Du Page County will check each address for outstanding taxes, code violations, etc.

C. Development Plan Information

Total number of Buildings planned: 1 buildings

Age of existing Building(s): N/A years old

of Stories: 4 stories

Structural System	Frame	Other:		Parking	Parking Pad/Driveway
Basement	Slab	Other:		Other Parking:	
Exterior	Other	Other:	Brick & Siding	Sanitary Sewer	Public Sewer

Will this project target special populations? Yes

If yes, indicate which populations: Other Elderly (62+) & IDD

How many units will be fully accessible for the handicapped? 15 Fully Accessible

Describe accessibility improvements/features of the proposed units.
 The project will include 20% Type A (fully ADA accessible units) including ADA cabinetry, room layouts, and accessible bath fixtures. Reference ICC/ANSI 117.1 2009 for the multiple design criteria. 100% of the units will be visitable as defined in the Illinois Housing Development Authority's Qualified Allocation Plan.

Will the project exceed the Americans with Disabilities Act standards & make units barrier free? Please explain.
 The ADA requires that our project has a minimum of 10% of units designed and built to be fully accessible. We are planning to exceed this requirement by building 20% of units as fully accessible and 100% of units as visitable.

Will the project address unique physical needs with special site/design features that will substantially add to costs? Please explain.
 The project will address physical needs as well as emotional/behavioral needs through site design; however, this will not add substantial costs. The project has been intentionally designed in a way that addresses these needs, so the costs were anticipated.

Energy and Equipment Information

DuPage County requires that applicants use energy-efficient components.

Describe the energy-efficient features/techniques (effective insulation, high performance windows, tight construction & ducts, appliances, efficient heating & cooling equipment, etc.) which will be used:

The project will be Enterprise Green Communities Certified (EGC). EGC certification requires highly energy efficient design, including specifications for insulation, windows, air recirculation, energy star appliances, efficient HVAC, and more. EGC also requires resident engagement in the design process and site design requirements as well.

Have you joined the Energy Star Partnership?

Anticipated Energy Star third-party inspection date (Provide Independent Rater/Inspector Name & Service Area):

The project will require EGC involvement for design through construction to ensure the EGC checklist requirements are met. The final inspection must be performed at project construction completion, prior to resident occupancy. We anticipate this to be ~ 17 months post financial closing.

	Energy Star?	Other green amenities:
Heating System: Electric	<input type="checkbox"/>	
Air Conditioning System: Central Forced Air	<input type="checkbox"/>	
Domestic Hot Water: Electric	<input type="checkbox"/>	

Equipment included with Income Restricted Units (check all that apply)

<input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Kitchen Exhaust Duct	Other:
<input checked="" type="checkbox"/> Range & Oven	<input type="checkbox"/> Ceiling Fans	<input type="checkbox"/> Common On-site Laundry	
<input type="checkbox"/> Garbage Disposal	<input type="checkbox"/> Fireplace	<input type="checkbox"/> Security Alarm	
<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Blinds/Drapes	<input checked="" type="checkbox"/> Laundry Equipment	

D. Site Information

On the worksheet "1a)Properties" enter all properties included in the project site(s).

Project Site Area (utilized for proposed development):	4.68	Acres
Is the project in a national or local historic district?	No	
Have you already acquired the project property?	No	
Was the property occupied at the time you obtained ownership?	No	
If vacant at purchase, how many months had it been vacant?	Farmland	
Did/will you acquire the property with clear title and no debt?	No	
Is this an "Arms-Length" Transaction, meaning the buyer and seller are acting independently and have no relationship to one another?	Yes	

Explain the relationship between buyer and seller. Provide a copy of the sales contract. If the sales contract cannot be provided at the initial application stage, it will be a requirement to receive a firm Financing Commitment.

The Seller of the Property is The City of Naperville, the Buyer will be a single-purpose LLC created to own the property.

Does current site zoning allow the proposed residential use? No

If no, please explain what steps have been or will be taken to obtain zoning approval.

Gorman will lead the effort to rezone the parcel to allow for the development. Given the property is being acquired through an RFP issued by the City of Naperville we do not anticipate any resistance from the City once a design is agreed upon.

Will the current site(s) require lots to be subdivided? Yes

Are the following utilities now located on the site?

Public Water Supply	Yes	Private Water	No
Public Sewer System	Yes	Private Sewer	No
Natural Gas Distribution System	No	Broadband	No
Electric Power System	Yes		
Cable Television System	No		
Telephone System	Yes		

Are the following conditions present at the proposed development site?

In or includes a wetland?	No	Standing water	No
All or part in 100-yr. floodplain	No	Creek, lake, river frontage	No
Railroad tracks within 300 feet	No	Ravines or steep grades	No
High tension wires	No	Industrial sites	No
High noise levels	No	Commercial sites	No
Hazardous waste sites	No		

Are you aware of any other environmental hazards that are on or near the site? No

Are there any soil, slope or erosion concerns associated with the site? No

Has a Phase One Environmental Assessment been done for the site? Yes

Required for New Construction on Vacant Land

Are there any other environmental issues you wish to bring to our attention? Yes

Please Describe any other unusual site conditions:

The site has been found to have known contaminants that will be remediated by the City of Naperville and a no further remediation letter will be issued to us. The site is currently being enrolled in the site remediation program by Naperville to start the NFR process.

Is this a residential property for which construction was completed on or after 1/1/78? No

Is this a zero bedroom dwelling unit or SRO? No

Is housing exclusively for the elderly or disabled, disallowing children <6 as residents? Yes

Has the property already undergone lead abatement? No

Is this unoccupied residential property which is to be demolished? No

Is this property going to be used for a purpose other than human residential habitation? No

Is this rehab which will not disturb a painted surface? No

Is this an emergency action which must be undertaken immediately to safeguard human life? No

If there is an existing structure, has it been tested for asbestos-containing materials (ACM)? No

If there is an existing structure, has it been tested for Radon? No

E. Market Analysis & Leasing

Applicants will be required to submit a market assessment demonstrating the need for & marketability of the proposed project. Market Analyses may be conducted in-house or by a 3rd party professional. Please refer to the HOME Application Template Guidance.

Describe how you determined the need/market demand for the proposed project.

Gorman and Company was approached by a group of parents from the community of Naperville who were concerned about a lack of housing for their children, who are young adults with IDD. Through conversations with the parent group and the City it was decided that the elderly would be a good fit to pair alongside those with IDD.

Explain how you arrived at the projected rents:

We performed a third-party market analysis and are using the Illinois Housing Development Authority affordable rents for the Naperville region as this project will use the low-income housing tax credit and therefore will be restricted to the rent levels allowed under that program.

How will you insure lease-up to eligible tenants within 18 months?

Because of Gorman's integrated affordable housing platform, property management has been involved in the project's design from its inception. This ensures that the property is designed in a way that facilitates easy management and leasing. AS the property approaches closing property management will create an Affirmative Fair Housing Marketing Plan and begin marketing prior to construction completion to ensure expedient lease-up.

Have you completed an Affirmative Marketing Plan?
(Required for projects with 5+ HOME units.)

Yes

Is there anything in proximity to the project that could have a noteworthy positive or negative impact on the marketability of this development? Please describe:

The proximity to major roads (IL Route 59 and 103rd Street) may have a positive impact on the marketability of this development in terms of visibility for prospective tenants.

F. Previous Development Experience

How many full-time equivalent (FTE) employees will be working on the project?

3.50

Has the developer completed other residential development projects?

Yes

If yes, please answer the following:

How many projects has the developer completed?

130

How many dwelling units has the developer been responsible for producing?

New Construction

units

9703

Rehab

units:

1583

List most recently completed projects:

Project Name	Address	Construction Type	Tenure Type	Target Residents	# Units	Total Devel. Costs
Valor on Washington	1322 E. Washington Street, Madison, WI	New	Rental	Mixed	59	\$18,948,782
Laradon Phase II	5190 N. Broadway, Denver, CO	New	Rental	Mixed	132	\$42,263,231
Avenida del Sol	5048 Morrison Road, Denver, CO	New	Rental	Low/Mod Income	80	\$27,632,288
Soluna II	1825 E. Rossevelt Street, Phoenix, AZ	New	Rental	Mixed	66	\$15,280,719
Printery Row	165 E. Pulaski Street, Pulaski, WI	New	Rental	Low/Mod Income	43	\$10,040,000

Describe the experience of the specific staff members who will manage this project. Attach resumes.

Ron Clewer will serve as the primary point for contact for the the developer on this project. As the Illinois Market President at Gorman & Company, Ron is responsible for all Gorman development activity in the state. Before joining Gorman Ron served as the CEO of the Rockford Housing Authority and has a long career in real estate. Colin Malin will serve as the secondary point of contact and will be responsible for much of the coordination of getting the project to financial closing in his role as Development Project Manager. More detailed resumes attached.

If developer has been involved in residential development projects in some other capacity, please specify:

As a fully integrated platform Gorman serves as developer, architect, general contractor, and property manager on many deals we're involved in.

If developer/team has completed previous HOME units in any jurisdiction, are there any outstanding performance issues to be resolved? If yes, please explain.

None Known

G. Ongoing Management Experience, Structure & Capacity

Who will perform property management?	Developer/Owner will manage in-house
Name of management staff/company:	Gorman Property Management USA, LLC
How many units is your staff or 3rd party mgt company currently managing?	7,517
How many HUD income-restricted units is your staff/mgt company currently managing?	6,812

Describe staff/mgt company's experience managing HUD income-restricted rental units.

Gorman has been managing LIHTC properties since 1990 and has since expanded to managing over 6,500 income restricted units across 6 states.

Describe how the roles of property management, asset management & ongoing compliance will be delegated.

Gorman Property Management will hire new site management and leasing staff for this project. Candidates are from the area, a common trait of our process. They are brought into Oregon, WI "Gorman U" for training and compliance. The regional manager with oversight will be Sonja Droste, 608-835-3446, SDroste@GormanUSA.com. We have a shared compliance team that all applicants and leases must be reviewed by for compliance against LIHTC, HOME and any other supporting programs. The compliance team is fully certified and led by Carrie Constantinescu, Assistant Compliance Manager, HCCP, BOMS, COS, COSA, RAD-PBV, MORS, 815-543-7730, cconstantinescu@GormanUSA.com. Points of contact for the development of the project are me and as we transition from development to operations, the new site manager will become the local point of contact.

H. Existing Loan Subsidies in Developments to be Acquired

Does your development plan include acquisition of units with existing subsidies? No

If yes, please indicate the kind of existing subsidy.

Does your development plan seek to preserve federally-assisted low-income housing which would otherwise convert to market rate use through mortgage prepayment, foreclosure or expiring subsidies? No

I. Rental & Operating Assistance Information

Do you expect to receive or are you currently receiving any rental subsidies for this development? Yes

If you answered yes, please check the types of subsidy expected: Project Based Rent Subsidy

If you answered yes, please describe the source and purpose of subsidies:

HUD provides funding to develop and subsidize rental housing with the availability of supportive services for very low- and extremely low-income adults with disabilities. IHDA will be the pass through agency for this assistance. NOTE: IHDA requires that we underwrite the model WITHOUT the assistance, however, request the support in the application. They want to stress test sustainability without the 811 subsidy as a precaution.

Number of units expected to receive assistance: 15 units

Number of years in assistance contract: 15 years

J. Supportive Services Information

If you plan to provide supportive services to your tenants, please provide the following:

Description of the population to be served:

The two populations served by our project will be low-income elderly people (62+) and individuals with Intellectual and Developmental Disabilities (IDD).

Will participation in supportive services be mandatory? No

Description of the services to be provided and how they will be provided:

Individuals with Intellectual and Developmental Disabilities (IDD), ranging from age 18 to seniors, have diverse service needs. RGA offers person-centered services, which are tailored to the unique needs of each resident who chooses to participate. Their services include wraparound case management and direct services like financial literacy, along with a robust network of partners for referrals to other services such as behavioral, mental, and physical health care, education, and the arts.

RGA staff are on-site to conduct tenant assessments, discuss their needs, and create individualized service plans for those who opt into services. In return for providing these services, RGA receives a portion of the project developer fee and the cash flow, and also bills Medicaid/Medicare, as well as receiving funding from the DHS and other sources.

All units are operated under the IHDA Permanent Supportive Housing model. However, per federal guidelines, participation in services is optional.

K. Development Schedule

For each item in the chart below, enter the month and year that the item was accomplished, or for future events, the month and year when that item is expected to be accomplished. If an item does not apply to your development, enter N/A or leave blank.

		Month	Year	Draw on PJ funds
Site	Option	September	2022	
	Contract	January	2023	
	Closing	May	2025	
	Zoning	October	2024	
	Site Analysis	November	2024	
Construction Financing	Application Submission	November	2024	
	Conditional Commitment	December	2024	
	Firm Commitment	February	2025	
	Closing	May	2025	
Plans	Preliminary Drawings	May	2024	
	Working Drawings	December	2024	
	Permits	February	2025	
Construction Loan Closing		August	2025	
Construction Start		August	2025	\$2,160,302
Marketing Start-Up		November	2026	
Construction Complete		February	2026	\$240,034
Unit(s) Fully Leased		August	2027	
Total Construction Schedule:		18	months	\$2,400,336

L. Development Team Information

	Name	Address	Phone	Certified		Worked together previously?
				MBE	WBE	
Project Mgr:	Gorman & Company, LLC	200 N. Main Street, Oregon, WI	608-835-3900	No	No	Yes
Contractor:	Ujamaa Construction, Inc.	7744 S Stony Island Ave, Chicago, IL 60649	708-955-8174	Yes	No	Yes
Consultant:	TBD					
Attorney:	Reinhart Boerner Van Deuren	1000 North Water Street, Suite 1700, Milwaukee, WI	414-298-8330	No	No	Yes
Property Manager	Gorman Property Management USA, LLC	200 N. Main Street, Oregon, WI	608-835-3900	No	No	Yes
Architect:	Beehyyvve, LLC	1122 West 63rd Street, Unit 3 Chicago, IL 60621	773-954-1416	Yes	No	Yes
Engineer:	Manhard Consulting	One Overlook Point, Suite 290, Lincolnshire, IL 60069	847-343-1207	No	No	Yes

Track record of prime contractor — list the contractor's five most recently completed projects:

1. Soluna Phase II
2. Soluna Phase I
3. Valor on Washington
4. Pinecrest Apartments
5. Milwaukee Scattered Sites #2
Additional Information:

Does developer/applicant/sponsor hold a direct financial interest in any team member or entity? Yes

If yes, provide details of the relationship:

The developer is a subsidiary of Gorman & Company, LLC.

Is the Developer, Sponsor, or any other Development Team Member related to a Du Page County elected official or employee? Please note separate Conflict of Interest Disclosure forms required. No

If yes, provide details:

Is the developer/applicant/sponsor or any development team member, including any of their owners, partners, or board members CURRENTLY DEBARRED from Federal contracting opportunities by any agency of the Federal Government? (www.sam.gov) No

If yes, please provide details:

[Empty yellow box for details]

Is the developer/applicant/sponsor or any development team member, including any of their owners, partners, or board members EVER BEEN DEBARRED from Federal contracting opportunities by any agency of the Federal Government? (www.sam.gov)

No

If yes, please provide details:

[Empty yellow box for details]

Has any development team member been subject to a HUD Office of the Inspector General audit or investigation?

No

If yes, please provide details & current status of audit or investigation:

[Empty yellow box for details]

M. Relocation

Relocation is the moving of existing residential or commercial occupants from their current space. Relocation can be extremely costly and is strongly discouraged.

Have you already acquired the project property?

No

Was the property occupied at the time you obtained ownership?

No

If vacant at purchase, how many months had it been vacant?

Farmland

Will your development require any households to move temporarily?

No

of households to move temporarily:

[Empty yellow box]

Will your plans require any occupants to move permanently?

No

of households to move permanently:

[Empty yellow box]

Will your development require any commercial occupants to move?

No

of commercial occupants to move:

[Empty yellow box]

If you answered yes to any of the above questions, describe your relocation plan.

[Empty yellow box for relocation plan]

N. Required Application Attachments

- 1 Project Area Map Identifying Location
- 2 Proof of Site Control* such as Deed, Purchase Agreement, Option, or Closing Statement
- 3 Plans, Specs, Drawing, Renderings
- 4 Market Study/Needs Assessment
- 5 Appraisal Supporting Acquisition Price*
- 6 Developer Staff Resumes/References
- 7 Detailed Relocation Plan*. You are strongly encouraged **not** to cause **any** relocation.
- 8 Detailed Construction Cost Estimate
- 9 Quotes or other agreements substantiating key professional costs
- 10 Basis for estimating other soft costs including capitalized reserves.
- 11 Lead, ACM, and/or Radon test results*
- 12 Affirmative Marketing Plan for Lease Up & Tenant Selection Plan
- 13 Current Letters of Commitment for Project Financing/Funding. **All** letters must be provided *prior* to County commitment of HOME funds.
- 14 Developer or Personal Financial Statement
- 15 Developer's Annual Operating Budget or Non-Profit Audit
- 16 Current Letters of Support*
- 17 Current Letters of Partnership*
- 18 Board Resolution authorizing position to submit application &, if funded, execute the Agreement & abide by terms
- 19 Completed & Executed Conflict of Interest Disclosure
- 20 Agreements governing the various reserves to be capitalized at closing. Reserves cannot be drawn later as fees or distributions.
- 21 LIHTC projects: Documentation on the syndication costs (legal, accounting, tax opinion, etc.) from the entity who will syndicate & sell the offering.
- 22 An *actual* operating budget from an *actual* project similar to the proposed project.

***If Applicable**

Please Note: If funded, a third party appraisal will be required to substantiate the value of the land and the value of the property after rehabilitation or the structure being built. The County may utilize the assessed value as published by the DuPage County Supervisor of Assessor's Office.

O. Applicant Certifications

I certify that submission of this application has been duly authorized by the governing body of the applicant and that all information contained in this application and its attachments is complete, true, and accurate to the best of my knowledge.

I certify that all forms of governmental assistance sought or already secured for this project are listed on the Sources & Uses section of this application. The applicant also certifies that should other governmental assistance be sought/secured in the future, applicant shall notify Du Page County promptly (within 5 business days).

I understand that awards will be made on a competitive basis and Du Page County may award an amount less than requested. I understand that Du Page County has no obligation to make a grant or loan to the applicant. I am aware that incomplete or late applications may not be accepted or considered for funding.

I further understand that submission of this application renders it a public document subject to the Freedom of Information Act.

Applicant Signatures:

Owner, Developer, Executive Director:

Michael Redman

signature on file

Signature

Chief Financial Officer

Title

3/20/2025

Date

Chief Elected Officer Signature (Board Chair)

Printed Name

Signature

Title (Board Chair, President, etc.)

Date

Addendum to Application Form

Project: Tower Court Residences

Project #: 0

Properties Included in the Project Site(s)

	Street Address	Zip	Year # of Built Units		Parcel #	Form of Site Control	Acquisition Price <i>(actual or anticipated)</i>	Date of Appraisal
1	4231 Tower Court, Naperville IL	60564	-	71	07-01-15-101-044	Purchase Contract	\$1,735,580	-
2								
3								
4								
5								
							\$1,735,580	

Code Violations and/or Outstanding Taxes

If you are aware of code violations and/or outstanding taxes on properties located in Du Page County that are owned by your organization or by affiliates, please describe such issues below and explain how you are addressing them.

Other Properties Currently Owned by Applicant

Enter all properties in Du Page County owned by the applicant and its affiliated entities that are located inside Du Page County. Du Page County will check addresses for outstanding taxes, code violations, etc. If the form below does not offer enough space, you may submit a complete list in a separate document.

	Street Address	Zip	Parcel #
1	None in Du Page County		
2	See Attached REO Schedule for other properties outside Du Page		
3			
4			
5			

Properties Currently Owned by Affiliate Entities

Affiliate Entity 1:

	Street Address	Zip	Parcel #
1			
2			
3			
4			
5			

Affiliate Entity 2:

	Street Address	Zip	Parcel #
1			
2			
3			
4			
5			

Affiliate Entity 3:

	Street Address	Zip	Parcel #
1			
2			
3			
4			
5			

Affiliate Entity 4:

	Street Address	Zip	Parcel #
1			
2			
3			
4			
5			

**DU PAGE COUNTY
Utilities & Rent Limits**

Utility Allowance Calculation (use Utility Allowance tables below to look up applicable amounts.)

Utility	Type of Utility (gas, oil, etc.)	Utilities Paid By:	Allowance for Utilities Paid by Tenant Only				
			0 BR	1 BR	2 BR	3 BR	4 BR
Cooking	Electric	Tenant		\$5	\$8	\$11	
Other, Lighting	Electric	Tenant		\$25	\$34	\$55	
Hot Water	Gas	Owner					
Water		Owner					
Heating	Electric	Tenant		\$38	\$41	\$44	
Sewer		Owner					
Trash Collection		Owner					
TOTAL			\$0	\$68	\$83	\$110	\$0

HOME Rent Limits

Limits	HOME GROSS Rent Limits			HOME CONTRACT Rent Limits		
	Low-HOME	High-HOME	FMR	Low-HOME	High-HOME	FMR
0 Bedrooms	\$981	\$1,255	\$1,399	\$981	\$1,255	\$1,399
1 Bedroom	\$1,051	\$1,346	\$1,507	\$983	\$1,278	\$1,439
2 Bedrooms	\$1,261	\$1,618	\$1,714	\$1,178	\$1,535	\$1,631
3 Bedrooms	\$1,457	\$1,860	\$2,182	\$1,347	\$1,750	\$2,072
4 Bedrooms	\$1,626	\$2,056	\$2,583	\$1,626	\$2,056	\$2,583

Effective: 06/01/2024

(Rent Limit Minus Utility Allowances)

Utility Allowance Reference Tables

For all **TENANT-PAID** utilities, look up the allowance for each unit type & size, as listed in the tables below. Be sure to use the allowances for the type of fuel to be installed in your project. Enter the allowances for your units input them in the yellow cells "Utility Allowance Calculation" table at the top of this sheet.

Utility Allowances for Tenant-Paid Utilities
Source: HUD Utility Schedule Model - Property Specific Effective: 5/6/2024

To Be Generated by CDC Staff - Property Address, Unit Room Size(s), Utility Types, and Utilities to be paid by Tenat Required - Please Contact CDC Staff for UA Calculation(s)

Utility or Service	Monthly Dollar Allowances					
	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas	N/A	N/A			
	Bottle Gas		N/A	N/A		
	Electrical Resistance		\$23	\$32		
	Electric Heat Pump		\$38	\$41		
	Fuel Oil		N/A	N/A		
Cooking	Natural Gas		N/A	N/A		
	Bottle Gas		N/A	N/A		
	Electric		\$5	\$8		
	Other		N/A	N/A		
Other Electric		\$20	\$28			
Air Conditioning		\$5	\$6			
Water Heating	Natural Gas		N/A	N/A		
	Bottle Gas		N/A	N/A		
	Electric		\$14	\$18		
	Fuel Oil		N/A	N/A		
Water		N/A	N/A			
Sewer		N/A	N/A			
Trash Collection		N/A	N/A			
Range/Microwave		N/A	N/A			
Refrigerator		N/A	N/A			
Number of Bedrooms: 1	Utility/Service					Cost/Month
	Space Heating			Electric Heat Pump		\$38
	Cooking			Electric		\$5
	Other Electric			Electric		\$20
	Air Conditioning			Electric		\$5
	Water Heating			Not Applicable		\$0
	Water			Not Applicable		\$0
	Sewer			Not Applicable		\$0
	Trash Collection			Not Applicable		\$0
	Range/Microwave			Not Applicable		\$0
	Refrigerator			Not Applicable		\$0
	Other			Not Applicable		\$0
	TOTAL					\$68

Number of Bedrooms: 2	Utility/Service		Cost/Month
	Space Heating	Electric Heat Pump	\$41
	Cooking	Electric	\$8
	Other Electric	Electric	\$28
	Air Conditioning	Electric	\$6
	Water Heating	Not Applicable	\$0
	Water	Not Applicable	\$0
	Sewer	Not Applicable	\$0
	Trash Collection	Not Applicable	\$0
	Range/Microwave	Not Applicable	\$0
	Refrigerator	Not Applicable	\$0
	Other	Not Applicable	\$0
	TOTAL		\$83

**DU PAGE COUNTY
Unit Information & Gross Revenue Potential**

Project: Tower Court Residences

Developer: Gorman & Company, LLC

Efficiency Units	% AMI Targeted	# of Units	Baths	Sq. Ft.	Contract Rent	Monthly Rent	Annual Rent	HOME	Total Sq Footage
								Contract Rent Limit	
						\$0	\$0	\$981	0
						\$0	\$0	\$981	0
						\$0	\$0	\$981	0
						\$0	\$0	\$1,255	0
						\$0	\$0	\$1,255	0
Market						\$0	\$0	na	0
Subtotal		0				\$0	\$0		0

3 BR Units	% AMI Targeted	# of Units	Baths	Sq. Ft.	Contract Rent	Monthly Rent	Annual Rent	HOME	Total Sq Footage
								Contract Rent Limit	
						\$0	\$0	\$1,347	0
						\$0	\$0	\$1,347	0
						\$0	\$0	\$1,347	0
	60%	1	2	1,184	\$1,551	\$1,551	\$18,612	\$1,750	1184
						\$0	\$0	\$1,750	0
Market						\$0	\$0	na	0
Subtotal		1				\$1,551	\$18,612		1184

1 BR Units	% AMI Targeted	# of Units	Baths	Sq. Ft.	Contract Rent	Monthly Rent	Annual Rent	HOME	Total Sq Footage
								Contract Rent Limit	
811 PBV	< 30%	13	1	592	\$530	\$6,890	\$82,680	\$983	7696
DPCLowHOME	50%	2	1	592	\$930	\$1,860	\$22,320	\$983	1184
SRN	50%	7	1	592	\$930	\$6,510	\$78,120	\$983	4144
	50%	9	1	592	\$930	\$8,370	\$100,440	\$983	5328
DPCHighHOME	60%	8	1	592	\$1,129	\$9,032	\$108,384	\$1,278	4736
	60%	13	1	592	\$1,129	\$14,677	\$176,124	\$1,278	7696
Subtotal		52				\$47,339	\$568,068		30784

4 BR Units	% AMI Targeted	# of Units	Baths	Sq. Ft.	Contract Rent	Monthly Rent	Annual Rent	HOME	Total Sq Footage
								Contract Rent Limit	
						\$0	\$0	\$1,626	0
						\$0	\$0	\$1,626	0
						\$0	\$0	\$1,626	0
						\$0	\$0	\$2,056	0
						\$0	\$0	\$2,056	0
Market						\$0	\$0	na	0
Subtotal		0				\$0	\$0		0

2 BR Units	% AMI Targeted	# of Units	Baths	Sq. Ft.	Contract Rent	Monthly Rent	Annual Rent	HOME	Total Sq Footage
								Contract Rent Limit	
811 PBV	< 30%	2	1.5	836	\$636	\$1,272	\$15,264	\$1,178	1672
DPCLowHOME	50%	1	1.5	836	\$1,115	\$1,115	\$13,380	\$1,178	836
	50%	9	1.5	836	\$1,115	\$10,035	\$120,420	\$1,178	7524
						\$0	\$0	\$1,178	0
DPCHighHome	60%	3	1.5	836	\$1,355	\$4,065	\$48,780	\$1,535	2508
	60%	3	1.5	836	\$1,355	\$4,065	\$48,780	\$1,535	2508
Subtotal		18				\$20,552	\$246,624		15048

Total Units	71	Gross Rent Potential	Monthly Rent	Annual Rent
		Per Unit Avg	\$978	\$11,737
			\$69,442	\$833,304

Other Income	Monthly	Annually
Miscellaneous/Interest: Interest, Craft Class, etc.	\$183	\$2,200
Laundry		\$0
Carports/Garages		\$0
Tenant Charges (late fees, insufficient funds, etc)	\$167	\$2,000
Other: Pet Rent	\$833	\$10,000
Totals	\$1,183	\$14,200

Square Footage Breakdown	
Residential Square Footage	47,016
Common Areas Sq. Ft.	18,618
Commercial Sq. Ft.	
Total Square Footage	65,634

Operating Subsidy:	(source)				
	Year 1	Year 2	Year 3	Year 4	Year 5
Amount					

**DU PAGE COUNTY
ANNUAL OPERATING BUDGET**

Project: Tower Court Residences

Developer: Gorman & Company, LLC

REVENUE	<u>Annual</u>	<u>Per Unit</u>	
Gross Rent Potential	\$833,304	\$11,737	
Other Revenue	\$14,200	\$200	
Subtotal	\$847,504	\$11,937	
Combined Vacancy Rate	8.0%	\$67,800	\$955
Adjusted Gross Income	\$779,704	\$10,982	100.0%

OPERATING EXPENSES

Administrative	<u>Annual</u>	<u>Per Unit</u>	
Administrative Salaries	\$65,000	\$915	
Office Expenses	\$34,000	\$479	
Legal	\$2,000	\$28	
Accounting	\$10,000	\$141	
Telephone	\$4,000	\$56	
Monitoring Fee(s)	\$1,775	\$25	
Marketing	\$2,500	\$35	
Other-Management Fee	\$46,782	\$659	
Subtotal	\$166,057	\$2,339	21.3%

Operating	<u>Annual</u>	<u>Per Unit</u>	
Operating Expense Salaries		\$0	
Janitorial	\$5,000	\$70	
Exterminating	\$2,000	\$28	
Rubbish Removal	\$4,000	\$56	
Security		\$0	
Snow Removal	\$6,000	\$85	
Other	\$30,000	\$423	
Subtotal	\$47,000	\$662	6.0%

Maintenance	<u>Annual</u>	<u>Per Unit</u>	
Maintenance Salaries	\$45,000	\$634	
Grounds & Pool	\$3,000	\$42	
Elevator	\$2,500	\$35	
HVAC	\$5,000	\$70	
Plumbing & Electrical	\$2,500	\$35	
Painting/Decorating/Carpet	\$5,000	\$70	
Other	\$10,000	\$141	
Other		\$0	
Subtotal	\$73,000	\$1,028	9.4%

Utilities	<u>Annual</u>	<u>Per Unit</u>	
Electricity	\$28,000	\$394	
Gas	\$10,000	\$141	
Oil		\$0	
Water & Sewer	\$17,000	\$239	
Other		\$0	
Subtotal	\$55,000	\$775	7.1%

Taxes & Insurance	<u>Annual</u>	<u>Per Unit</u>	
Real Estate Taxes	\$75,000	\$1,056	
Other Taxes		\$0	
Insurance	\$50,000	\$704	
Other		\$0	
Subtotal	\$125,000	\$1,761	16.0%

Reserves	<u>Annual</u>	<u>Per Unit</u>	
Replacement Reserve	\$24,850	\$350	
Operating		\$0	
FF&E		\$0	
Debt Service		\$0	
Other		\$0	
Other		\$0	
Subtotal	\$24,850	\$350	3.2%

Total Operating Expenses **\$490,907** **\$6,914** 63.0%

NET OPERATING INCOME **\$288,796** **\$3,718** 37.0%

Estimated Mortgage

Debt Coverage Ratio Year 1	1.20
Interest Rate	6.46%
Term	40
Annual Payment	\$240,664
Mortgage Amount (PV)	\$3,442,324

This is an estimate only. Actual debt service is entered on the 'Sources & Uses' Sheet.

Net Cash Flow Year 1 \$48,133
Cash Flow Per Unit \$678

**DU PAGE COUNTY
OPERATING CASH FLOW PROJECTION**

Project: Tower Court Residences

Developer: Gorman & Company, LLC

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
REVENUE	<u>0.02</u>										
	Years 1-4										
	Years 5+										
Gross Income Potential	2.0%	\$847,504	\$864,454	\$881,743	\$899,378	\$917,366	\$935,713	\$954,427	\$973,516	\$992,986	\$1,012,846
Vacancy Factor	8.0%	\$67,800	\$69,156	\$70,539	\$71,950	\$73,389	\$74,857	\$76,354	\$77,881	\$79,439	\$81,028
Operating Subsidy/Reserve Draw		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income		\$779,704	\$795,298	\$811,204	\$827,428	\$843,976	\$860,856	\$878,073	\$895,634	\$913,547	\$931,818
	<i>Per Unit</i>	\$10,982	\$11,201	\$11,425	\$11,654	\$11,887	\$12,125	\$12,367	\$12,615	\$12,867	\$13,124
OPERATING EXPENSES	<u>Inflation Factor</u>										
Administration	3.0%	\$119,275	\$122,853	\$126,539	\$130,335	\$134,245	\$138,272	\$142,421	\$146,693	\$151,094	\$155,627
Management Fee	2.0%	\$46,782	\$47,718	\$48,672	\$49,646	\$50,639	\$51,651	\$52,684	\$53,738	\$54,813	\$55,909
Operating	3.0%	\$47,000	\$48,410	\$49,862	\$51,358	\$52,899	\$54,486	\$56,120	\$57,804	\$59,538	\$61,324
Maintenance	3.0%	\$73,000	\$75,190	\$77,446	\$79,769	\$82,162	\$84,627	\$87,166	\$89,781	\$92,474	\$95,248
Utilities	3.0%	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903	\$63,760	\$65,673	\$67,643	\$69,672	\$71,763
Taxes	4.0%	\$75,000	\$78,000	\$81,120	\$84,365	\$87,739	\$91,249	\$94,899	\$98,695	\$102,643	\$106,748
Insurance	3.0%	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239
Reserves	3.0%	\$24,850	\$25,596	\$26,363	\$27,154	\$27,969	\$28,808	\$29,672	\$30,562	\$31,479	\$32,424
Total Operating Expenses		\$490,907	\$505,917	\$521,397	\$537,363	\$553,831	\$570,817	\$588,338	\$606,410	\$625,052	\$644,282
	<i>Per Unit</i>	\$6,914.19	\$7,125.59	\$7,343.62	\$7,568.50	\$7,800.44	\$8,039.68	\$8,286.45	\$8,540.99	\$8,803.55	\$9,074.39
Net Operating Income		\$288,796	\$289,381	\$289,807	\$290,064	\$290,145	\$290,039	\$289,735	\$289,224	\$288,495	\$287,536
	<i>Per Unit</i>	\$4,067.56	\$4,075.79	\$4,081.79	\$4,085.41	\$4,086.55	\$4,085.05	\$4,080.78	\$4,073.58	\$4,063.31	\$4,049.81
Du Page Mortgage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Debt Service		\$228,197	\$228,197	\$228,197	\$228,197	\$228,197	\$228,197	\$228,197	\$228,197	\$228,197	\$228,197
Debt Coverage Ratio		1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.26	1.26
CASH FLOW		\$60,600	\$61,185	\$61,610	\$61,868	\$61,948	\$61,842	\$61,539	\$61,028	\$60,299	\$59,340
	<i>Per Unit</i>	\$854	\$862	\$868	\$871	\$873	\$871	\$867	\$860	\$849	\$836
Payments Out of Cash Flow:		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524
Payments Out of Cash Flow:		\$55,600	\$56,035	\$56,306	\$56,404	\$56,321	\$56,046	\$55,568	\$54,878	\$53,965	\$52,816
FINAL CASH FLOW		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<i>Per Unit</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**DU PAGE COUNTY
OPERATING CASH FLOW PROJECTION**

Project: Tower Court Reside

		Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
REVENUE											
	<u>0.02</u>										
	Years 1-4 Years 5+										
Gross Income Potential	2.0% 2.0%	\$1,033,103	\$1,053,765	\$1,074,840	\$1,096,337	\$1,118,264	\$1,140,629	\$1,163,441	\$1,186,710	\$1,210,444	\$1,234,653
Vacancy Factor	8.0% 8.0%	\$82,648	\$84,301	\$85,987	\$87,707	\$89,461	\$91,250	\$93,075	\$94,937	\$96,836	\$98,772
Operating Subsidy/Reserve Draw		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income		\$950,454	\$969,464	\$988,853	\$1,008,630	\$1,028,802	\$1,049,378	\$1,070,366	\$1,091,773	\$1,113,609	\$1,135,881
	<i>Per Unit</i>	\$13,387	\$13,654	\$13,928	\$14,206	\$14,490	\$14,780	\$15,076	\$15,377	\$15,685	\$15,998
OPERATING EXPENSES											
	<u>Inflation Factor</u>										
Administration	3.0%	\$160,296	\$165,104	\$170,058	\$175,159	\$180,414	\$185,827	\$191,401	\$197,143	\$203,058	\$209,149
Management Fee	2.0%	\$57,027	\$58,168	\$59,331	\$60,518	\$61,728	\$62,963	\$64,222	\$65,506	\$66,817	\$68,153
Operating	3.0%	\$63,164	\$65,059	\$67,011	\$69,021	\$71,092	\$73,224	\$75,421	\$77,684	\$80,014	\$82,415
Maintenance	3.0%	\$98,106	\$101,049	\$104,081	\$107,203	\$110,419	\$113,732	\$117,144	\$120,658	\$124,278	\$128,006
Utilities	3.0%	\$73,915	\$76,133	\$78,417	\$80,769	\$83,192	\$85,688	\$88,259	\$90,907	\$93,634	\$96,443
Taxes	4.0%	\$111,018	\$115,459	\$120,077	\$124,881	\$129,876	\$135,071	\$140,474	\$146,093	\$151,936	\$158,014
Insurance	3.0%	\$67,196	\$69,212	\$71,288	\$73,427	\$75,629	\$77,898	\$80,235	\$82,642	\$85,122	\$87,675
Reserves	3.0%	\$33,396	\$34,398	\$35,430	\$36,493	\$37,588	\$38,715	\$39,877	\$41,073	\$42,305	\$43,575
Total Operating Expenses		\$664,119	\$684,582	\$705,693	\$727,471	\$749,939	\$773,118	\$797,033	\$821,706	\$847,163	\$873,429
	<i>Per Unit</i>	\$9,353.78	\$9,642.00	\$9,939.33	\$10,246.07	\$10,562.51	\$10,888.99	\$11,225.81	\$11,573.33	\$11,931.88	\$12,301.82
Net Operating Income		\$286,336	\$284,881	\$283,160	\$281,159	\$278,864	\$276,260	\$273,333	\$270,067	\$266,445	\$262,452
	<i>Per Unit</i>	\$4,032.90	\$4,012.41	\$3,988.17	\$3,959.99	\$3,927.66	\$3,890.99	\$3,849.76	\$3,803.76	\$3,752.75	\$3,696.50
Du Page Mortgage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Debt Service		\$228,197	\$228,197	\$228,197	\$228,197	\$228,197	\$228,197	\$228,197	\$228,197	\$228,197	\$228,197
Debt Coverage Ratio		1.25	1.25	1.24	1.23	1.22	1.21	1.20	1.18	1.17	1.15
CASH FLOW											
	<i>Per Unit</i>	\$819	\$798	\$774	\$746	\$714	\$677	\$636	\$590	\$539	\$482
Payments Out of Cash Flow:		\$6,720	\$6,921	\$7,129	\$7,343	\$7,563	\$7,790	\$8,024	\$8,264	\$8,512	\$8,768
Payments Out of Cash Flow:		\$51,420	\$49,764	\$47,835	\$45,620	\$1,423	\$0	\$0	\$0	\$0	\$0
FINAL CASH FLOW		\$0	\$0	\$0	\$0	\$41,681	\$40,274	\$37,113	\$33,606	\$29,737	\$25,488
	<i>Per Unit</i>	\$0	\$0	\$0	\$0	\$587	\$567	\$523	\$473	\$419	\$359

**DU PAGE COUNTY
DEVELOPMENT BUDGET (Uses)**

Project: Tower Court Residences Developer: Gorman & Company, LLC
Project Number: 0

	TOTAL	Per Unit	Per SF	% TDC
ACQUISITION				
Land	\$1,735,580	\$24,445		
Building	\$0	\$0		
Holding Costs	\$0	\$0		
Other:	\$0	\$0		
Other:	\$0	\$0		
Total Acquisition:	\$1,735,580	\$24,445	\$26.44	6.0%
HARD COSTS (complete sheet #7)				
General Cond., Overhead & Profit	\$2,288,772	\$32,236		
Construction Hard Costs	\$17,525,175	\$246,833		
Building Permit & Other Local Fees	\$277,834	\$3,913		
Total Construction:	\$20,091,781	\$282,983	\$306.12	70.0%
CONTINGENCY	\$976,841	\$13,758	1488.3%	3.4%
SOFT COSTS				
Architect: Design	\$664,022	\$9,352		
Architect: Supervision	\$15,000	\$211		
Civil Engineering	\$65,634	\$924		
Green Certification Fees	\$45,000	\$634		
Legal	\$123,399	\$1,738		
Accounting/Cost Certification	\$30,000	\$423		
Survey	\$12,000	\$169		
Appraisal	\$8,000	\$113		
Environmental Report	\$12,500	\$176		
Soil Tests	\$4,000	\$56		
Market Study	\$7,500	\$106		
3rd Party Cost Estimate	\$0	\$0		
Title & Recording	\$50,000	\$704		
Marketing	\$0	\$0		
Other: Owner FF&E	\$75,000	\$1,056		
Other: Misc. studies, plans, copies, review, soft cost cont	\$60,000	\$845		
Total Soft Costs:	\$1,172,055	\$16,508	\$17.86	4.1%
PERMANENT FINANCING				
Application Fees	\$3,500	\$49		
LIHTC Fees	\$151,500	\$2,134		
Working Capital/Latent Defects LOC Fee	\$0	\$0		
Origination Fees	\$202,640	\$2,854		
Financing Legal Fees	\$15,000	\$211		
Lender's Inspecting Architect	\$25,000	\$352		
Bond Insurance Fees	\$0	\$0		
Credit Enhancement Fee	\$0	\$0		
Bank Escrow Fee	\$0	\$0		
Rating Agency Fee	\$0	\$0		
Other:	\$0	\$0		
Other:	\$0	\$0		
Total Interim Financing:	\$397,640	\$5,601	\$6.06	1.4%
INTERIM FINANCING				
Construction/Bridge Loan Interest	\$1,428,000	\$20,113		
MIP/Credit Enhancement during construction	\$0	\$0		
Servicing Fees during construction	\$0	\$0		
Real Estate Taxes during construction	\$75,000	\$1,056		
Insurance during construction	\$115,000	\$1,620		
Other: Construction loan origination, Due diligence & Let	\$35,000	\$493		
Total Permanent Financing:	\$1,653,000	\$23,282	\$25.19	5.8%
SYNDICATION				
Syndication Legal	\$55,000	\$775		
Partnership organizational expense	\$0	\$0		
Other:	\$0	\$0		
Total Syndication:	\$55,000	\$775	\$0.84	0.2%
RESERVES				
Real Estate Tax Reserve	\$41,250	\$581		
Insurance Reserve	\$52,500	\$739		
Capital Replacement Reserve	\$0	\$0		
Initial Rent-up Reserve	\$53,250	\$750		
Operating Reserve	\$233,029	\$3,282		
Debt Service Reserve	\$114,098	\$1,607		
Other:	\$0	\$0		
Other:	\$0	\$0		
Other:	\$0	\$0		
Total Reserves:	\$494,127	\$6,960	\$7.53	1.7%
DEVELOPER FEE	\$2,134,000	\$30,056	\$32.51	7.4%
TOTAL DEVELOPMENT COSTS (TDC):	\$28,710,024	\$404,367	\$437.43	100.0%

DU PAGE COUNTY
Construction Budget/Costs (Based on CSI)

Project: Tower Court Residences Square Feet: 65,634 Units: 71
 Project Number 0 Construction: New Construction

		Total Cost	<i>Per Unit</i>	<i>Per SF</i>	<i>% Construction</i>
1. General Requirements		Limit			
<u>A. General Contractor's Markup (See DuPage County General Guidance for further detail)</u>					
Overhead: Expenses necessary to conduct a business. Shall also include costs specific to the project.		14.0%	\$309,712		
General Conditions are functions needed to complete the construction phase: project manager/superintendent/draw related paperwork, field office, site cleaning.			\$929,136		
Profit			\$1,049,924		
Subtotal			\$2,288,772	\$32,236	\$34.87 12%
2. Existing Conditions					
Environmental Clearance					
Demolition					
Other Off-Site Work			\$1,965,000		
Subtotal			\$1,965,000	\$27,676	\$29.94 10%
3. Concrete					
Basement and Garage Floors					
Foundation Walls			\$465,741		
Flatwork			\$366,100		
Other					
Subtotal			\$831,841	\$11,716	\$12.67 4%
4. Masonry					
Foundation Walls					
Veneer			\$488,000		
Fireplace and/or chimney					
Exterior retaining walls					
Other					
Subtotal			\$488,000	\$6,873	\$7.44 2%
5. Metals					
Structural			\$85,708		
Wrought Iron			\$0		
Other:			\$0		
Subtotal			\$85,708	\$1,207	\$1.31 0%
6. Wood & Composites					
Rough Capentry			\$2,107,734		
Finish Carpentry			\$610,220		
Other					
Subtotal			\$2,717,954	\$38,281	\$41.41 14%
7. Thermal & Moisture Protection					
Roofing			\$328,200		
Insulation			\$0		
Exterior Siding			\$50,750		
Exterior Trim					
Gutters and Downspouts			\$35,620		
Other					
Subtotal			\$414,570	\$5,839	\$6.32 2%
8. Openings					
Windows			\$481,864		
Exterior Doors			\$17,000		
Interior Doors			\$491,490		
Garage Door			\$0		
Door Hardware			\$74,575		
Other					
Subtotal			\$1,064,929	\$14,999	\$16.23 5%
9. Finishes					
Gypsum Wallboard			\$1,408,865		
Ceramic Tile			\$10,635		
Flooring (wood, vinyl, carpet, etc.)			\$468,263		
Painting			\$390,000		
Other					
Subtotal			\$2,277,763	\$32,081	\$34.70 11%
10. Specialties					
Towel Racks, mirrors, etc.			\$0		
Closet racks			\$53,177		
Other Postal Specialties			\$13,490		
Subtotal			\$66,667	\$939	\$1.02 0%

11. Equipment						
	Appliances		\$341,365			
Other	Elevators		\$144,500			
	Subtotal		\$485,865	\$6,843	\$7.40	2%
12. Furnishings						
	Cabinets		\$230,070			
	Countertops					
	Window Treatments		\$34,500			
Other	Signage & Storage		\$91,790			
	Subtotal		\$356,360	\$5,019	\$5.43	2%
13. Special Construction						
	Accessibility Modifications					
Other						
	Subtotal		\$0	\$0	\$0.00	0%
21. Fire Suppression Systems						
	Sprinkler System		\$403,360			
Other	Fire Protection Specialties		\$4,274			
	Subtotal		\$407,634	\$5,741	\$6.21	2%
22. Plumbing						
	Rough Plumbing		\$1,426,800			
	Finish Plumbing					
	Fixtures					
Other						
	Subtotal		\$1,426,800	\$20,096	\$21.74	7%
23. HVAC						
	HVAC		\$1,720,000			
Other						
	Subtotal		\$1,720,000	\$24,225	\$26.21	9%
26. Electrical						
	Rough Electrical		\$1,186,540			
	Fixtures		\$223,710			
	Finish Electrical		\$286,870			
Other						
	Subtotal		\$1,697,120	\$23,903	\$25.86	9%
27. Communications						
	Security & Alarm Systems					
Other						
	Subtotal		\$0	\$0	\$0.00	0%
31. Earthwork						
	Excavation		\$425,861			
	Trenching					
	Backfilling					
	Site Grading					
	Driveway					
Other						
	Subtotal		\$425,861	\$5,998	\$6.49	2%
32. Exterior Improvements						
	Paving		\$291,900			
	Fencing		\$33,897			
	Final grade and seeding		\$50,000			
	Landscaping		\$149,575			
Other	Concrete		\$136,500			
	Subtotal		\$661,872	\$9,322	\$10.08	3%
33. Utilities						
	Utility Connections		\$431,231			
Other						
	Subtotal		\$431,231	\$6,074	\$6.57	2%
Total Construction:			\$19,813,947	\$279,070	\$301.89	100%

**DU PAGE COUNTY
Sources & Uses Summary**

Project Name	Tower Court Residences	Total Square Feet: 65,634	Total Units: 71
Project Number	0	Avg SqFt/Unit: 924	HOME Units: 14
Developer	Gorman & Company, LLC		
Project Type:	New Construction	Target Population: Other	
Unit Type	Multi-Story w/Elevator	Average Rent 978	

Unit Mix	Efficiency	1 BR	2 BR	3 BR	4 BR	Total	
Number of Units	0	52	18	1	0	71	
Average Monthly Rent	#DIV/0!	\$910	\$1,142	\$1,551	#DIV/0!		
Income-Restricted Units		52	18	1		71	100%
Unrestricted/Market Rate Units						0	0%
Total	0	52	18	1	0	71	

Development Costs		Total	Per Unit	% of Total	
Acquisition		\$1,735,580	\$24,445	6.0%	
Hard Costs (Construction)		\$20,091,781	\$282,983	70.0%	
Construction Contingency		\$976,841	\$13,758	3.4%	
Soft Costs		\$1,172,055	\$16,508	4.1%	
Permanent Financing		\$397,640	\$5,601	1.4%	
Interim Financing		\$1,653,000	\$23,282	5.8%	
Syndication		\$55,000	\$775	0.2%	
Reserves		\$494,127	\$6,960	1.7%	
Developer Fee		\$2,134,000	\$30,056	7.4%	
Total Development Costs*		\$28,710,024	\$404,367	100.0%	

Construction Cost/SqFt: \$302
Total Cost/SqFt: \$437

Permanent Financing		Total	Per Unit	% of Total	Interest Rate	Loan Term (yrs)	Annual Payment
Bank Mortgage	<i>Est. mortgage:</i> \$3,442,324	\$3,264,000	\$45,972	11.4%	6.46%	40	\$228,197
Low Income Housing Tax Credits		\$14,098,590	\$198,572	49.1%			
Other State/Federal/Historic Tax Credits			\$0	0.0%			
Deferred Developer Fee		\$750,000	\$10,563	2.6%			
Developer Long-Term Equity			\$0	0.0%			
Du Page County Funds		\$2,400,336	\$33,808	8.4%			
			\$0	0.0%			
State HOME Funds			\$0	0.0%			
Additional Tax Credits		\$4,781,518	\$67,345	16.7%			
FHLB Chicago AHP		\$2,000,000	\$28,169	7.0%	0.00%		
Seller Note		\$1,415,580	\$19,938	4.9%	0.00%		
			\$0	0.0%			
Total Sources		\$28,710,024	\$404,367	100.0%			\$228,197
(GAP) or Surplus		\$0	\$0	0.0%			DCR: 1.265560382

Construction Financing		Amount Available During Construction	% TDC	Const. Loan Interest Rate	Developer Notes
Private Construction Loan(s) (bank financing)		\$17,000,000	59.2%	7.50%	
Developer Equity (Self-financing for acquisition, predevelopment, etc.)			0.0%		
Deferred Developer Fee		\$750,000	2.6%		
Low Income Housing Tax Credits Construction Equity		\$2,114,789	7.4%		
FHLB Chicago AHP		\$2,000,000	7.0%		
Seller Note		\$1,415,580	4.9%		
Du Page County Funds	100%	\$2,400,336	8.4%		
		\$0	0.0%		
Costs Not Incurred During Construction (reserves, developer fee, etc.)		\$3,029,319	10.6%		
Total Construction Sources		\$28,710,024	100.0%		
Construction Financing Surplus/(Gap)?		\$0	0.0%		

Du Page County Funding Request	Total	Per Unit	
DuPage County Funding Request	\$2,400,336	\$33,808	Permanent Subsidy

Proposed use of DuPage County fund Construction Hard Costs

Operating Budget	Annual	Per Unit	Key Assumptions	
Gross Rent Potential	\$833,304	\$11,737	Vacancy Years 1-4	8.0%
Other Income	\$14,200	\$200	Vacancy Years 5+	8.0%
Vacancy	\$67,800	\$955	Rent Inflation Years 1-4	2.0%
Adjusted Gross Income	\$779,704	\$10,982	Rent Inflation Years 5+	2.0%
Annual Operating Expenses	\$490,907	\$6,914	Expense Inflation:	
Net Operating Income	\$288,796	\$4,068	Administration	3.0%
Debt Service	\$228,197	\$3,214	Operating	3.0%

Maintenance	3.0%
Utilities	3.0%
Taxes & Insurance	4.0%
Reserves	3.0%

Debt & Cash Flow Over Time

			Annual	Per Unit
Year 1 DCR	1.27	Year 1 Net Cash Flow	\$60,600	\$854
Year 5 DCR	1.27	Year 5 Net Cash Flow	\$61,948	\$873
Year 10 DCR	1.26	Year 10 Net Cash Flow	\$59,340	\$836
Year 15 DCR	1.22	Year 15 Net Cash Flow	\$50,667	\$714
Year 20 DCR	1.15	Year 20 Net Cash Flow	\$34,255	\$482
	<u>Total</u>	<u>Per Unit</u>	<u>After Cash Flow Payments:</u>	
Cumulative Cash Flow Over 10 Yrs	\$611,258	\$8,609	\$0	
Cumulative Cash Flow Over 15 Yrs	\$884,676	\$12,460	\$41,681	
Cumulative Cash Flow Over 20 Yrs	\$1,092,251	\$15,384	\$207,899	

Developer Notes

Date Entered

Du Page County Subsidy Layering and Underwriting Summary

1. General Justification for Funding:	
a. How does project fit in with Con Plan, housing strategies, etc?	
2. Why is the project needed?	
3. Examine the sources & uses and operating pro forma.	
a. Explain whether or not costs are reasonable in terms of:	
1. Costs of comparable projects	
2. Qualifications of the costs estimators	
3. Costs published by recognized industry cost index	
b. What is the status of other funding sources? Has adequate funding been secured?	
c. Is the amount of funding requested reasonable and necessary? Please Explain.	
d. Describe the evidence that the project can operate sustainably through the compliance period.	
e. Is the developer/owner/team receiving undue enrichment based on the amount of developer fee, cash flow, etc.? <i>If there are identities of interest among team members, include contractor profit in this assessment.</i>	
f. Concerns/Other info:	
4. Assess neighborhood market conditions:	
a. What supports proposed rents?	
b. What supports lease up within 18 months?	
c. Concerns/Other info:	

5. Assess the capacity of the developer/development team.

- a. Completed similar projects successfully?
- b. Any problem projects current or past?
- c. Describe evidence developer is financially stable.
- d. Describe evidence dev staff is sufficient, qualified.
- e. Concerns/Other info:

6. Assess the capacity of the ongoing management

- a. Is there evidence they are managing similar properties successfully?
- b. Any problem projects current or past?
- c. Concerns/Other info:

7. Examine the Capital Needs Assessment (CNA)

- a. Can the project cover capital improvements throughout the Period of Affordability?
- b. Is an additional Capital Reserve needed? How will it be funded?
- c. Concerns/Other info:

8. What contingencies should be placed on funding?

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9. CURRENT RECOMMENDATION FOR FUNDING:

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Underwriting performed by:

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Name

Title

Date

Du Page County Underwriting Notes

Date Entered

**DU PAGE COUNTY
Capital Needs Assessment**

Development Name Tower Court Residences
Owner Gorman & Company, LLC
Date Prepared

Cost Category	Description/Notes	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Landscaping/Irrigation/Drainage													
Concrete Walks/Retaining Walls													
Parking Areas	Asphalt Reseal/Restripe						\$9,676					\$9,676	
Garages/Carports													
Roofing													
Eavestrough/Downspouts/Flashing													
Balconies/Patios/Steps													
Exterior Siding	Mortar Tuck-Pointing Maintenance						\$1,500					\$1,500	
Doors/Windows	Caulking/Sealing											\$1,500	
Lobbies/Halls/Stairs													
Laundry													
Community Space	Carpet Replace											\$7,613	\$7,613
HVAC	AC Condenser (1.5 Tons) Replace AC Condenser (2.0 Tons) Replace												
Plumbing/Domestic Hot Water													
Fire Safety	Residential Smoke Detector Replace Carbon Monoxide Detector Replace											\$10,740	
Electrical	Building-Mounted Light Fixture Replacement											\$1,360	
Boilers/Pumps													
Elevator													
Unit Flooring/Carpeting													
Unit Appliances	Dishwasher Replace Refrigerator/Freezer Replace												
Unit Kitchen Cabinet/Countertop													
Common Area Appliances	Dishwasher Replace Refrigerator/Freezer Replace												
Unit Appliances	Clothes Dryer Replace												
Unit Appliances	Clothes Washer Replace												

		Subtotal	\$0	\$0	\$0	\$0	\$0	\$11,176	\$0	\$0	\$0	\$0	\$32,389	\$7,613
Annual Inflation Factor	3.00%	Inflation Factor	100.00%	103.00%	106.09%	109.27%	112.55%	115.93%	119.41%	122.99%	126.68%	130.48%	134.39%	138.42%
Total Units	71	Estimated Total Annual RR Needs	\$0	\$0	\$0	\$0	\$0	\$12,956	\$0	\$0	\$0	\$0	\$43,528	\$10,538
Initial PUPY RR	\$350													
Initial Annual RR Deposit	24850	Starting Balance	\$0	\$24,850	\$49,700	\$74,550	\$99,400	\$124,250	\$136,144	\$160,994	\$185,844	\$210,694	\$235,544	\$216,866
RR Deposit Annual Increase	\$24,850	RR Needs	\$0	\$0	\$0	\$0	\$0	\$12,956	\$0	\$0	\$0	\$0	\$43,528	\$10,538
Interest on Reserve	0.00%	Contribution	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850
		Net Annual Change	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850	\$11,894	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850	(\$18,678)
		Interest Earned	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		Ending Reserve Balance	\$24,850	\$49,700	\$74,550	\$99,400	\$124,250	\$136,144	\$160,994	\$185,844	\$210,694	\$235,544	\$216,866	\$231,178

Initial Deposit Needed to Sustain Project
10 years: (\$235,544)
15 years: (\$283,693)
20 years: \$114,552

**DU PAGE Ct
Capital Needs A**

Development Name Tower Court
Owner Gorman &
Date Prepared

Cost Category	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Landscaping/Irrigation/Drainage								
Concrete Walks/Retaining Walls								
Parking Areas				\$9,676				
Garages/Carports								
Roofing								
Eavestrough/Downspouts/Flashing								
Balconies/Patios/Steps								
Exterior Siding				\$1,500				
Doors/Windows								
Lobbies/Halls/Stairs								
Laundry								
Community Space	\$7,613	\$7,613						
HVAC				\$47,100	\$47,100	\$47,100	\$47,100	
Plumbing/Domestic Hot Water								
Fire Safety								
Electrical								
Boilers/Pumps								
Elevator								
Unit Flooring/Carpeting								
Unit Appliances				\$16,863	\$16,863	\$16,863	\$16,863	
Unit Kitchen Cabinet/Countertop								
Common Area Appliances				\$900				
Unit Appliances				\$7,100	\$7,100	\$7,100	\$7,100	
Unit Appliances				\$6,213	\$6,213	\$6,213	\$6,213	
Annual Inflation Factor 3.00%	\$7,613	\$7,613	\$0	\$89,352	\$77,276	\$77,276	\$77,276	\$0
	142.58%	146.85%	151.26%	155.80%	160.47%	165.28%	170.24%	175.35%
Total Units 71	\$10,854	\$11,180	\$0	\$139,208	\$124,005	\$127,725	\$131,557	\$0
Initial PUPY RR \$350								
Initial Annual RR Deposit 24850	\$231,178	\$245,173	\$258,843	\$283,693	\$169,336	\$70,181	(\$32,695)	(\$139,402)
RR Deposit Annual Increase \$24,850	\$10,854	\$11,180	\$0	\$139,208	\$124,005	\$127,725	\$131,557	\$0
Interest on Reserve 0.00%	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850	\$24,850
	\$13,996	\$13,670	\$24,850	(\$114,358)	(\$99,155)	(\$102,875)	(\$106,707)	\$24,850
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$245,173	\$258,843	\$283,693	\$169,336	\$70,181	(\$32,695)	(\$139,402)	(\$114,552)

Initial Dep
10 years:
15 years:
20 years: