

| |
|--------------------------------------|
| 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 | \$6,951 | 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 | 1.23 | |
| Lowest DCR through entire HUD affordability period | 1.15 | 1.21 | 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

| | | Household Size | | | | | |
|----------------------|--|----------------|----------|----------|----------|-----------|------------|
| Targeted Income | | 1 | 2 | 3 | 4 | 5 | 6 |
| 30% AMI | | \$25,200 | \$28,800 | \$32,400 | \$35,950 | \$38,850 | \$41,750 |
| 50% AMI | | \$42,000 | \$48,000 | \$54,000 | \$59,950 | \$64,750 | \$69,550 |
| 60% AMI | | \$50,400 | \$57,600 | \$64,800 | \$71,940 | \$77,700 | \$83,460 |
| (HOME Limit) 80% AMI | | \$67,150 | \$76,750 | \$86,350 | \$95,900 | \$103,600 | \$111,250 |
| Effective: | | | | | | | 06/01/2025 |

HOME Gross Rent Limits

| | Low-HOME | High-HOME | FMR |
|------------|----------|-----------|---------|
| 0 Bedrooms | \$1,050 | \$1,345 | \$1,458 |
| 1 Bedroom | \$1,125 | \$1,443 | \$1,560 |
| 2 Bedrooms | \$1,350 | \$1,733 | \$1,761 |
| 3 Bedrooms | \$1,558 | \$1,993 | \$2,262 |
| 4 Bedrooms | \$1,738 | \$2,204 | \$2,657 |

Effective: 06/01/2025

Development Costs Standards

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

HOME Cost Allocation

| | | | |
|--|--------------|-------------------------|--------------------------|
| TDC for Residential & Common Space | \$28,814,831 | <i>State HOME Units</i> | <i>County HOME Units</i> |
| Total HOME Funds Requested | \$2,400,336 | \$0 | \$2,400,336 |
| HOME Subsidy as % of Total Development Costs | 8.3% | 0 | 0.083302102 |
| Total Units | 71 | | |

Required HOME Units

| | <u>Minimum HOME Requirement</u> | | <u>Number applicant has agreed to:</u> | |
|--------------------------|---------------------------------|--------------------------|--|--------------------------|
| | <u>State HOME Units</u> | <u>County HOME Units</u> | <u>State HOME Units</u> | <u>County HOME Units</u> |
| # 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:

| Bedrooms | # of Units | HOME as % TDC | Required HOME Units (Estimated) |
|--------------|------------|-----------------------|------------------------------------|
| 0 Bedroom | 0 | 8.3% | 0.0 |
| 1 Bedroom | 52 | 8.3% | 4.3 |
| 2 Bedroom | 18 | 8.3% | 1.5 |
| 3 Bedroom | 1 | 8.3% | 0.1 |
| 4 Bedroom | 0 | 8.3% | 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:

\$439

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 |
| Common Space Attributable to HOME Units: | | | 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:

6/23/2025

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 | 14 | 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? No

IRS Code designation:

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.)

| | | | | | |
|-------|-----------------------------|---------|------------|-------------|---------|
| Name: | Tower Court Naperville, LLC | Fed. ID | 92-2183901 | Ownership % | 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. DuPage 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 | 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.

| | | | |
|--------------------------|--------------------|--------------|------------------------|
| Heating System: | Electric | Energy Star? | Other green amenities: |
| Air Conditioning System: | Central Forced Air | | |
| Domestic Hot Water: | Electric | | |

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): | 4.014 | 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?

Yes

(Required for projects with 5+ HOME units.)

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. Roosevelt 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. Ray Graham will provide the site based social service

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?

I. Rental & Operating Assistance Information

| | |
|--|----------------------------|
| Do you expect to receive or are you currently receiving any rental subsidies for this development? | No |
| 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.

As of June 2025, IHDA has determined 811 subsidy will not be awarded to this project, therefore, the anticipated 15 811 PBV units and 15 year service contract have been removed from this section.

| | | |
|---|-----|-------|
| Number of units expected to receive assistance: | 0 | units |
| Number of years in assistance contract: | N/A | 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). We are using the 55+ senior designation/set aside. It allows for 20% of the population to be under the age of 55. Our IDD population will, in part, be this 20%. Additionally, a 55+ designation allows us to further restrict age to 62+ through our tenant selection plan. The last 5% of our IDD population will be 62+. This is consistent with the 55+ designation and gets Naperville what they wanted via their restriction.

| | |
|---|----|
| 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 | 2027 | \$240,034 |
| Unit(s) Fully Leased | | August | 2027 | |
| Total Construction Schedule: | | 18 | months | \$2,400,336 |

L. Development Team Information

| | Name | Address | Phone | Certified MBE | WBE | Worked together previously? |
|------------------|-------------------------------------|---|--------------|---------------|-----|-----------------------------|
| 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: | Beehyvve, 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:

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:

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:

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:

Will your plans require any occupants to move permanently?

No

of households to move permanently:

Will your development require any commercial occupants to move?

No

of commercial occupants to move:

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

N. Required Application Attachments

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

Brian Swanton

Printed Name

Signature

President & CEO

Title

06/24/2025

Date

Chief Elected Officer Signature (Board Chair)

Gary J. Gorman

Signature

Chairman

Title (Board Chair, President, etc.)

06/24/2025

Date

Addendum to Application Form

Project: Tower Court Residences

Project #: 0

◆ Properties Included in the Project Site(s)

| | Street Address | Zip | Year Built | # of Units | Parcel # | Form of Site Control | Acquisition Price (actual or anticipated) | 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 | Utilities Paid By: | Allowance for Utilities Paid by Tenant Only | | | | |
|------------------|------------------|--------------------|---|------|------|-------|------|
| | (gas, oil, etc.) | | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR |
| Cooking | Electric | Tenant | | \$6 | \$8 | \$11 | |
| Other, Lighting | Electric | Tenant | | \$39 | \$47 | \$55 | |
| Hot Water | Gas | Owner | | | | | |
| Water | | Owner | | | | | |
| Heating | Electric | Tenant | | \$25 | \$34 | \$44 | |
| Air Conditioning | Electric | Tenant | | \$4 | \$5 | \$7 | |
| Sewer | | Owner | | | | | |
| Trash Collection | | Owner | | | | | |
| TOTAL | | | \$0 | \$74 | \$94 | \$117 | \$0 |

HOME Rent

HOME GROSS Rent Limits

HOME CONTRACT Rent Limits

| Limits | Low-HOME | High-HOME | FMR | Low-HOME | High-HOME | FMR |
|------------|----------|-----------|---------|----------------|----------------|---------|
| 0 Bedrooms | \$1,050 | \$1,345 | \$1,458 | \$1,050 | \$1,345 | \$1,458 |
| 1 Bedroom | \$1,125 | \$1,443 | \$1,560 | \$1,051 | \$1,369 | \$1,486 |
| 2 Bedrooms | \$1,350 | \$1,733 | \$1,761 | \$1,256 | \$1,639 | \$1,667 |
| 3 Bedrooms | \$1,558 | \$1,993 | \$2,262 | \$1,441 | \$1,876 | \$2,145 |
| 4 Bedrooms | \$1,738 | \$2,204 | \$2,657 | \$1,738 | \$2,204 | \$2,657 |

Effective: 06/01/2025

(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: DuPage Housing Authority

Effective:

1/1/2025

| Unit Type: All units DuPage County Except the City of Aurora | | | | | | |
|---|---------------------------|------|------|------|-------|-------|
| Utility or Service | Monthly Dollar Allowances | | | | | |
| | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR |
| Heating | | | | | | |
| a. Natural Gas | | | | | | |
| Apartments/Townhouse/Rowhouse/High-Rise | \$15 | \$18 | \$21 | \$24 | \$27 | \$30 |
| House (Single Family Detached) | \$22 | \$26 | \$30 | \$34 | \$39 | \$43 |
| b. Electric | | | | | | |
| Apartments/Townhouse/Rowhouse/High-Rise | \$22 | \$25 | \$34 | \$44 | \$53 | \$62 |
| House (Single Family Detached) | \$51 | \$60 | \$70 | \$80 | \$91 | \$101 |
| Cooking | | | | | | |
| a. Natural Gas | \$2 | \$2 | \$3 | \$3 | \$5 | \$5 |
| b. Electric | \$5 | \$6 | \$8 | \$11 | \$13 | \$16 |
| Other Electric (Lights, etc.) | | | | | | |
| Apartments/Townhouse/Rowhouse/High-Rise | \$35 | \$39 | \$47 | \$55 | \$64 | \$72 |
| Single Family Detached | \$44 | \$49 | \$61 | \$73 | \$86 | \$98 |
| Water Heating | | | | | | |
| a. Natural Gas | | | | | | |
| Apartments/Townhouse/Rowhouse/High-Rise | \$4 | \$5 | \$7 | \$9 | \$11 | \$13 |
| House (Single Family Detached) | \$5 | \$6 | \$9 | \$11 | \$14 | \$16 |
| b. Electric | | | | | | |
| Apartments/Townhouse/Rowhouse/High-Rise | \$13 | \$15 | \$19 | \$23 | \$28 | \$32 |
| House (Single Family Detached) | \$16 | \$19 | \$24 | \$29 | \$34 | \$40 |
| Monthly Gas Fee - All Unit Types | \$22 | \$22 | \$22 | \$22 | \$22 | \$22 |
| Water - All Unit Types | \$41 | \$63 | \$79 | \$95 | \$111 | \$127 |
| Sewer - All Unit Types | \$28 | \$24 | \$33 | \$43 | \$52 | \$62 |
| Trash - All Unit Types | \$14 | \$24 | \$24 | \$24 | \$24 | \$24 |
| Refrigerator - All Unit Types | \$12 | \$12 | \$12 | \$12 | \$12 | \$12 |
| Range - All Unit Types | \$11 | \$11 | \$11 | \$11 | \$11 | \$11 |
| Air Conditioning | | | | | | |
| Apartments/Townhouse/Rowhouse/High-Rise | \$3 | \$4 | \$5 | \$7 | \$9 | \$10 |
| House (Single Family Detached) | \$3 | \$3 | \$7 | \$11 | \$14 | \$18 |

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 Contract Rent Limit | Total Sq Footage | 3 BR Units | % AMI Targeted | # of Units | Baths | Sq. Ft. | Contract Rent | Monthly Rent | Annual Rent | HOME Contract Rent Limit | Total Sq Footage | | | | | |
| | | | | | | \$0 | \$0 | \$1,050 | 0 | | | | | | | \$0 | \$0 | \$1,441 | 0 | | | | | |
| | | | | | | \$0 | \$0 | \$1,050 | 0 | | | | | | | \$0 | \$0 | \$1,441 | 0 | | | | | |
| | | | | | | \$0 | \$0 | \$1,050 | 0 | | | | | | | \$0 | \$0 | \$1,441 | 0 | | | | | |
| | | | | | | \$0 | \$0 | \$1,345 | 0 | | 60% | 1 | 2 | 1,184 | \$1,659 | \$1,659 | \$19,908 | \$1,876 | 1184 | | | | | |
| | | | | | | \$0 | \$0 | \$1,345 | 0 | | | | | | | \$0 | \$0 | \$1,876 | 0 | | | | | |
| Market | | | | | | \$0 | \$0 | na | 0 | Market | | | | | | \$0 | \$0 | na | 0 | | | | | |
| Subtotal | | 0 | | | | \$0 | \$0 | | 0 | Subtotal | | 1 | | | | \$1,659 | \$19,908 | | 1184 | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 BR Units | % AMI Targeted | # of Units | Baths | Sq. Ft. | Contract Rent | Monthly Rent | Annual Rent | HOME Contract Rent Limit | Total Sq Footage | 4 BR Units | % AMI Targeted | # of Units | Baths | Sq. Ft. | Contract Rent | Monthly Rent | Annual Rent | HOME Contract Rent Limit | Total Sq Footage | | | | | |
| SRN | < 30% | 13 | 1 | 592 | \$567 | \$7,371 | \$88,452 | \$1,051 | 7696 | | | | | | | \$0 | \$0 | \$1,738 | 0 | | | | | |
| DPCLowHOME | 50% | 2 | 1 | 592 | \$994 | \$1,988 | \$23,856 | \$1,051 | 1184 | | | | | | | \$0 | \$0 | \$1,738 | 0 | | | | | |
| | 50% | 7 | 1 | 592 | \$994 | \$6,958 | \$83,496 | \$1,051 | 4144 | | | | | | | \$0 | \$0 | \$1,738 | 0 | | | | | |
| | 50% | 9 | 1 | 592 | \$994 | \$8,946 | \$107,352 | \$1,051 | 5328 | | | | | | | \$0 | \$0 | \$2,204 | 0 | | | | | |
| DPCHighHOME | 60% | 8 | 1 | 592 | \$1,208 | \$9,664 | \$115,968 | \$1,369 | 4736 | | | | | | | \$0 | \$0 | \$2,204 | 0 | | | | | |
| | 60% | 13 | 1 | 592 | \$1,208 | \$15,704 | \$188,448 | \$1,369 | 7696 | Market | | | | | | \$0 | \$0 | na | 0 | | | | | |
| Subtotal | | 52 | | | | \$50,631 | \$607,572 | | 30784 | Subtotal | | 0 | | | | \$0 | \$0 | | 0 | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 BR Units | % AMI Targeted | # of Units | Baths | Sq. Ft. | Contract Rent | Monthly Rent | Annual Rent | HOME Contract Rent Limit | Total Sq Footage | | | | | | | | | | | | | | | |
| SRN | < 30% | 2 | 1.5 | 836 | \$675 | \$1,350 | \$16,200 | \$1,256 | 1672 | Total Units | 71 | | | | Gross Rent Potential | Monthly Rent \$74,190 | Annually \$890,280 | | | | | | | |
| DPCLowHOME | 50% | 1 | 1.5 | 836 | \$1,188 | \$1,188 | \$14,256 | \$1,256 | 836 | | | | Per Unit Avg | | | \$1,045 | \$12,539 | | | | | | | |
| | 50% | 9 | 1.5 | 836 | \$1,188 | \$10,692 | \$128,304 | \$1,256 | 7524 | | | | | | | | | | | | | | | |
| | | | | | | \$0 | \$0 | \$1,256 | 0 | Other Income | | | | | | | | | | | | | | |
| DPCHighHome | 60% | 3 | 1.5 | 836 | \$1,445 | \$4,335 | \$52,020 | \$1,639 | 2508 | Miscellaneous/Interest: | Interest, Craft Class, etc. | | | | | Monthly \$183 | Annually \$2,200 | | | | | | | |
| | 60% | 3 | 1.5 | 836 | \$1,445 | \$4,335 | \$52,020 | \$1,639 | 2508 | Laundry | | | | | | | \$0 | | | | | | | |
| Subtotal | | 18 | | | | \$21,900 | \$262,800 | | 15048 | Carports/Garages | | | | | | | \$0 | | | | | | | |
| Square Footage Breakdown | | | | | | | | | | Tenant Charges (late fees, insufficient funds, etc) | | | | | | \$167 | \$2,000 | | | | | | | |
| | | Residential Square Footage | | | 47,016 | | | | | Other: | Pet Rent | | | | | \$833 | \$10,000 | | | | | | | |
| | | Common Areas Sq. Ft. | | | 18,618 | | | | | Totals | | | | | | \$1,183 | \$14,200 | | | | | | | |
| | | 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 | \$890,280 | \$12,539 | |
| Other Revenue | \$14,200 | \$200 | |
| Subtotal | \$904,480 | \$12,739 | |
| Combined Vacancy Rate | 8.0% | \$72,358 | \$1,019 |
| Adjusted Gross Income | \$832,122 | \$11,720 | 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 | \$49,371 | \$695 | |
| Subtotal | \$168,646 | \$2,375 | 20.3% |

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 | 5.6% |

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 | 8.8% |

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 | 6.6% |

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 | 15.0% |

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 | 3.0% |

Total Operating Expenses

| | | | |
|--|------------------|----------------|-------|
| | \$493,496 | \$6,951 | 59.3% |
|--|------------------|----------------|-------|

NET OPERATING INCOME

| | | | |
|--|------------------|----------------|-------|
| | \$338,626 | \$4,419 | 40.7% |
|--|------------------|----------------|-------|

Estimated Mortgage

| | |
|----------------------------|-------------|
| Debt Coverage Ratio Year 1 | 1.20 |
| Interest Rate | 6.46% |
| Term | 40 |
| Annual Payment | \$282,188 |
| Mortgage Amount (PV) | \$4,036,267 |

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

| | |
|----------------------|----------|
| Net Cash Flow Year 1 | \$56,438 |
| Cash Flow Per Unit | \$795 |

| |
|--|
| 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 | | | | | | | | | | | |
| | 0.02 | | | | | | | | | | |
| | Years 1-4 | | | | | | | | | | |
| | Years 5+ | | | | | | | | | | |
| Gross Income Potential | 2.0% | \$904,480 | \$922,570 | \$941,021 | \$959,841 | \$979,038 | \$998,619 | \$1,018,591 | \$1,038,963 | \$1,059,742 | \$1,080,937 |
| Vacancy Factor | 8.0% | \$72,358 | \$73,806 | \$75,282 | \$76,787 | \$78,323 | \$79,890 | \$81,487 | \$83,117 | \$84,779 | \$86,475 |
| Operating Subsidy/Reserve Draw | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Income | | \$832,122 | \$848,764 | \$865,739 | \$883,054 | \$900,715 | \$918,729 | \$937,104 | \$955,846 | \$974,963 | \$994,462 |
| | Per Unit | \$11,720 | \$11,954 | \$12,194 | \$12,437 | \$12,686 | \$12,940 | \$13,199 | \$13,463 | \$13,732 | \$14,007 |
| OPERATING EXPENSES | | | | | | | | | | | |
| | Inflation | | | | | | | | | | |
| | Factor | | | | | | | | | | |
| 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% | \$49,371 | \$50,358 | \$51,365 | \$52,393 | \$53,441 | \$54,509 | \$55,600 | \$56,712 | \$57,846 | \$59,003 |
| 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 | | \$493,496 | \$508,557 | \$524,090 | \$540,110 | \$556,633 | \$573,675 | \$591,253 | \$609,384 | \$628,085 | \$647,376 |
| | Per Unit | \$6,950.65 | \$7,162.78 | \$7,381.55 | \$7,607.19 | \$7,839.91 | \$8,079.94 | \$8,327.51 | \$8,582.87 | \$8,846.27 | \$9,117.97 |
| Net Operating Income | | \$338,626 | \$340,207 | \$341,649 | \$342,944 | \$344,082 | \$345,054 | \$345,851 | \$346,462 | \$346,878 | \$347,087 |
| | Per Unit | \$4,769.38 | \$4,791.65 | \$4,811.96 | \$4,830.19 | \$4,846.22 | \$4,859.92 | \$4,871.14 | \$4,879.75 | \$4,885.61 | \$4,888.55 |
| Du Page Mortgage | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Debt Service | | \$276,331 | \$276,331 | \$276,331 | \$276,331 | \$276,331 | \$276,331 | \$276,331 | \$276,331 | \$276,331 | \$276,331 |
| Debt Coverage Ratio | | 1.23 | 1.23 | 1.24 | 1.24 | 1.25 | 1.25 | 1.25 | 1.25 | 1.26 | 1.26 |
| CASH FLOW | | \$62,295 | \$63,876 | \$65,318 | \$66,613 | \$67,751 | \$68,723 | \$69,520 | \$70,132 | \$70,547 | \$70,756 |
| | Per Unit | \$877 | \$900 | \$920 | \$938 | \$954 | \$968 | \$979 | \$988 | \$994 | \$997 |
| Payments Out of Cash Flow: | Asset management fee - investor | \$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: | Developer fee | \$57,295 | \$58,726 | \$60,014 | \$61,149 | \$62,123 | \$62,927 | \$63,550 | \$63,982 | \$10,235 | \$0 |
| Payments Out of Cash Flow: | DuPage Mortgage | | | | | | | | | \$26,989 | \$32,116 |
| FINAL CASH FLOW | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$26,989 | \$32,116 |
| | Per Unit | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$380 | \$452 |

| | |
|--|--|
| | DU PAGE COUNTY OPERATING CASH FLOW PROJECTION |
|--|--|

Project: Tower Court Resid

| | | | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|---------------------------------|------|------------------------|------------------|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | | <u>0.02</u> | | | | | | | | | |
| | | | <u>Years 1-4</u> | <u>Years 5+</u> | | | | | | | | |
| REVENUE | | | | | | | | | | | | |
| Gross Income Potential | 2.0% | 2.0% | \$1,102,556 | \$1,124,607 | \$1,147,099 | \$1,170,041 | \$1,193,442 | \$1,217,311 | \$1,241,657 | \$1,266,490 | \$1,291,820 | \$1,317,657 |
| Vacancy Factor | 8.0% | 8.0% | \$88,204 | \$89,969 | \$91,768 | \$93,603 | \$95,475 | \$97,385 | \$99,333 | \$101,319 | \$103,346 | \$105,413 |
| Operating Subsidy/Reserve Draw | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Net Income | | | \$1,014,352 | \$1,034,639 | \$1,055,331 | \$1,076,438 | \$1,097,967 | \$1,119,926 | \$1,142,325 | \$1,165,171 | \$1,188,475 | \$1,212,244 |
| <i>Per Unit</i> | | | \$14,287 | \$14,572 | \$14,864 | \$15,161 | \$15,464 | \$15,774 | \$16,089 | \$16,411 | \$16,739 | \$17,074 |
| 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% | \$60,183 | \$61,386 | \$62,614 | \$63,866 | \$65,144 | \$66,447 | \$67,776 | \$69,131 | \$70,514 | \$71,924 |
| 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 | | | \$667,274 | \$687,801 | \$708,976 | \$730,820 | \$753,354 | \$776,602 | \$800,586 | \$825,331 | \$850,861 | \$877,201 |
| <i>Per Unit</i> | | | \$9,398.23 | \$9,687.34 | \$9,985.57 | \$10,293.23 | \$10,610.62 | \$10,938.06 | \$11,275.87 | \$11,624.38 | \$11,983.95 | \$12,354.94 |
| Net Operating Income | | | \$347,077 | \$346,838 | \$346,356 | \$345,619 | \$344,613 | \$343,324 | \$341,738 | \$339,840 | \$337,614 | \$335,043 |
| <i>Per Unit</i> | | | \$4,888.41 | \$4,885.04 | \$4,878.25 | \$4,867.87 | \$4,853.70 | \$4,835.55 | \$4,813.21 | \$4,786.48 | \$4,755.13 | \$4,718.92 |
| Du Page Mortgage | | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Debt Service | | | \$276,331 | \$276,331 | \$276,331 | \$276,331 | \$276,331 | \$276,331 | \$276,331 | \$276,331 | \$276,331 | \$276,331 |
| Debt Coverage Ratio | | | 1.26 | 1.26 | 1.25 | 1.25 | 1.25 | 1.24 | 1.24 | 1.23 | 1.22 | 1.21 |
| CASH FLOW | | | \$70,746 | \$70,507 | \$70,025 | \$69,288 | \$68,282 | \$66,993 | \$65,407 | \$63,509 | \$61,283 | \$58,712 |
| <i>Per Unit</i> | | | \$996 | \$993 | \$986 | \$976 | \$962 | \$944 | \$921 | \$894 | \$863 | \$827 |
| | | | | <u>Asset management fee - investor</u> | | | | | | | | |
| 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: | | <u>Developer fee</u> | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Payments Out of Cash Flow: | | <u>DuPage Mortgage</u> | \$32,013 | \$31,793 | \$31,448 | \$30,972 | \$30,359 | \$29,602 | \$28,692 | \$27,622 | \$26,385 | \$24,972 |
| FINAL CASH FLOW | | | \$32,013 | \$31,793 | \$31,448 | \$30,972 | \$30,359 | \$29,602 | \$28,692 | \$27,622 | \$26,385 | \$24,972 |
| <i>Per Unit</i> | | | \$451 | \$448 | \$443 | \$436 | \$428 | \$417 | \$404 | \$389 | \$372 | \$352 |

| DU PAGE COUNTY DEVELOPMENT BUDGET (Uses) | | | | | |
|--|--|----------------------------------|-----------|----------|--------|
| Project: Tower Court Residences | | Developer: Gorman & Company, LLC | | | |
| Project Number: 0 | | | | | |
| ACQUISITION | | TOTAL | Per Unit | Per SF | % TDC |
| Land | | \$1,735,580 | \$24,445 | | |
| Building | | | \$0 | | |
| Holding Costs | | | \$0 | | |
| Other: | | | \$0 | | |
| Other: | | | \$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 | | \$17,525,600 | \$246,839 | | |
| Building Permit & Other Local Fees | | \$413,460 | \$5,823 | | |
| Total Construction: | | \$20,227,832 | \$284,899 | \$308.19 | 70.2% |
| CONTINGENCY | | \$983,312 | \$13,849 | \$14.98 | 3.4% |
| SOFT COSTS | | | | | |
| Architect: Design | | \$661,527 | \$9,317 | | |
| 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 | | |
| Title & Recording | | \$50,000 | \$704 | | |
| Marketing | | | \$0 | | |
| Other: Owner FF&E | | \$75,000 | \$1,056 | | |
| Other: Misc. studies, plans, copies, review, soft cost cor | | \$60,000 | \$845 | | |
| Total Soft Costs: | | \$1,169,560 | \$16,473 | \$17.82 | 4.1% |
| PERMANENT FINANCING | | | | | |
| Application Fees | | \$3,500 | \$49 | | |
| LIHTC Fees | | \$151,500 | \$2,134 | | |
| Working Capital/Latent Defects LOC Fee | | | \$0 | | |
| Origination Fees | | \$216,000 | \$3,042 | | |
| Financing Legal Fees | | \$15,000 | \$211 | | |
| Lender's Inspecting Architect | | \$25,000 | \$352 | | |
| Bond Insurance Fees | | | \$0 | | |
| Credit Enhancement Fee | | | \$0 | | |
| Bank Escrow Fee | | | \$0 | | |
| Rating Agency Fee | | | \$0 | | |
| Other: | | | \$0 | | |
| Other: | | | \$0 | | |
| Total Interim Financing: | | \$411,000 | \$5,789 | \$6.26 | 1.4% |
| INTERIM FINANCING | | | | | |
| Construction/Bridge Loan Interest | | \$1,353,781 | \$19,067 | | |
| MIP/Credit Enhancement during construction | | | \$0 | | |
| Servicing Fees during construction | | | \$0 | | |
| Real Estate Taxes during construction | | \$75,000 | \$1,056 | | |
| Insurance during construction | | \$115,000 | \$1,620 | | |
| Other: Construction loan origination, Due dilligence & Le | | \$35,000 | \$493 | | |
| Total Permanent Financing: | | \$1,578,781 | \$22,236 | \$24.05 | 5.5% |
| SYNDICATION | | | | | |
| Syndication Legal | | \$55,000 | \$775 | | |
| Partnership organizational expense | | | \$0 | | |
| Other: | | | \$0 | | |
| Total Syndication: | | \$55,000 | \$775 | \$0.84 | 0.2% |
| RESERVES | | | | | |
| Real Estate Tax Reserve | | \$41,250 | \$581 | | |
| Insurance Reserve | | \$52,500 | \$739 | | |
| Capitall Replacement Reserve | | | \$0 | | |
| Initial Rent-up Reserve | | \$53,250 | \$750 | | |
| Operating Reserve | | \$234,601 | \$3,304 | | |
| Debt Service Reserve | | \$138,165 | \$1,946 | | |
| Other: | | | \$0 | | |
| Other: | | | \$0 | | |
| Other: | | | \$0 | | |
| Total Reserves: | | \$519,766 | \$7,321 | \$7.92 | 1.8% |
| DEVELOPER FEE | | \$2,134,000 | \$30,056 | \$32.51 | 7.4% |
| TOTAL DEVELOPMENT COSTS (TDC): | | \$28,814,831 | \$405,843 | \$439.02 | 100.0% |

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

| Project: | Tower Court Residence | Square Feet: | 65,634 | Units: | 71 | | |
|---|-----------------------|--------------------|--------------------|-----------------|----------------|-----------------------|--|
| Project Number | 0 | Construction: | New Construction | | | | |
| | | | Total Cost | Per Unit | Per SF | % Construction | |
| 1. General Requirements | Limit | | | | | | |
| A. General Contractor's Markup (See DuPage County General Guidance for further detail) | | | | | | | |
| 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 | \$1,965,425 | | | | |
| | Subtotal | | \$1,965,425 | \$27,682 | \$29.95 | 10% | |
| 3. Concrete | | | | | | | |
| Basement and Garage Floors | | | | | | | |
| Foundation Walls | | | \$465,741 | | | | |
| Flatwork | | | \$366,100 | | | | |
| Other | | | | | | | |
| | | | \$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 Carpentry | | | \$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: | | \$19,814,372 | \$279,076 | \$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 1,045 | |

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! | \$974 | \$1,217 | \$1,659 | #DIV/0! | |
| Income-Restricted Units | | 52 | 18 | 1 | | 71 |
| Unrestricted/Market Rate Units | | | | | | 0 |
| Total | 0 | 52 | 18 | 1 | 0 | 71 |

100%
0%

Development Costs

| | Total | Per Unit | % of Total |
|---------------------------------|---------------------|------------------|---------------|
| Acquisition | \$1,735,580 | \$24,445 | 6.0% |
| Hard Costs (Construction) | \$20,227,832 | \$284,899 | 70.2% |
| Construction Contingency | \$983,312 | \$13,849 | 3.4% |
| Soft Costs | \$1,169,560 | \$16,473 | 4.1% |
| Permanent Financing | \$411,000 | \$5,789 | 1.4% |
| Interim Financing | \$1,578,781 | \$22,236 | 5.5% |
| Syndication | \$55,000 | \$775 | 0.2% |
| Reserves | \$519,766 | \$7,321 | 1.8% |
| Developer Fee | \$2,134,000 | \$30,056 | 7.4% |
| Total Development Costs* | \$28,814,831 | \$405,843 | 100.0% |

Construction Cost/SqFt: \$302
Total Cost/SqFt: \$439

Permanent Financing

| | Total | Per Unit | % of Total | Interest Rate | Loan Term (yrs) | Annual Payment |
|---|---------------------|------------------|---------------|---------------|-----------------|-------------------------|
| Bank Mortgage <i>Est. mortgage:</i> \$4,036,267 | \$3,900,000 | \$54,930 | 13.5% | 6.57% | 40 | \$276,331 |
| Low Income Housing Tax Credits | \$13,888,611 | \$195,614 | 48.2% | | | |
| Other State/Federal/Historic Tax Credits | \$0 | \$0 | 0.0% | | | |
| Deferred Developer Fee | \$500,000 | \$7,042 | 1.7% | | | |
| Developer Long-Term Equity | \$0 | \$0 | 0.0% | | | |
| Du Page County Funds - Cash Flow Loan | \$2,400,336 | \$33,808 | 8.3% | 0.00% | 40 | |
| | \$0 | \$0 | 0.0% | | | |
| State HOME Funds | \$0 | \$0 | 0.0% | | | |
| Additional Tax Credits | \$4,710,304 | \$66,342 | 16.3% | 0.00% | | |
| FHLB Chicago AHP | \$2,000,000 | \$28,169 | 6.9% | 0.00% | | |
| Seller Note | \$1,415,580 | \$19,938 | 4.9% | 0.00% | | |
| | \$0 | \$0 | 0.0% | | | |
| Total Sources | \$28,814,831 | \$405,843 | 100.0% | | | \$276,331 |
| (GAP) or Surplus | \$0 | \$0 | 0.0% | | | DCR: 1.225435355 |

Construction Financing

| | Amount Available During Construction | % TDC | Const. Loan Interest Rate | Developer Notes |
|--|--------------------------------------|---------------|---------------------------|---|
| Private Construction Loan(s) <i>(bank financing)</i> | \$17,700,000 | 61.4% | 6.83% | |
| Developer Equity <i>(Self-financing for acquisition, predevelopment, etc.)</i> | | 0.0% | | If AHP is denied, Sponsor note for \$2M |
| Deferred Developer Fee | \$500,000 | 1.7% | | Paid from annual cashflow 0% interest |
| Low Income Housing Tax Credits Construction Equity | \$2,789,837 | 9.7% | | |
| | | | | Grant to project. If not awarded, Developer will provide a Sponsor Loan for full \$2M. |
| FHLB Chicago AHP | \$2,000,000 | 6.9% | | |
| Seller Note | \$1,415,580 | 4.9% | | \$320K at closing, not payment until sold |
| | | | | Prefer % of cash flow as payment, after DDF is paid - IHDA requires DDF paid in 15 years. |
| Du Page County Funds | 100% | \$2,400,336 | 8.3% | |
| | | \$0 | 0.0% | |
| | | | | Includes all reserves, Dev Fee - DDF, and carry over soft costs until conversion |
| Costs Not Incurred During Construction <i>(reserves, developer fee, etc.)</i> | \$2,009,078 | 7.0% | | |
| Total Construction Sources | \$28,814,831 | 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 <i>Permanent Subsidy</i> |

Proposed use of DuPage County fund Construction Hard Costs

Operating Budget

| | Annual | Per Unit | Key Assumptions | |
|---------------------------|-----------|----------|--------------------------|------|
| Gross Rent Potential | \$890,280 | \$12,539 | Vacancy Years 1-4 | 8.0% |
| Other Income | \$14,200 | \$200 | Vacancy Years 5+ | 8.0% |
| Vacancy | \$72,358 | \$1,019 | Rent Inflation Years 1-4 | 2.0% |
| Adjusted Gross Income | \$832,122 | \$11,720 | Rent Inflation Years 5+ | 2.0% |
| Annual Operating Expenses | \$493,496 | \$6,951 | Expense Inflation: | |
| Net Operating Income | \$338,626 | \$4,769 | Administration | 3.0% |
| Debt Service | \$276,331 | \$3,892 | 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 | 1.23 | Year 1 Net Cash Flow | \$62,295 | \$877 |
| Year 5 DCR | 1.25 | Year 5 Net Cash Flow | \$67,751 | \$954 |
| Year 10 DCR | 1.26 | Year 10 Net Cash Flow | \$70,756 | \$997 |
| Year 15 DCR | 1.25 | Year 15 Net Cash Flow | \$68,282 | \$962 |
| Year 20 DCR | 1.21 | Year 20 Net Cash Flow | \$58,712 | \$827 |
| | <u>Total</u> | <u>Per Unit</u> | <u>After Cash Flow Payments:</u> | |
| Cumulative Cash Flow Over 10 Yrs | \$675,530 | \$9,515 | \$59,105 | |
| Cumulative Cash Flow Over 15 Yrs | \$1,024,377 | \$14,428 | \$215,691 | |
| Cumulative Cash Flow Over 20 Yrs | \$1,340,282 | \$18,877 | \$352,965 | |

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.? If there are identities of interest among team members, include contractor profit in this assessment. | |

| | |
|-------------------------|--|
| 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?

| | |
|--|--|
| 9. CURRENT RECOMMENDATION FOR FUNDING: | |
|--|--|

Underwriting performed by:

| | | |
|------|-------|------|
| | | |
| Name | Title | Date |

Du Page County Underwriting Notes

| | Date Entered |
|--|--------------|
| | |
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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 | (\$18,678) | \$14,312 |
| | | 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 CO
Capital Needs A

Development Name Tower Court
Owner Gorman & 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: