

Exhibit A

PROPOSED HOME PROJECT FOR

2014 AAP SUBSTANTIAL
AMENDMENT #6

2015 AAP SUBSTANTIAL
AMENDMENT #2



City of Aurora

**PY2015 HOME Investment
Partnerships Program**

Master Application

PY2015 Instructions

Before You Begin...

This packet contains information necessary to apply for affordable housing funding under the City of Aurora PY 2015 HOME Investment Partnerships (HOME) Program. The document that follows is the Master HOME Application document. Please note that all applicants seeking funding for the development of real property are required to complete the additional City of Aurora Rental Housing Production Application document. The additional application document is available only in an electronic format as provided by City staff. Should you not be able to complete the form, the City will provide you accommodations to complete the form at the City of Aurora Neighborhood Redevelopment Division office. Before completing this Application, you should become familiar with the City of Aurora 2015 HOME Program Standard Operating Policies and Procedures and appropriate federal regulations.

Note: In 2012, all participating jurisdictions were required to implement the Consolidated and Further Continuing Appropriations Act of 2012 (P.L. 112-55) that included changes to regulations and requirements of the HOME Investment Partnerships Program. The Appropriations Act requirements are maintained for the 2015 Program Year. Further, the United States Department of Housing and Urban Development (HUD) issued a new governing HOME Investment Partnerships Program Final Rule in 2013. The 2013 Rule contains many new provisions and changes that have a substantive and broad-based impact on how participating jurisdictions administer HOME activities. The 2013 Rule also codifies existing policy guidance that has been previously issued by HUD, and addresses a number of technical and non-substantive “housekeeping” items within the HOME regulation. As per the Final Rule, the City may need to require additional information of applications during and after the application process. Further, the City reserves the right to require revisions to a proposed program or project in order to comply with federal regulations. Please contact the City of Aurora Neighborhood Redevelopment Division at 630-256-3320 if you have any questions regarding this application process or the HOME Final Rule.

Funding Availability

- HOME Investment Partnerships Program (HOME)
\$ 371,185.50– Is available for Rental Development Project Funding
(The City's total 2015 HOME appropriation is \$494,914 and is to be allocated as follows: Direct Project Activity-371,185.50; Program Administration (10% of Awarded Amount) - \$49,491.40; CHDO Set-Aside Activities (15% of Awarded Amount) - \$74,237.10)

Submission Requirements

HOME Applications are accepted on an ongoing basis and must be submitted to the City of Aurora Neighborhood Redevelopment Division, 51 E. Galena Blvd, Aurora, IL 60505.

Each applicant is required to submit the **original and five copies** of the application. Applications must be single-sided and should not be bound. File tabs or secure “sticker” tabs (no temporary post-it materials) must be used to separate the Master Application Document, Rental Housing Production Application document (as applicable) and required application attachments. **An electronic version of all application documents must also be submitted to dnr@aurora-il.org.** The Rental Housing Production Application document should be submitted electronically in its Microsoft Excel format. Please do not submit additional information that has not been requested.

Project Eligibility

Eligible activities for this application are limited to **Rental Housing Development Activities**.

Section Overviews

- **Section 1 - Application Summary**
Please provide general information about the applicant, the type of project or program, and the overall funding requested. Attach the additional material requested in the Sponsor/Developer Information Checklist.
- **Section 2 - Certification**
All applications must include this document signed by the Chief Executive Officer of your organization. This document states that the information in the application is true and correct and the project will comply with all current HOME regulations.
- **Section 3 - Project/Program Narrative**
Use this space to describe the project you wish to undertake. Be as complete as possible and include additional sheets as necessary. Your answers to these questions can give the City a better understanding of your proposal and how it addresses City of Aurora's identified needs for affordable housing.
- **Section 4 - Development - Project Sponsor/Developer and Development Team**
Use this space to list all project sponsors and participants in the development, construction and management.
- **Section 5 - Site Information**
More detailed site information will be required in the Housing Production Application Form. All projects must comply with environmental review and labor regulations. For projects of twelve (12) HOME-assisted units or more, Federal Davis-Bacon regulations will apply; Davis-Bacon will supersede the State Prevailing Wage. No project work may be initiated nor will any funds be disbursed until all environmental requirements are met as indicated by a Notice to Proceed. Please see the City of Aurora's 2015 HOME Program Standard Operating Policies and Procedures for additional guidance. Answer all of these questions using the sources listed as necessary. Provide thorough descriptions as requested and include requested documentation. You will be required to certify the accuracy of this information.

Rental Housing Production Application

A separate Microsoft Excel application document contains questions related to the development of rental housing units. Applicants must complete the application for their project. After review of the initial instructions tab, please navigate the additional tabs to enter information into cells as required. The document serves to satisfy the HUD requirements for underwriting and subsidy layering, and also generates a comprehensive review of the proposed development project. The application will also generate preliminary compliance information regarding minimum HOME units, HOME subsidy limits, and other regulatory requirements. Please note that this is only an initial review and not a guarantee of minimum requirements for the proposed project. Pending the developer's proposed use of HOME funds, stage of draws, and unit types, the net minimum requirements are subject to change. Neighborhood Redevelopment staff will make such assessments as part of the application review process, and, if funds are allocated, the contracting process.

Required Attachments

Each document should be labeled with the Attachment Letter and Title as indicated in Bold below. Please note, there are two sections to the HOME application – this application document and the underwriting document. Each document requires supporting documentation in the form of attachments to your submittal. A list of required documents is included in each.

- **Attachment A – SAM Registration** - All applicants must provide proof of System of Award Management (SAM) Registration (replaces Central Contractor Registration) with their application.
- **Attachment B – Application Authority** – All applicants **must** provide evidence of authorization to submit an application and request funds under the HOME Investment Partnerships Program (i.e. Resolution from the Board of Directors). The document must state the authority to submit an application and request funds under the HOME Investment Partnerships Program to the City of Aurora and confirm the ability and desire to comply with all applicable HOME regulations, terms of affordability, and monitoring.
- **Attachment C – Articles and Bylaws** - Articles of Incorporation and by-laws (for profit entities may not have articles and bylaws)
- **Attachment D – Financial Documentation** - Most recent audited financial statement, certified by Chief Financial Officer of entity
- **Attachment E – For-Profit Declaration** Statement of organization structure and relevant status documentation - if a corporation, Articles of Incorporation and by-laws; if a partnership, Partnership Agreement and, if applicable, Certificate of Limited Partnership
- **Attachment F – For-Profit Ownership** Statement of ownership entity and nature (partnership – evidence of current ownership percentage of partners, sole proprietorship, or corporation)
- **Attachment G – Project Narrative** Should additional documentation be required to answer the questions in Section 3, provide all documents
- **Attachment H – References** Include 3 reference contacts (who have knowledge of your performance with projects similar in size and scope)
- **Attachment I – Project Management** If an entity other than the applicant will serve as the primary project manager, please include a separate attachment outlining the parties responsible for project management, description of duties, and relationship to the applicant

NOTE: Attachments required of the Rental Housing Production Application are detailed in that document. Please label those attachments according to the instructions in the document for the final submission.

The final PY 2015 HOME application submittal should be composed in the following order:

1. Cover letter
2. Master Application document
3. Master Application Document ATTACHMENTS (Lettered)
4. Rental Housing Production Application document
5. Rental Housing Production Application document ATTACHMENTS (Numbered)

The City of Aurora reserves the right to request additional information regarding any application submitted for funding.

Section 1 - Application Summary

Program/Project Name:	Aurora St. Charles Senior Living			
Address (if available)	400 E New York St. Aurora, IL 60505			
Sponsor/Developer Name:	Aurora St. Charles Senior Living L.P.			
Sponsor/Developer Address:	566 W Lake St, #400			
	City: Chicago	State: IL	ZIP	60661
Contact Name:	David Block			
Phone:	312.382.3259	Email:	dblock@verigreendevlopment.com	
DUNS #:	07-996-0574			

Total Proposal Cost:	22,837,043		
Sponsor/Developer Match*:	22,337,043	% of Proposal	97.81%
HOME Funding Request:	500,000	% of Proposal	2.19%

*Note: Applicants should be prepared to demonstrate a minimum of 25% matching funds as eligible per HOME regulations. A match gap does not preclude an application from receiving consideration or allocation. Please consult the HOME Program Guidelines document for information regarding eligible match sources and the 25% matching requirement for the City of Aurora.

Total Number of Units	60
Total Number of Beneficiaries	100
Number of Very Low Income Units/Households (≤50% AMI)	50
% of Very Low Income Units/Households (≤50% AMI)	83.3%
Number of Low Income Units/Households (≤80% AMI)	56 (inclusive)
% of Low-Income Units/Households (≤80% AMI)	93.3%
Total Estimated Cost Per Unit	\$380,617

Project Type

Please mark the applicable selection(s) below:

- Rental Housing Development Activities
- Acquisition, Rehabilitation, Rental
 - Acquisition, New Construction, Rental
 - Rehabilitation, Rental
 - New Construction, Rental

Board of Directors

How often does your Board of Directors meet?

NA, Aurora St. Charles Senior Living L.P. does not have a Board of Directors (it is a for-profit limited partnership designed to allow an investor to claim state and federal tax benefits).

What are the standing Board Committees? (add more lines as necessary)

<i>Committee Name</i>
1
2
3
4
5
6
7
8

Board President:

- Name
- Mailing Address
- Start Date
- Term Expiration Date

Identify any unique characteristics of Board Members as they relate to the Agency’s mission (i.e.: persons with disabilities, persons who were prior agency clients, formerly homeless persons, etc.)

Explain any recent changes to the composition of the Board, such as turnover, a new President, etc

Board Roster

																Name				
																		Male	Sex	
																		Female		
																		Caucasian/ Non-Hispanic	Race/Ethnicity	
																		Black/Non-Hispanic		
																		Asian/Pacific Islander		
																		Hispanic/Caucasian		
																		Hispanic/Black		
																		American Indian/ Alaskan Native		
																		Other		
																			Town of Residence	
																			# of Years on Board	
																			# Meetings attended in past year	
																			From the numbers in "B," what committees are they on?	

Section 2 - Certifications

Application Submission

The undersigned, as an essential part of the Application for funds under the U.S. Department of Housing and Urban Development's HOME Investment Partnerships Program (HOME) hereby certifies that the information contained herein is true to the best of the undersigned's knowledge and belief. Falsification of information supplied in this Application and related Application Documents may disqualify the proposed Program or Project for HOME funds. The information given by the Applicant may be subject to verification by the City of Aurora, or the City of Aurora Neighborhood Redevelopment Division serving in its capacity as administrator of the City of Aurora HOME Program. Submission of this Application shall be deemed an authorization to the City to undertake such investigations as it deems necessary to determine the accuracy of this Application and the appropriateness of providing funding. If any information changes after submission of this Application the undersigned agrees to notify the City immediately. In addition, any change in scope of proposal, use of funds, and/or costs must be reported to the City immediately.

The undersigned also agrees that any commitment by the City to provide HOME funding that may be forthcoming from this Application is conditioned by the City of Aurora PY2015 HOME Program Guidelines, the HOME Investment Partnerships Program Final Rule, and the Consolidated and Further Continuing Appropriations Act of 2012 (P.L. 112-55), and the Applicant's continued compliance with those guidelines and any HUD regulations governing the HOME program.

The undersigned also hereby certifies that the governing body of the Applicant has formally authorized the undersigned to execute the documents necessary to make this Application.

Legal Name of Applicant: Aurora St. Charles Senior Living, L.P.

Signature: _____

Name: *(please type)*



_____, as Manager of Aurora St. Charles Senior Living GP LLC

Title: _____

a General Partner

Date: _____

9/11/2015

Conflict of Interest

The applicant organization/entity agrees to abide by the provisions of 24 CFR part 92.356 and any referenced CFR provisions, or that of State and Local provisions with respect to conflicts of interest, and covenants that it currently has no existing conflicts that warrant remedy under said regulations. Specifically, under the development, ownership, sponsorship, and execution of projects or programs, no organization or its officers, employees, agents, elected or appointed officials, or consultants may occupy a HOME-assisted affordable housing unit. Additionally, the applicant organization/entity and its officers, employees, agents, elected or appointed officials, or consultants has no financial interest and shall not acquire financial interest or such benefit that would conflict in any manner or degree with the performances of services required per this application or receipt of HOME-financed agreements. Further, said persons shall not have an interest in any contracts, subcontractors, or agreements as a result of this application for themselves or those with whom they have family or business ties. Finally, no person outlined herein may acquire a financial interest or any such benefit due to family or business ties to a known member, employee, agent, consultant, officer, or elected or appointed official of the participating jurisdiction, City of Aurora, and all of the state of Illinois.

Certification of Conflict of Interest:

This certification applies to the applicant organization/entity, and all its employees and members of the Board of Directors, and any and all persons subscribed as having an interest in the organization/entity. The undersigned of Aurora St. Charles Senior Living, L.P. (name of organization/entity) certifies to the best of real knowledge that all employees and members of the governing Board of Directors is in compliance with Conflict of Interest regulations as per 24 CFR Part 92.356, and as specifically described herein.

Legal Name of Applicant: Aurora St. Charles Senior Living, L.P.

Signature:

Name: (please type)



, as Manager of Aurora St. Charles Senior Living GP LLC

Title:

a General Partner

Date:

9/1/2015

In the event the applicant organization/entity cannot certify compliance with 24 CFR part 92.356 as per above, proceed to the following certification page.

Conflict of Interest-Potential Conflict

The applicant organization/entity has determined it cannot certify compliance with 24 CFR Part 92.356 and as outlined herein the application requirements. This does not preclude the applicant from submitting an application; however a formal conflict of interest consultation process is required. Please complete the information below, and submit this page and a request to begin consultation to the Neighborhood Redevelopment Division via e-mail at dnr@aurora-il.gov immediately (prior to submission of an application). A Division staff member will contact you at the information provided below to outline the process and required action.

The undersigned of _____ (name of organization/entity) cannot certify compliance with Conflict of Interest regulations as per 24 CFR Part 92.356, and has identified the following potential conflicts (describe conflicts in narrative form below):

NA

In submitting this form, the applicant will seek assistance in completing a required Conflict of Interest consultation, and agrees that in submitting an application, the organization/entity will comply with all requirements and requests for information as part of the consultation process. In the event that the City will be required to complete a conflict of interest waiver per the requirements of 24 CFR Part 92.356, the applicant agrees to disclose any related and required information as relevant to making a final determination regarding the conflict. Should the applicant not be willing to meet the requirements of the Conflict of Interest consultation and subsequent processes, the City will not accept an application for funds.

Legal Name of Applicant: _____

Signature: _____

Name: *(please type)* _____

Title: _____

Date: _____

Contact information for consultation:

Name: _____

Phone: _____

E-mail: _____

Section 3 - Project Narrative

Should additional documentation be required to answer the questions in Section 3, provide additional pages, labeled as Attachment G – Project Narrative.

1. Describe the project and the target population to be served.
 - General overview of proposed project
 - Target population to be served (e.g. elderly, disabled, homeless, large families, etc.)
 - Process for selecting beneficiaries, including any special eligibility criteria
 - Supportive housing services to be provided, if any (e.g. job training, etc.)

Aurora St Charles Senior Living will restore the former St Charles Hospital, a remarkable 1932 Art Deco building, to its original grandeur while providing a total of 60 studio, one-bedroom, and two-bedroom apartments for seniors. Rents will be affordable to residents with a range of incomes. While the building is structurally sound, all systems will be replaced and interiors will undergo major rehab. Historic elements of the building will be preserved and restored. The building exterior will receive needed masonry, stone and tuckpointing work. Windows and doors will be repaired or replaced. As the project will be employing both Federal Historic Tax Credits and Illinois River Edge Redevelopment Zone Historic Credits, the project will be completed in accordance with Secretary of the Interior Standards for Historic Rehabilitation. The former chapel space will be substantially restored (including its large windows) and used as a community space for the development.

The project will be targeted at seniors. 6 units will be set aside for residents off the State Referral Network. 44 units will receive Project Based Vouchers from the Aurora Housing Authority. The project team is coordinating with DuPage County Vet Center, and will provide housing to Veteran referrals.

2. Explain how this project is consistent with the local priorities established in the PY 2010-2014 Consolidated Plan for City of Aurora, and other pertinent policy documents (e.g. the Kane County Continuum of Care Strategy for homeless services).

Funding preference will be given for projects/programs that:

- Are located in close proximity to public transit - i.e. allowing easier access to available jobs
- Incorporates environmental sustainability practices through energy efficiency improvements that will reduce long-term operating costs
- Provides housing for larger families, as indicated by number of bedrooms (specify how many 3 or 4 bedroom units)
- Provides an adequate amount of affordable units, as indicated by total amount of affordable units in project (not exclusively HOME units)
- Encourages and supports the provision of education and counseling that helps ensure long-term housing stability

See Certificate of Consistency with the Consolidated Plan attached. The project is immediately adjacent to public transit, will be built to Enterprise Green Communities standards, provides a large number of affordable units (56 of 60), and partnerships with local service providers will be pursued.

3. Document the need for the proposed housing.
 - Include evidence of need obtained from market studies, rent surveys, vacancy information, etc.

Attached market study found sufficient demand, anticipating full lease up in 6 months and strong visibility and marketability for the site. Proforma rents are supported by the market study.

4. Describe the community support for this proposal.
 - Include the names of local government officials, neighborhood groups, public agencies and/or private individuals who are familiar and supportive of this proposal
 - Include letters of support

The project has received strong support from Aurora Mayor Tom Weisner, Seize the Future Development Foundation, the City's non-profit development affiliate, and the Nothern Lights Development Corporation, a non profit affiliate of the Aurora Housing Authority, are partners in the deal. See letter of support from the Mayor attached.

5. Describe the project sponsor/developer's experience with the specific type of program/project as applied for. Also describe the relevant experience of the other key participants in this program/project.

Aurora St. Charles Senior Living L.P. is a single purpose entity created for this project. VeriGreen Development, LLC, who will be developing the project, has developed multiple low income housing projects, and its 3 principals and development director have nearly 100 years of collective experience in affordable housing, together responsible for the development, acquisition and/or rehabilitation of thousands of units of housing. VeriGreen's sister company, Evergreen Real Estate Services, the property manager, owns more than 3,000 units of housing and manages approximately 5,000 units, most of them affordable. Partners Seize the Future Development Foundation and Nothern Lights Development Corporation bring deep local connections and expertise in housing and community development.

6. Provide a time schedule for the program/project. A summarized timeline below is acceptable; a detailed timeline is required of the Rental Housing Production Application document.

Projected financial closing and start of construction in late 2015. 12 month construction schedule. Occupancy in late 2016. Stabilized operations by summer 2017.

Section 5 - Development - Project Sponsor/Developer and Development Team

Complete the following information for each proposed development:

1. Sponsor Organization: Aurora St. Charles Senior Living L.P.
 Contact: David Block
 Address: 566 W Lake St #400, Chicago, IL 60661
 Phone: 312.382.3259 Email: dblock@verigreendevlopment.com

If this project is a co-venture and/or if this project will be syndicated, please list the co-partner and/or the owner organization. Please indicate if they are a Minority Business Enterprise (MBE) and/or a Women Business Enterprise (WBE).

- 1a. Co-Partner Seize the Future Development Foundation
 Contact: David Hulseberg
 Address: 43 West Galena Blvd., Aurora, IL 60506
 Phone: 630-256-3161 Email: hulsebergd@investinaurora.org
 MBE/WBE? "X" if yes Certification #: _____
- 1b. Owner Aurora St. Charles Senior Living L.P.
 Contact: Larry Pusateri
 Address: 566 W. Lake St., Suite 400, Chicago, IL 60661-1414
 Phone: 312-382-3258 Email: lpusateri@verigreendevlopment.com
 MBE/WBE? "X" if yes Certification #: _____
2. Attorney: Applegate & Thorne-Thomsen
 Contact: Paul Davis
 Address: 626 W. Jackson Blvd., Suite 400, Chicago, IL 60661
 Phone: 312-491-2205 Email: pdavis@att-law.com
 MBE/WBE? "X" if yes Certification #: _____
3. Contractor: Linn-Mathes Inc.
 Contact: Bob Mathes
 Address: 309 South Green St., Chicago, IL 60607-3501
 Phone: (312) 454-0200 x231 Email: bob@linn-mathes.com
 MBE/WBE? "X" if yes Certification #: _____
4. Architect: Weese Langley Weese
 Contact: Dennis W. Langley
 Address: 9 W Hubbard St # 201
 Phone: 312.642.1820 Email: dlangley@wlvtd.com
 MBE/WBE? "X" if yes Certification #: _____
5. Management Agent: Evergreen Real Estate Services, LLC
 Contact: Polly Kuehl
 Address: 566 W. Lake St., Suite 400, Chicago, IL 60661-1414
 Phone: 312-382-3232 Email: pkuehl@evergreenres.com
 MBE/WBE? "X" if yes Certification #: _____

Attach this information for other key entities involved in the project. If an entity other than the applicant will serve as the primary project manager, please include a separate attachment outlining the parties responsible for project management, description of duties, and relationship to the applicant – label as Attachment I – Project Management (only required if applicant is not primary project manager).

Section 6 – Site Information

Provide the following information for each proposed development. Make multiple copies of these pages if you plan more than one development.

General Site Information

Has a site been determined for this project? (Mark with an "X") X Yes ___ No

If "no", please answer the following question and proceed to the Rental Housing Production Application.

What are the plans for identifying and obtaining a site?

If "yes", additional information will be required in the Rental Housing Production Application.

Environmental

In order to assist the City in determining the effects on the environment of your proposal, please note that an environmental review under federal regulations will be required for each and every property subject to this application, and as such no commitments or contracts committing awarded funds are allowed prior to the completed environmental review and Notice to Proceed, on an address by address basis. Further, properties located within the 100-year floodplain are not eligible under this program.



INSTRUCTIONS FOR COMPLETING THE AURORA HOME RENTAL APPLICATION & PROFORMA WORKSHEETS

General Instructions

- A. Only enter information into yellow cells. Green cells are for AURORA 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.

0) Underwriting & HOME

- A. This sheet informs you as to HUD and AURORA'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 AURORA'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.

1) Application

- A. This is the general application form. It is 7-8 pages long.
- 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.

1a) Properties

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

2) 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 AURORA's Contract Rent Limits. These represent the maximum starting rents you will be able to charge tenants. Any utility allowances have been subtracted from the Gross Rent limits. HUD often allows modest rent increases over time.

3) 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.

4) 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 AURORA anticipates your project can support.

5) 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.

6) Development Budget

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

7) Construction Budget/Costs

- A. Enter detailed construction costs.
- B. Note AURORA % 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.

8) 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 AURORA in the "Developer's Notes" section at the bottom of the sheet.

9) 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:

Jeff McLaughlin, Manager - jmclaughlin@aurora-il.org

2) Mail a hard copy of this entire appliation/proforma along with the Required Attachments listed above to:

Amy Munro, Redevelopment Coordinator
51 E. Galena Blvd, Aurora, IL 60505

AURORA
HOME RENTAL COMPLIANCE CHECKS

Project: Aurora St. Charles Senior Living Project Number: 0

Underwriting Standards	Target	Applicant's #	If outside limits, briefly explain.
Vacancy Rate Year 1-4	5.0%	6.0%	IHDA standard
Vacancy Rate Year 5-15	8.0%	6.0%	IHDA standard
Rent Inflation Rate Years 1-3	2.0%	2.0%	
Rent Inflation Rate Years 4+	2.0%	2.0%	
Operating Cost Inflation Rates			
Administrative	3.0%	3.0%	
Operating	3.0%	3.0%	
Maintenance	3.0%	3.0%	
Utilities	3.0%	3.0%	
Taxes & Insurance	4.0%	4.0%	
Reserves	3.0%	3.0%	
Replacement Reserve - Rehab	\$400	\$450	IHDA standard
Replacement Reserve - New Construction	\$350	\$450	
Annual Operating Costs Per Unit	\$5,500	\$5,888	In IHDA allowable range
Debt Coverage Ratio Year 1	1.05	1.44	Assumed limitation of project valuation; LTV constrained
Lowest DCR	1.05	#VALUE!	

Household Income Limits:

PJ: Aurora

Targeted Income	Household Size					
	1	2	3	4	5	6
30% AMI	\$16,000	\$18,250	\$20,550	\$22,800	\$24,650	\$26,450
50% AMI	\$26,600	\$30,400	\$34,200	\$38,000	\$41,050	\$44,100
60% AMI	\$31,920	\$36,480	\$41,040	\$45,600	\$49,260	\$52,920
(HOME Limit) 80% AMI	\$42,600	\$48,650	\$54,750	\$60,800	\$65,700	\$70,550

Last Updated By HUD: 3/25/2015

HOME Gross Rent Limits

	Low-HOME	High-HOME	FMR
0 Bedrooms	\$665	\$812	\$812
1 Bedroom	\$712	\$914	\$922
2 Bedrooms	\$855	\$1,093	\$1,093
3 Bedrooms	\$988	\$1,261	\$1,393
4 Bedrooms	\$1,102	\$1,388	\$1,624

Last Updated: 3/1/2015

Development Costs Standards

	Minimum Required	Maximum Allowed	Notes	Project #s	Within Limits?
Construction Contingency					<i>Other</i>
New Construction	5.0%	7.5%	of construction - recommendation only	8.7%	FALSE
Rehab	7.5%	12.0%	IHDA calc. requirement / investor requirement	8.7%	FALSE
Developer Fee					
New Construction	na	12.0%	of TDC - Identities of interest may lower	-	No
Rehab	na	12.0%	this limit.	9.8%	Yes
Contractor's Overhead, Profit, etc.					
Total Limit	10%	15.0%	of construction	13.7%	Yes

HOME Cost Allocation

TDC for Residential & Common Space	\$22,837,043	State HOME Units	AURORA HOME Units
Total HOME Funds Requested	\$500,000	\$0	\$500,000
HOME Subsidy as % of Total Development Costs	2.2%	0	0.021894253
Total Units	60		

Required HOME Units

	Minimum HOME Requirement		Number applicant has agreed to:	
	State HOME Units	AURORA HOME Units	State HOME Units	AURORA HOME Units
# of HOME-Assisted Units	0	2		12
# of Low HOME Units		0		
HOME Subsidy Per Unit		\$250,000		\$41,667

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

Minimum HOME Affordability Period 15 years

Breakdown of HOME Units Required by Bedroom Type:			Required HOME Units
Bedrooms	# of Units	HOME as % TDC	(Estimated)
0 Bedroom	5	2.2%	0.1
1 Bedroom	42	2.2%	0.9
2 Bedroom	13	2.2%	0.3
3 Bedroom	0	2.2%	0.0
4 Bedroom	0	2.2%	0.0
Total	60	Rounded Total:	2.0

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		6	6
2 Bedroom		6	6
3 Bedroom			0
4 Bedroom			0
Total	0	12	12

HOME Subsidy Limits:

Bedroom Type	# Units	HUD HOME 221(d)(3) Gross Maximum	
		Subsidy Limit	Subsidy
0 Bedroom	0	\$137,361	\$0
1 Bedroom	6	\$157,466	\$944,796
2 Bedroom	6	\$191,476	\$1,148,856
3 Bedroom	0	\$247,708	\$0
4 Bedroom	0	\$271,908	\$0
Maximum HOME Subsidy Allowed			\$2,093,652
HOME Funds Requested			\$500,000
Within Limits?			Yes

Subsidy Limits Last Updated: 7/29/2015

HOME Match Calculation

List the sources of HOME Match in this project:

Source	Amount of Match	Form of Permanent Contribution to		Notes
		Affordable Housing		
Private First Mortgage	\$2,890,000	First Mortgage		
Deferred Developers Fee	\$695,633	Equity		
NEF / IHDA / LIHTC	\$12,043,303	Equity		
NEF / Historic Credits	\$6,707,907	Equity		
Member Contributions	\$200	Equity		

AURORA HOME RENTAL PRODUCTION APPLICATION

Last Date Modified: **8/16/2015**

PROJECT NUMBER:

A. General Information

Development Information

Development Name: Aurora St. Charles Senior Living				
Street Address:	400 E New York Ave			Census Tract:
Municipality:	Aurora	IL	Zip: 60505	8536

Total number of rental units planned	60	units
Number of income restricted HOME Units planned	3	units
Construction Type	Other	
Housing Type	Multi-Story w/Elevator	Fixed or Floating Units? Floating

Project Summary *Briefly describe your project.*

Aurora St Charles Senior Living will restore the former St Charles Hospital, a remarkable 1932 Art Deco building, to its original grandeur while providing a total of 60 studio, one-bedroom, and two-bedroom apartments for seniors. Rents will be affordable to residents with a range of incomes. While the building is structurally sound, all systems will be replaced and interiors will undergo major rehab. Historic elements of the building will be preserved and restored.

Funding Request <i>(info from other worksheets)</i>	Total	Per Unit
HOME Development Subsidy - Permanent Loan	\$500,000	\$8,333
NSP Development Subsidy- Permanent Loan	\$0	\$0

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

B. Developer Information

Entity Name:	Aurora St Charles Senior Living L.P.		Federal I.D. #:	32-0471572	
Contact Person:	David Block		Phone:	312.382.3259	
Address:	566 W Lake St. #400		Email:	dblock@verigreendevlopment.com	
City:	Chicago	State:	IL	Zip:	60661
DUNS #	07-996-0574	CCR#		Expiration Date:	

Legal Form:	Limited Partnership	
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 the AURORA?		
Is the firm a Certified Minority-owned Business Enterprise (MBE)?	No	
Certifying entity:		
Is the firm a Certified Woman-owned Business Enterprise (WBE)?	No	
Certifying entity:		
Is the firm 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.

The project will be owned by Aurora St. Charles Senior Living L.P. Seize the Future Development Foundation, the City's non-profit development affiliate, and the Northern Lights Development Corporation, a non profit affiliate of the Aurora Housing Authority, are partners in the deal.

General Partner/Corporate Officer Information (if applicable)

(List Managing General Partner on first line.)

Name:	Fed. ID	Owner-ship %
Aurora St. Charles Senior Living GP LLC	47-4676187	0.075%
Aurora St. Charles Senior Living NFP LLC	In process (Seize the Future entity)	0.025%

Properties Currently Owned by Applicant & Affiliate Entities

On the worksheet "1a)Properties" enter all properties owned by the applicant and its affiliated entities. AURORA 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): 83 years old

of Stories: 7 stories

Structural System	Concrete	Other:	Parking	Parking Pad/Driveway
Basement	Full	Other:	Other Parking:	Parking Lot
Exterior	Brick	Other:	Sanitary Sewer	Public Sewer

Will this project target special populations? Yes

If yes, indicate which populations: Elderly Other: Veterans

How many units will be fully accessible for the handicapped? 6

Describe accessibility improvements/features of the proposed units.

100% of the units will score 50 points on the universal design checklist, including features such as no-step entry, min 32' primary entry doors, accessible route of travel to bathroom, accessible hardware, rocker light switches, nonslip floors, kitchen on accessible route, removable cabinets under kitchen sink, grab bar reinforcement in bathrooms, etc. See universal design checklist for full details (in Attachment 3, Plans and Specs).

Will the project exceed the Americans with Disabilities Act standards & make units barrier free? Please explain.

Yes. Accessible route to units from public sidewalks, wide doors into and inside units, accessible routes to kitchen and bathroom in units. This will be an elevator building with all units accessible.

Will the project address unique physical needs with special site/design features that will substantially add to costs? Please explain.

2% of the units (2) will be designed for persons with sensory impairments per ICC/ANSI 117.1-2003 Section 1005 and 10% (6 units) will be full accessible per ICC/ANSI 117.1-2003 Section 1002. All 60 units are adaptable.

Energy and Equipment Information

AURORA 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 obtain Enterprise Green Communities certification. While the detailed list of points that will be claimed is still under development, the project will aim to incorporate energy efficient features and techniques in to the greatest extent feasible.

Have you joined the Energy Star Partnership? No

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

TBD.

Heating System:	Heat Pump	Energy Star?	Other green amenities:
Air Conditioning System:	Other		Will obtain Enterprise Green Communities certification.
Domestic Hot Water:	Gas		

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

<input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Kitchen Exhaust Duct	Other:
<input checked="" type="checkbox"/> Range & Oven	<input type="checkbox"/> Ceiling Fans	<input checked="" type="checkbox"/> Common On-site Laundry	
<input type="checkbox"/> Garbage Disposal	<input type="checkbox"/> Fireplace	<input type="checkbox"/> Security Alarm	
<input type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Blinds/Drapes	<input 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):	137190	Sq Ft
Is the project in a national or local historic district?		Yes
Have you already acquired the project property?		No
Was the property occupied at the time you obtained ownership?		
If vacant at purchase, how many months had it been vacant?		
Did/will you acquire the property with clear title and no debt?		Yes
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.

There is no relationship between the buyer and the seller.

Does current site zoning allow the proposed residential use? Yes

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

Will the current site(s) require lots to be subdivided? No

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	Yes	Broadband	Yes
Electric Power System	Yes		
Cable Television System	Yes		
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	Yes
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

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

Please Describe any other unusual site conditions:

Building contains some lead-based paint and asbestos-containing materials; will be remediated as part of development project. Further soils investigation as recommended by Phase I ESA is underway.

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

E. Market Analysis & Leasing

Applicants must submit a market analysis demonstrating the need for & marketability of the proposed project. Market Analyses may be conducted in-house or by a 3rd party professional.

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

Supported by a 3rd party market study.

Explain how you arrived at the projected rents:

Supported by a 3rd party market study.

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

The property will be one of the nicest senior housing facilities in the Aurora area, and the market study shows strong demand for senior housing. Evergreen Real Estate Services, the property manager, has a strong track record of leasing up affordable housing, and will engage a 3rd party to assist with marketing if lease up is slow.

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

No

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

Across the street from a McCarty Park and a supermarket. On a bus line. Close to downtown Aurora.

F. Previous Development Experience

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

3.00

Has the developer completed other residential development projects?

Yes

If yes, please answer the following:

How many projects has the developer completed?

18*

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

New Construction

units

139*

Rehab

units:

1488*

List most recently completed projects:

Project Name	Address	Construction Type	Tenure Type	Target Residents	# Units	Total Devel. Costs
Walnut Commons	520 N. Walnut St., Muncie, IN	New	Rental	Low/Mod Income	44	\$8,300,000
Lakewood Village	115 Glen St., Grayslake, IL	Rehab	Rental	Low/Mod Income	84	\$12,342,085
Evergreen Tower I	1333 N. Cleveland St. Chicago, IL	Rehab	Rental	Low/Mod Income	100	\$20,000,000
Buena Vista Tower	222 Locust St., Elgin, IL	Rehab	Rental	Low/Mod Income	96	\$8,100,000
Greenleaf Manor	3345 Sanders Rd., Glenview, IL	New	Rental	Low/Mod Income	20	\$8,760,000

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

David Block, VeriGreen's Director of Development has 20 years of experience in housing and community development, and has overseen the development of nearly \$200M of affordable housing, encompassing approx 1000 units. Kevin Beard, a VeriGreen Project Manager, has a decade of experience in real estate and community development, 4 years of which are in affordable housing. VeriGreen principals Jeff Rappin, Steve Rappin, and Larry Pusateri have decades of experience in various roles in the real estate and housing industry.

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

* The totals above include projects completed and owned by the VeriGreen principals in a principal role. VeriGreen Development LLC is a new entity, created in 2012, that has fully completed one development and has 4 others in progress.

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

VeriGreen, and its principals, have completed previous HOME units and there are no outstanding issues.

G. Ongoing Management Experience, Structure & Capacity

Who will perform property management?	3rd party professional management company
Name of management staff/company:	Evergreen Real Estate Services, LLC
How many units is your staff or 3rd party mgt company currently managing?	4,236
How many HUD income-restricted units is your staff/mgt company currently managing?	2,876

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

Evergreen is a sister company of VeriGreen. Two of VeriGreen's three principals are also principals of Evergreen. Evergreen is one of the most respected managers of HUD, LIHTC, and market rate properties in the greater Chicago area, managing units owned by the company and for 3rd parties. Evergreen has more than 15 years experience managing HUD income restricted rental units and has never failed a REAC or similar inspection. Many of its staff maintain multiple industry standard affordable housing management certifications.

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

Evergreen will take the lead on property management, ongoing compliance and asset management. As this will be a syndicated Low Income Housing Tax Credit project, the syndicator, NEF will also have a role in asset management and compliance.

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:

Project Based Vouchers from the Aurora Housing Authority are expected to allow low income residents to pay no more than 30% of their income for residency at the property.

Number of units expected to receive assistance: 44 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 development and management team will facilitate connections to supportive services, but will not provide services directly.

Will participation in supportive services be mandatory? No

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

NA

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			
	Contract	March	2015	
	Closing	November	2015	
	Zoning	March	2015	
	Site Analysis	March	2015	
Construction Financing	Application Submission	March	2015	
	Conditional Commitment	March	2015	
	Firm Commitment	September	2015	
	Closing	November	2015	
Plans	Preliminary Drawings	March	2015	
	Working Drawings	November	2015	
Construction Loan Closing		November	2015	
Construction Start		December	2015	
Marketing Start-Up		October	2016	
Construction Complete		December	2016	\$500,000
Unit(s) Fully Leased		June	2017	
Total Construction Schedule:		12	months	\$500,000

L. Development Team Information

	Name	Address	Phone	Certified MBE	Certified WBE	Worked together previously?
Project Mgr:	VeriGreen Development, LLC	566 W. Lake St., Suite 400	312.382.3259	No	No	Yes
Contractor:	Linn-Mathes, Inc.	309 South Green St.	(312) 454-0200 x231	No	No	Yes
Consultant:						
Attorney:	Applegate and Thorne-Thomsen	626 W. Jackson Blvd., Suite 400	312-491-2205	No	No	Yes
Property Manager:	Evergreen Real Estate Services, LLC	566 W. Lake St., Suite 400	312-382-3232	No	No	Yes
Architect:	Weese Langley Weese	9 W Hubbard St # 201	312.642.1820	No	No	Yes
Engineer:						

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

1. Veterans New Beginnings, Chicago IL - 54 units new construction
2. Lake Street Studios, Chicago IL - 51 units new construction
3. 1000 W Fulton, Chicago, IL - 650,000 SF commercial conversion (office and retail)
4. Bronzeville Family 2 - Chicago, IL 24 units new construction
5. 20-28 E Jackson, Chicago IL - 124 units - gut rehab
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:

Steve Rappin and Jeff Rappin have ownership stakes in both VeriGreen Development, LLC and Evergreen Real Estate Services, LLC, as well as Aurora St. Charles Senior Living LP.

Is the Developer, Sponsor, or any other Development Team Member related to a AURORA elected official or employee?

No

If yes, provide details:

NA

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:	
NA	
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:	
NA	
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:	
NA	

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?	0
If vacant at purchase, how many months had it been vacant?	0
Will your development require any households to move temporarily?	No
<i># of households to move temporarily:</i>	
Will your plans require any occupants to move permanently?	No
<i># of households to move permanently:</i>	
Will your development require any commercial occupants to move?	No
<i># of commercial occupants to move:</i>	
If you answered yes to any of the above questions, describe your relocation plan.	
NA	

N. Required Application Attachments

- | | |
|---|---|
| 1 Project Area Map | 8 Affirmative Marketing Plan for Lease Up & Tenant selection plan |
| 2 Proof of Site Control* | 9 Current Letters for Project Funding/Financing |
| 3 Plans, Specs, Drawing, Renderings | 10 Organizational or Personal Financial Statement |
| 4 Market Study/Needs Assessment | 11 Organization’s Annual Operating Budget or Audit (nonprofits) |
| 5 Appraisal Supporting Acquisition Price* | 12 Current Letters of Support* |
| 6 Staff Resumes/References | 13 Current Letters of Partnership* |
| 7 Detailed Relocation Plan* | 14 Any info required by an AURORA Request for Proposals. |

**If Applicable*

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 AURORA promptly (within 5 business days).

I understand that awards will be made on a competitive basis and AURORA may award an amount less than requested. I understand that AURORA 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:

Printed Name

Signature

Title

Date

Chief Elected Officer Signature (Board Chair)

Printed Name

Signature

Title (Board Chair, President, etc.)

Date

Addendum to Application Form

Project: Aurora St. Charles Senior Living

Project #: 0

◆ **Properties Included in the Project Site(s)**

	Street Address	Zip	Year Built	Parcel #	Form of Site Control	Acquisition Price <i>(actual or anticipated)</i>	Date of Appraisal
1	400 E New York Ave	60505	1932	15-22-451-001, 002,003,004	Purchase Contract	\$3,000,000	
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
						\$3,000,000	

◆ **Code Violations and/or Outstanding Taxes**

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

None.

◆ **Other Properties Currently Owned by Applicant**

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

	Street Address	Zip	Parcel #
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

◆ **Properties Currently Owned by Affiliate Entities**

Affiliate Entity 1:

	Street Address	Zip	Parcel #
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

Affiliate Entity 2:

	Street Address	Zip	Parcel #
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

Affiliate Entity 3:

	Street Address	Zip	Parcel #
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

Affiliate Entity 4:

	Street Address	Zip	Parcel #
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

**AURORA
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	Other	Tenant	\$7	\$9	\$12		
Other, Lighting	Electric	Tenant	\$25	\$32	\$42		
Hot Water		Owner					
Water		Owner					
Heating		Owner					
Sewer		Owner					
Trash Collection		Owner					
TOTAL			\$32	\$41	\$54	\$0	\$0

HOME Rent

Limits

HOME GROSS Rent Limits

HOME CONTRACT Rent Limits

	Low-HOME	High-HOME	FMR	Low-HOME	High-HOME	FMR
0 Bedrooms	\$665	\$812	\$812	\$633	\$780	\$780
1 Bedroom	\$712	\$914	\$922	\$671	\$873	\$881
2 Bedrooms	\$855	\$1,093	\$1,093	\$801	\$1,039	\$1,039
3 Bedrooms	\$988	\$1,261	\$1,393	\$988	\$1,261	\$1,393
4 Bedrooms	\$1,102	\$1,388	\$1,624	\$1,102	\$1,388	\$1,624

(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: Aurora Housing Authority Date Updated: 1/1/2015

Unit Type: HIGH RISE W/ELEVATOR							
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	26	30	36	43	49	61
	b. Bottle Gas						
	c. Oil						
	d. Electric	33	41	49	61	75	88
Cooking	a. Natural Gas	4	5	7	8	10	11
	d. Electric	7	9	12	15	19	20
Other Electric/Lighting		25	32	42	52	65	70
Water Heating	a. Natural Gas	5	6	8	11	13	14
	c. Oil						
	d. Electric	10	13	17	21	26	28
Water:		29	39	49	62	69	79
Sewer:		19	27	35	46	52	60
Trash Collection		11	11	16	22	27	32
Range/Microwave		4	4	5	5	6	6
Refrigerator		4	4	4	5	5	6

AURORA
Unit Information & Gross Revenue Potential

Project: Aurora St. Charles Senior Living

Developer: Aurora St Charles Senior Living L.P.

Efficiency Units	% AMI			Contract Rent	Monthly		HOME Contract Rent Limit
	Targeted	# of Units	Baths		Sq. Ft.	Rent	
< 30%	2	1	550	\$347	\$694	\$8,328	\$633
50%	1	1	550	\$812	\$812	\$9,744	\$633
60%	1	1	550	\$700	\$700	\$8,400	\$633
Market Rate	1	1	550	\$700	\$700	\$8,400	\$780
					\$0	\$0	\$780
					\$0	\$0	na
Subtotal		5			\$2,906	\$34,872	

3 BR Units	% AMI			Contract Rent	Monthly Rent	Annual Rent	HOME Contract Rent Limit
	Targeted	# of Units	Baths				
					\$0	\$0	\$988
					\$0	\$0	\$988
					\$0	\$0	\$988
					\$0	\$0	\$1,261
					\$0	\$0	\$1,261
					\$0	\$0	na
Subtotal		0			\$0	\$0	

1 BR Units	% AMI			Contract Rent	Monthly		HOME Contract Rent Limit
	Targeted	# of Units	Baths		Sq. Ft.	Rent	
< 30%	3	1	700	\$365	\$1,095	\$13,140	\$671
50%	34	1	700	\$922	\$31,348	\$376,176	\$671
60%	3	1	700	\$771	\$2,313	\$27,756	\$671
Market Rate	2	1	700	\$925	\$1,850	\$22,200	\$873
					\$0	\$0	\$873
					\$0	\$0	na
Subtotal		42			\$36,606	\$439,272	

4 BR Units	% AMI			Contract Rent	Monthly Rent	Annual Rent	HOME Contract Rent Limit
	Targeted	# of Units	Baths				
					\$0	\$0	\$1,102
					\$0	\$0	\$1,102
					\$0	\$0	\$1,102
					\$0	\$0	\$1,388
					\$0	\$0	\$1,388
					\$0	\$0	na
Subtotal		0			\$0	\$0	

2 BR Units	% AMI			Contract Rent	Monthly		HOME Contract Rent Limit
	Targeted	# of Units	Baths		Sq. Ft.	Rent	
< 30%	1	1	950	\$433	\$433	\$5,196	\$801
50%	9	1	950	\$1,093	\$9,837	\$118,044	\$801
60%	2	1	950	\$921	\$1,842	\$22,104	\$801
Market Rate	1	1	950	\$1,100	\$1,100	\$13,200	\$1,039
					\$0	\$0	\$1,039
					\$0	\$0	na
Subtotal		13			\$13,212	\$158,544	

Total Units	# of Units	Gross Rent Potential	Monthly Rent	Annual Rent
			Per Unit Avg	
	60		\$52,724	\$632,688
			\$879	\$10,545

Other Income	Monthly		Annually
	Monthly	Annually	
Miscellaneous & Interest			\$0
Laundry			\$0
Carports/Garages			\$0
Tenant Charges (late fees, insufficient funds, etc)			\$0
Other:			\$0
Totals			\$0

Square Footage Breakdown	
Residential Square Footage	44,500
Common Areas Sq. Ft.	36,002
Commercial Sq. Ft.	
Total Square Footage	80,502

Operating Subsidy:	Year 1	Year 2	Year 3	Year 4	Year 5
	Amount				

**AURORA
ANNUAL OPERATING BUDGET**

Project: Aurora St. Charles Senior Living

Developer: Aurora St Charles Senior Living L.P.

REVENUE

	<u>Annual</u>	<u>Per Unit</u>	
Gross Rent Potential	\$632,688	\$10,545	
Other Revenue	\$0	\$0	
Subtotal	\$632,688	\$10,545	
Combined Vacancy Rate	6.0%	\$37,961	\$633
Adjusted Gross Income	\$594,727	\$9,912	100.0%

OPERATING EXPENSES

	<u>Annual</u>	<u>Per Unit</u>	
Administrative			
Administrative Salaries	\$52,200	\$870	
Office Expenses	\$3,300	\$55	
Legal	\$3,000	\$50	
Accounting	\$7,200	\$120	
Telephone	\$1,800	\$30	
Monitoring Fee(s)	\$8,900	\$148	
Marketing	\$3,798	\$63	
Other	\$38,621	\$644	
Subtotal	\$118,819	\$1,980	20.0%

	<u>Annual</u>	<u>Per Unit</u>	
Operating			
Operating Expense Salaries		\$0	
Janitorial	\$5,571	\$93	
Exterminating	\$1,200	\$20	
Rubbish Removal	\$4,800	\$80	
Security	\$1,800	\$30	
Snow Removal	\$1,500	\$25	
Other		\$0	
Subtotal	\$14,871	\$248	2.5%

	<u>Annual</u>	<u>Per Unit</u>	
Maintenance			
Maintenance Salaries	\$36,400	\$607	
Grounds & Pool	\$6,000	\$100	
Elevator		\$0	
HVAC	\$2,807	\$47	
Plumbing & Electrical	\$9,328	\$155	
Painting/Decorating/Carpet	\$281	\$5	
Other	\$5,076	\$85	
Other		\$0	
Subtotal	\$59,892	\$998	10.1%

Utilities

	<u>Annual</u>	<u>Per Unit</u>	
Electricity	\$10,500	\$175	
Gas	\$13,500	\$225	
Oil		\$0	
Water & Sewer	\$12,000	\$200	
Other		\$0	
Subtotal	\$36,000	\$600	6.1%

Taxes & Insurance

	<u>Annual</u>	<u>Per Unit</u>	
Real Estate Taxes	\$62,400	\$1,040	
Other Taxes		\$0	
Insurance	\$34,320	\$572	
Other		\$0	
Subtotal	\$96,720	\$1,612	16.3%

Reserves

	<u>Annual</u>	<u>Per Unit</u>	
Replacement Reserve	\$27,000	\$450	
Operating		\$0	
FF&E		\$0	
Debt Service		\$0	
Other		\$0	
Other		\$0	
Subtotal	\$27,000	\$450	4.5%

Total Operating Expenses **\$353,302** **\$5,888** 59.4%

NET OPERATING INCOME **\$241,425** **\$3,574** 40.6%

Estimated Mortgage

Debt Coverage Ratio Year 1	1.05
Interest Rate	5.00%
Term	40
Annual Payment	\$229,928
Mortgage Amount (PV)	\$3,973,627

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

Net Cash Flow Year 1 \$11,496
Cash Flow Per Unit \$192

**AURORA
OPERATING CASH FLOW PROJECTION**

Project: Aurora St. Charles Senior Living

Developer: Aurora St Charles Senior Living L.P.

		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>										
	<u>Years 1-4</u> <u>Years 5+</u>										
Gross Income Potential	2.0% 2.0%	\$632,688	\$645,342	\$658,249	\$671,414	\$684,842	\$698,539	\$712,509	\$726,760	\$741,295	\$756,121
Vacancy Factor	6.0% 6.0%	\$37,961	\$38,721	\$39,495	\$40,285	\$41,091	\$41,912	\$42,751	\$43,606	\$44,478	\$45,367
Operating Subsidy/Reserve Draw		\$0	\$0	\$0	\$0	\$0					
Net Income		\$594,727	\$606,621	\$618,754	\$631,129	\$643,751	\$656,626	\$669,759	\$683,154	\$696,817	\$710,753
	<i>Per Unit</i>	\$9,912	\$10,110	\$10,313	\$10,519	\$10,729	\$10,944	\$11,163	\$11,386	\$11,614	\$11,846
OPERATING EXPENSES	<u>Inflation Factor</u>										
Administration	3.0%	\$118,819	\$122,384	\$126,055	\$129,837	\$133,732	\$137,744	\$141,876	\$146,132	\$150,516	\$155,032
Operating	3.0%	\$14,871	\$15,317	\$15,777	\$16,250	\$16,737	\$17,240	\$17,757	\$18,289	\$18,838	\$19,403
Maintenance	3.0%	\$59,892	\$61,689	\$63,539	\$65,446	\$67,409	\$69,431	\$71,514	\$73,660	\$75,869	\$78,145
Utilities	3.0%	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518	\$41,734	\$42,986	\$44,275	\$45,604	\$46,972
Taxes & Insurance	4.0%	\$96,720	\$100,589	\$104,612	\$108,797	\$113,149	\$117,675	\$122,382	\$127,277	\$132,368	\$137,663
Reserves	3.0%	\$27,000	\$27,810	\$28,644	\$29,504	\$30,389	\$31,300	\$32,239	\$33,207	\$34,203	\$35,229
Total Operating Expenses		\$353,302	\$364,868	\$376,820	\$389,171	\$401,934	\$415,124	\$428,754	\$442,840	\$457,398	\$472,444
	<i>Per Unit</i>	\$5,888.37	\$6,081.14	\$6,280.34	\$6,486.18	\$6,698.90	\$6,918.73	\$7,145.90	\$7,380.67	\$7,623.31	\$7,874.07
Net Operating Income		\$241,425	\$241,753	\$241,933	\$241,958	\$241,817	\$241,503	\$241,005	\$240,314	\$239,419	\$238,309
	<i>Per Unit</i>	\$4,023.75	\$4,029.22	\$4,032.22	\$4,032.63	\$4,030.29	\$4,025.05	\$4,016.75	\$4,005.23	\$3,990.31	\$3,971.82
AURORA Servicing Mortgage (HOME, CDBG)		\$0	\$0	#VALUE!	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Debt Service		\$167,456	\$167,456	\$167,456	\$167,456	\$167,456	\$167,456	\$167,456	\$167,456	\$167,456	\$167,456
Debt Coverage Ratio		1.44	1.44	#VALUE!	1.44	1.44	1.44	1.44	1.44	1.43	1.42
CASH FLOW		\$73,969	\$74,297	#VALUE!	\$74,502	\$74,362	\$74,047	\$73,549	\$72,858	\$71,963	\$70,854
	<i>Per Unit</i>	\$1,233	\$1,238	#VALUE!	\$1,242	\$1,239	\$1,234	\$1,226	\$1,214	\$1,199	\$1,181
Payments Out of Cash Flow:											
Payments Out of Cash Flow:											
FINAL CASH FLOW		\$73,969	\$74,297	#VALUE!	\$74,502	\$74,362	\$74,047	\$73,549	\$72,858	\$71,963	\$70,854
	<i>Per Unit</i>	\$1,233	\$1,238	#VALUE!	\$1,242	\$1,239	\$1,234	\$1,226	\$1,214	\$1,199	\$1,181

	AURORA OPERATING CASH FLOW PROJECTION
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Project: Aurora St. Charles :

		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>										
	<u>Years 1-4</u> <u>Years 5+</u>										
Gross Income Potential	2.0% 2.0%	\$771,243	\$786,668	\$802,401	\$818,449	\$834,818	\$851,515	\$868,545	\$885,916	\$903,634	\$921,707
Vacancy Factor	6.0% 6.0%	\$46,275	\$47,200	\$48,144	\$49,107	\$50,089	\$51,091	\$52,113	\$53,155	\$54,218	\$55,302
Operating Subsidy/Reserve Draw											
Net Income		\$724,969	\$739,468	\$754,257	\$769,342	\$784,729	\$800,424	\$816,432	\$832,761	\$849,416	\$866,405
	<i>Per Unit</i>	\$12,083	\$12,324	\$12,571	\$12,822	\$13,079	\$13,340	\$13,607	\$13,879	\$14,157	\$14,440
OPERATING EXPENSES	<u>Inflation Factor</u>										
Administration	3.0%	\$159,683	\$164,473	\$169,407	\$174,490	\$179,724	\$185,116	\$190,670	\$196,390	\$202,281	\$208,350
Operating	3.0%	\$19,985	\$20,585	\$21,202	\$21,839	\$22,494	\$23,169	\$23,864	\$24,579	\$25,317	\$26,076
Maintenance	3.0%	\$80,490	\$82,905	\$85,392	\$87,953	\$90,592	\$93,310	\$96,109	\$98,992	\$101,962	\$105,021
Utilities	3.0%	\$48,381	\$49,832	\$51,327	\$52,867	\$54,453	\$56,087	\$57,769	\$59,503	\$61,288	\$63,126
Taxes & Insurance	4.0%	\$143,169	\$148,896	\$154,852	\$161,046	\$167,488	\$174,187	\$181,155	\$188,401	\$195,937	\$203,774
Reserves	3.0%	\$36,286	\$37,374	\$38,496	\$39,650	\$40,840	\$42,065	\$43,327	\$44,627	\$45,966	\$47,345
Total Operating Expenses		\$487,994	\$504,065	\$520,676	\$537,845	\$555,591	\$573,934	\$592,894	\$612,492	\$632,751	\$653,693
	<i>Per Unit</i>	\$8,133.23	\$8,401.09	\$8,677.94	\$8,964.09	\$9,259.85	\$9,565.56	\$9,881.56	\$10,208.20	\$10,545.84	\$10,894.88
Net Operating Income		\$236,975	\$235,402	\$233,581	\$231,497	\$229,138	\$226,490	\$223,539	\$220,269	\$216,666	\$212,712
	<i>Per Unit</i>	\$3,949.58	\$3,923.37	\$3,893.01	\$3,858.29	\$3,818.97	\$3,774.84	\$3,725.65	\$3,671.15	\$3,611.09	\$3,545.20
AURORA Servicing Mortgage (HOME, CDBG)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Debt Service		\$167,456	\$167,456	\$167,456	\$167,456	\$167,456	\$167,456	\$167,456	\$167,456	\$167,456	\$167,456
Debt Coverage Ratio		1.42	1.41	1.39	1.38	1.37	1.35	1.33	1.32	1.29	1.27
CASH FLOW		\$69,519	\$67,947	\$66,125	\$64,042	\$61,683	\$59,035	\$56,083	\$52,814	\$49,210	\$45,256
	<i>Per Unit</i>	\$1,159	\$1,132	\$1,102	\$1,067	\$1,028	\$984	\$935	\$880	\$820	\$754
Payments Out of Cash Flow:											
Payments Out of Cash Flow:											
FINAL CASH FLOW		\$69,519	\$67,947	\$66,125	\$64,042	\$61,683	\$59,035	\$56,083	\$52,814	\$49,210	\$45,256
	<i>Per Unit</i>	\$1,159	\$1,132	\$1,102	\$1,067	\$1,028	\$984	\$935	\$880	\$820	\$754

**AURORA
DEVELOPMENT BUDGET (Uses)**

Project: Aurora St. Charles Senior Living Developer: Aurora St Charles Senior Living
Project Number: 0

	TOTAL	Per Unit	Per SF	% TDC
ACQUISITION				
Land	\$600,000	\$10,000		
Building	\$2,400,000	\$40,000		
Holding Costs	\$0	\$0		
Other:				
Other:	\$30,000	\$500		
Total Acquisition:	\$3,030,000	\$50,500	\$37.64	13.3%
HARD COSTS (complete sheet #7)				
General Cond., Overhead & Profit	\$1,890,500	\$31,508		
Construction Hard Costs	\$11,866,500	\$197,775		
Building Permit & Other Local Fees	\$289,809	\$4,830		
Total Construction:	\$14,046,809	\$234,113	\$174.49	61.5%
CONTINGENCY	\$1,228,716	\$20,479	0.0%	5.4%
SOFT COSTS		\$100,000		
Architect: Design	\$453,614	\$7,560		
Architect: Supervision	\$94,503	\$1,575		
Civil Engineering	\$50,000	\$833		
Green Certification Fees	\$0	\$0		
Legal	\$135,000	\$2,250		
Accounting/Cost Certification	\$35,000	\$583		
Survey	\$32,000	\$533		
Appraisal	\$10,000	\$167		
Environmental Report	\$44,101	\$735		
Soil Tests	\$0	\$0		
Market Study	\$9,500	\$158		
3rd Party Cost Estimate	\$0	\$0		
Title & Recording	\$24,000	\$400		
Marketing	\$30,000	\$500		
Other:	\$10,000	\$167		
Other:	\$140,303	\$2,338		
Total Soft Costs:	\$1,068,021	\$17,800	\$13.27	4.7%
PERMANENT FINANCING				
Application Fees	\$5,000	\$83		
LIHTC Fees	\$117,405	\$1,957		
Working Capital/Latent Defects LOC Fee	\$0	\$0		
Origination Fees	\$116,238	\$1,937		
Financing Legal Fees	\$40,000	\$667		
Lender's Inspecting Architect	\$35,000	\$583		
Bond Insurance Fees	\$0	\$0		
Credit Enhancement Fee	\$0	\$0		
Bank Escrow Fee	\$0	\$0		
Rating Agency Fee	\$0	\$0		
Other:	\$19,370	\$323		
Other:	\$0	\$0		
Total Interim Financing:	\$333,013	\$5,550	\$4.14	1.5%
INTERIM FINANCING				
Construction/Bridge Loan Interest	\$557,500	\$9,292		
MIP/Credit Enhancement during construction	\$0	\$0		
Servicing Fees during construction	\$0	\$0		
Real Estate Taxes during construction	\$37,000	\$617		
Insurance during construction	\$45,000	\$750		
Other:	\$0	\$0		
Total Permanent Financing:	\$639,500	\$10,658	\$7.94	2.8%
SYNDICATION				
Syndication Legal	\$52,000	\$867		
Partnership organizational expense	\$0	\$0		
Other:	\$0	\$0		
Total Syndication:	\$52,000	\$867	\$0.65	0.2%
RESERVES				
Real Estate Tax Reserve	\$34,320	\$572		
Insurance Reserve	\$36,036	\$601		
Capital Replacement Reserve	\$27,000	\$450		
Initial Rent-up Reserve	\$60,000	\$1,000		
Operating Reserve	\$281,628	\$4,694		
Debt Service Reserve	\$0	\$0		
Other:	\$0	\$0		
Other:	\$0	\$0		
Other:	\$0	\$0		
Total Reserves:	\$438,984	\$7,316	\$5.45	1.9%
DEVELOPER FEE	\$2,000,000	\$33,333	\$24.84	8.8%
TOTAL DEVELOPMENT COSTS (TDC):	\$22,837,043	\$380,617	\$283.68	100.0%

AURORA
Construction Budget/Costs (Based on CSI)

Project: Aurora St. Charles Seni Square Feet: 80,502 Units: 60
 Project Number 0 Construction: Other

	Limit	Total Cost	Per Unit	Per SF	% Construction
1. General Requirements					
A. General Contractor's Markup					
Indirect Overhead: Office Expenses such as office rent, utilities, equipment, supplies, office salaries, professional fees, marketing, etc.	15.0%	\$529,484			
Direct Overhead: Job supervision, temporary power, cell phone, job site toilets, tool storage, job site clean up & debris removal, equipment rental, etc.		\$845,000			
Profit		\$516,016			
Subtotal		\$1,890,500	\$31,508	\$23.48	14%
2. Existing Conditions					
Environmental Clearance					
Demolition		\$542,000			
Other		\$300,000			
Subtotal		\$842,000	\$14,033	\$10.46	6%
3. Concrete					
Basement and Garage Floors					
Foundation Walls					
Flatwork					
Other		\$25,000			
Subtotal		\$25,000	\$417	\$0.31	0%
4. Masonry					
Foundation Walls					
Veneer					
Fireplace and/or chimney					
Exterior retaining walls					
Other		\$750,000			
Subtotal		\$750,000	\$12,500	\$9.32	5%
5. Metals					
Structural					
Wrought Iron					
Other:		\$50,000			
Subtotal		\$50,000	\$833	\$0.62	0%
6. Wood & Composites					
Rough Capentry		\$400,000			
Finish Carpentry		\$297,500			
Other					
Subtotal		\$697,500	\$11,625	\$8.66	5%
7. Thermal & Moisture Protection					
Roofing		\$350,000			
Insulation		\$210,000			
Exterior Siding					
Exterior Trim					
Gutters and Downspouts					
Other		\$127,000			
Subtotal		\$687,000	\$11,450	\$8.53	5%
8. Openings					
Windows					
Exterior Doors					
Interior Doors		\$173,000			
Garage Door					
Door Hardware					
Other		\$855,000			
Subtotal		\$1,028,000	\$17,133	\$12.77	7%
9. Finishes					
Gypsum Wallboard		\$1,000,000			
Ceramic Tile		\$245,000			
Flooring (wood, vinyl, carpet, etc.)		\$309,500			
Painting		\$350,000			
Other		\$25,000			
Subtotal		\$1,929,500	\$32,158	\$23.97	14%
10. Specialties					
Towel Racks, mirrors, etc.					
Closet racks					
Other		\$354,500			
Subtotal		\$354,500	\$5,908	\$4.40	3%

11. Equipment					
Appliances		\$75,000			
Other		\$14,000			
	Subtotal	\$89,000	\$1,483	\$1.11	1%
12. Furnishings					
Cabinets					
Countertops					
Window Treatments					
Other		\$157,000			
	Subtotal	\$157,000	\$2,617	\$1.95	1%
13. Special Construction					
Accessibility Modifications					
Other		\$400,000			
	Subtotal	\$400,000	\$6,667	\$4.97	3%
21. Fire Suppression Systems					
Sprinkler System					
Other		\$259,000			
	Subtotal	\$259,000	\$4,317	\$3.22	2%
22. Plumbing					
Rough Plumbing					
Finish Plumbing					
Fixtures					
Other		\$1,036,000			
	Subtotal	\$1,036,000	\$17,267	\$12.87	8%
23. HVAC					
HVAC		\$1,480,000			
Other					
	Subtotal	\$1,480,000	\$24,667	\$18.38	11%
26. Electrical					
Rough Electrical					
Fixtures					
Finish Electrical					
Other		\$1,332,000			
	Subtotal	\$1,332,000	\$22,200	\$16.55	10%
27. Communications					
Security & Alarm Systems					
Other					
	Subtotal	\$0	\$0	\$0.00	0%
31. Earthwork					
Excavation					
Trenching					
Backfilling					
Site Grading					
Driveway					
Other		\$150,000			
	Subtotal	\$150,000	\$2,500	\$1.86	1%
32. Exterior Improvements					
Paving		\$230,000			
Fencing					
Final grade and seeding					
Landscaping		\$100,000			
Other		\$75,000			
	Subtotal	\$405,000	\$6,750	\$5.03	3%
33. Utilities					
Utility Connections		\$20,000			
Other		\$175,000			
	Subtotal	\$195,000	\$3,250	\$2.42	1%
Total Construction:		\$13,757,000	\$229,283	\$170.89	100%

**AURORA
Sources & Uses Summary**

Project Name	Aurora St. Charles Senior Livi	Total Square Feet: 80,502	Total Units: 60
Project Number	0	Avg SqFt/Unit: 1,342	HOME Units: 12
Developer	Aurora St Charles Senior Livr		
Project Type:	Other	Target Population: Elderly	
Unit Type	Multi-Story w/Elevator	Average Rent 879	

Unit Mix	Efficiency	1 BR	2 BR	3 BR	4 BR	Total	
Number of Units	5	42	13	0	0	60	
Average Monthly Rent	\$581	\$872	\$1,016	#DIV/0!	#DIV/0!		
Income-Restricted Units	4	40	12			56	93%
Unrestricted/Market Rate Units	1	2	1			4	7%
Total	5	42	13	0	0	60	

Development Costs	Total	Per Unit	% of Total	
Acquisition	\$3,030,000	\$50,500	13.3%	
Hard Costs (Construction)	\$14,046,809	\$234,113	61.5%	
Construction Contingency	\$1,228,716	\$20,479	5.4%	Construction Cost/SqFt: \$171
Soft Costs	\$1,068,021	\$17,800	4.7%	
Permanent Financing	\$333,013	\$5,550	1.5%	
Interim Financing	\$639,500	\$10,658	2.8%	Total Cost/SqFt: \$284
Syndication	\$52,000	\$867	0.2%	
Reserves	\$438,984	\$7,316	1.9%	
Developer Fee	\$2,000,000	\$33,333	8.8%	
Total Development Costs*	\$22,837,043	\$380,617	100.0%	

Permanent Sources	Total	Per Unit	% of Total	Interest Rate	Loan Term (yrs)	Annual Payment
Bank Mortgage <i>Est. mortgage: \$3,973,627</i>	\$2,890,000	\$48,167	12.7%	5.01%	40	\$167,456
Low Income Housing Tax Credits	\$12,043,303	\$200,722	52.7%			
Other State/Federal/Historic Tax Credits	\$6,707,907	\$111,798	29.4%			
Deferred Developer Fee	\$695,633	\$11,594	3.0%			
Developer Long-Term Equity	\$200	\$3	0.0%			
AURORA HOME Funds (Development Subsidy)	\$500,000	\$8,333	2.2%	1.00%	30	\$0
NSP Funds (Development Subsidy)	\$0	\$0	0.0%			
State HOME Funds		\$0	0.0%			
Other:		\$0	0.0%			
Other:		\$0	0.0%			
Other:		\$0	0.0%			
Other:		\$0	0.0%			
Total Sources	\$22,837,043	\$380,617	100.0%			\$167,456
(GAP) or Surplus	\$0	\$0	0.0%			DCR: 1.441724339

Interim Financing Sources <i>(May include permanent sources listed above.)</i>	Amount Available During Construction	% TDC	Const. Loan Interest Rate	Developer Notes
Private Construction Loan(s) <i>(bank financing)</i>	\$17,142,110	75.1%	3.2	
Developer Equity <i>(Self-financing for acquisition, predevelopment, etc.)</i>		0.0%		
Deferred Developer Fee	\$695,633	3.0%		
Other: LIHTC Fed and State Historic Equity	\$3,755,950	16.4%		
Other:		0.0%		
Other: Deferred reserve payments and other deferred costs	\$793,350	3.5%		
AURORA HOME Dev. Subsidy available during construction 90%	\$450,000	2.0%		
AURORA NSP Dev. Subsidy available during construction 90%	\$0	0.0%		
Costs Not Incurred During Construction <i>(reserves, developer fee, etc.)</i>		0.0%		
Total Construction Sources	\$22,837,043	100.0%		
Construction Financing Surplus/(Gap)?	\$0	0.0%		

AURORA HOME Subsidy Request	Total	Per Unit	
HOME Development Subsidy - Permanent Loan	\$500,000	\$8,333	<i>Permanent Subsidy</i>
NSP Development Subsidy - Permanent Loan	\$0	\$0	<i>Permanent Subsidy</i>
<i>Proposed use of HOME funds: Construction Hard Costs</i>			

Operating Budget	Annual	Per Unit	Key Assumptions
Gross Rent Potential	\$632,688	\$10,545	Vacancy Years 1-4 6.0%
Other Income	\$0	\$0	Vacancy Years 5+ 6.0%
Vacancy	\$37,961	\$633	Rent Inflation Years 1-4 2.0%
Adjusted Gross Income	\$594,727	\$9,912	Rent Inflation Years 5+ 2.0%
Annual Operating Expenses	\$353,302	\$5,888	Expense Inflation:
Net Operating Income	\$241,425	\$4,024	Administration 3.0%
Debt Service	\$167,456	\$2,791	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	1.44	Year 1 Net Cash Flow	\$73,969	\$1,233
Year 5 DCR	1.44	Year 5 Net Cash Flow	\$74,362	\$1,239
Year 10 DCR	1.42	Year 10 Net Cash Flow	\$70,854	\$1,181
Year 15 DCR	1.37	Year 15 Net Cash Flow	\$61,683	\$1,028
Year 20 DCR	1.27	Year 20 Net Cash Flow	\$45,256	\$754
	<i>Total</i>	<i>Per Unit</i>	<i>After Cash Flow Payments:</i>	
Cumulative Cash Flow Over 10 Yrs	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Cumulative Cash Flow Over 15 Yrs	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Cumulative Cash Flow Over 20 Yrs	#VALUE!	#VALUE!	#VALUE!	#VALUE!

Developer Notes

Date Entered

Seems to be a problem with cell F28 on the 5)Operating Cash Flow sheet - generating #VALUE errors.	9/1/15

AURORA 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?

--

9. CURRENT RECOMMENDATION FOR FUNDING:

--

Underwriting performed by:

--

Name

Title

Date

AURORA Underwriting Notes

Date Entered

AURORA
Capital Needs Assessment

Development Name Aurora St. Charles Senior Living
 Owner Aurora St Charles Senior Living L.P.
 Date Prepared _____

Cost Category	Description/Notes	Year 1	Year 2.00	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	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																						
Garages/Carports																						
Roofing																						
Eavestrough/Downspouts/Flashing																						
Balconies/Patios/Steps																						
Exterior Siding																						
Doors/Windows																						
Lobbies/Halls/Stairs																						
Laundry																						
Community Space																						
HVAC																						
Plumbing/Domestic Hot Water																						
Fire Safety																						
Electrical																						
Boilers/Pumps																						
Elevator																						
Unit Flooring/Carpeting																						
Unit Appliances																						
Unit Kitchen Cabinet/Countertop																						
Other																						
Other																						
Other																						
Subtotal		\$0	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Annual Inflation Factor	3.00%	Inflation Factor	100.00%	1.03	106.09%	109.27%	112.55%	115.93%	119.41%	122.99%	126.68%	130.48%	134.39%	138.42%	142.58%	146.85%	151.26%	155.80%	160.47%	165.28%	170.24%	175.35%
Total Units	60	Estimated Total Annual RR Needs	\$0	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Initial PUPY RR	\$450	Starting Balance	\$27,000	54,000.00	\$81,000	\$108,000	\$135,000	\$162,000	\$189,000	\$216,000	\$243,000	\$270,000	\$297,000	\$324,000	\$351,000	\$378,000	\$405,000	\$432,000	\$459,000	\$486,000	\$513,000	\$540,000
Initial Annual RR Deposit	27,000	RR Needs	\$0	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RR Deposit Annual Increase	\$27,000	Contribution	\$27,000	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00	27,000.00
Interest on Reserve	0.00%	Net Annual Change	\$27,000	27,000.00	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000
		Interest Earned	\$0	0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		Ending Reserve Balance	\$54,000	81,000.00	\$108,000	\$135,000	\$162,000	\$189,000	\$216,000	\$243,000	\$270,000	\$297,000	\$324,000	\$351,000	\$378,000	\$405,000	\$432,000	\$459,000	\$486,000	\$513,000	\$540,000	\$567,000

Initial Deposit Needed to Sustain Project
 10 years: (\$270,000)
 15 years: (\$405,000)
 20 years: (\$540,000)

A - SAM Registration

SAM Registration info will be provided as soon as available. Need to establish a bank account in order to register in SAM, which requires a signed management agreement.

CONSENT OF PARTNERS OF AURORA ST. CHARLES SENIOR LIVING L.P.

The undersigned, being all of the partners of Aurora St. Charles Senior Living L.P, an Illinois limited partnership (the "Partnership"), hereby approve the following resolutions as of the date set forth below.

WHEREAS, the Partnership has been formed for the purpose, among others, of developing and operating housing for low-income individuals and families, specifically the proposed 60-unit residential project for low-income seniors in Aurora, Illinois to be known as Aurora St. Charles Senior Living (the "Project");

WHEREAS, Aurora St. Charles Senior Living GP LLC, an Illinois limited liability company (the "General Partner"), is the sole general partner of the Partnership;

WHEREAS, to obtain financing for the Project, the Partnership proposes to apply to the City of Aurora, Illinois (the "City") for a loan of HOME funds in the amount of up to \$500,000 (the "Application");

NOW, THEREFORE, BE IT RESOLVED, that the making of an Application by the Partnership to the City is approved, and the General Partner be and it is hereby authorized, empowered, and directed to enter into, execute, and deliver, as the general partner of the Partnership, the Application and any other documents, agreements, notes, mortgages, certifications, materials and information that may be required by the City in connection with the Application and, if the Application is approved, the loan from the City to the Partnership;

FURTHER RESOLVED, that any prior execution or delivery of documents, or prior actions of the Partnership, or the General Partner on behalf of the Partnership, taken in furtherance of the foregoing are hereby confirmed or ratified;

FURTHER RESOLVED, that the General Partner, as the general partner of the Partnership, be and it is hereby authorized, empowered and directed to take such further action as necessary to effectuate the foregoing.

[Signatures on Following Page]

The undersigned, being all of the partners of Aurora St. Charles Senior Living L.P., have approved these resolutions as of the 1st day of September, 2015.

Aurora S. Charles Senior Living GP LLC,
an Illinois limited liability company, its general
partner

By: 
Name: Jeffrey C. Ryger
Its: Manager

VeriGreen Development, LLC, an Illinois
limited liability company, its limited partner

By: 
Name: Jeffrey C. Ryger
Its: Member

C – Articles and Bylaws

Aurora St. Charles Senior Living LP does not have articles of incorporation or bylaws.

Attachment D – Financial Documentation

Aurora St. Charles Senior Living L.P. is a newly formed entity without financials. The most recent audit for VeriGreen Development, LLC is attached.

E – For-Profit Declaration

Aurora St. Charles Senior Living LP is organized as a partnership. The Certificate of Limited Partnership is attached.



OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

08/05/15

FILE: S027671

JEFFREY C RAPPIN
566 W LAKE ST STE 400
CHICAGO, IL. 60661

RE AURORA ST. CHARLES SENIOR LIVING L.P.

DEAR SIR OR MADAM:

IT HAS BEEN OUR PLEASURE TO APPROVE AND FILE YOUR CERTIFICATE TO BE GOVERNED THAT REGISTERED YOUR LIMITED PARTNERSHIP WITH THIS OFFICE ON 08/05/2015. WE EXTEND OUR BEST WISHES FOR SUCCESS IN YOUR VENTURE. PLEASE NOTE THE ASSIGNED FILE NUMBER MUST BE USED WHEN TRANSACTING ANY BUSINESS WITH THIS OFFICE.

WE ARE RETURNING THE FILED COPY OF THIS DOCUMENT TO YOU FOR YOUR RECORDS.

THIS OFFICE LOOKS FORWARD TO ASSISTING YOU IN THE FUTURE.

SINCERELY YOURS,

A handwritten signature in cursive script that reads "Jesse White".

JESSE WHITE
SECRETARY OF STATE
BUSINESS SERVICES DEPARTMENT
LIMITED LIABILITY DIVISION
(217) 524-8008

Form **LP 201**

July 2012

Secretary of State
Department of Business Services
Limited Liability Division
501 S. Second St., Rm. 357
Springfield, IL 62756
217-524-8008
www.cyberdriveillinois.com


Payment must be made by certified check, cashier's check, Illinois attorney's check, Illinois C.P.A.'s check or money order, payable to Secretary of State. Please do not send cash.

Illinois
Uniform Limited Partnership Act
Certificate of Limited Partnership

SUBMIT IN DUPLICATE

Please type or print clearly.

Filing Fee: \$150

Approved: 

FILE #

5027671

This space for use by Secretary of State.

FILED

AUG 05 2015

**JESSE WHITE
SECRETARY OF STATE**

- Limited Partnership Name: Aurora St. Charles Senior Living L.P.
(Must contain the words "Limited Partnership," "L.P.," "LP" or "LLLP," and cannot contain the words "Company," "Corporation," "Incorporated," "Inc.," "Co.," or "Corp.")
- Address of Office at which records required by Section 111 will be kept:
566 W. Lake Street, Suite 400
Street Address (P.O. Box alone is unacceptable.)
Chicago, Illinois 60661
City, State, ZIP
- Registered Agent: Jeffrey C. Rappin

Registered Office: _____
Name
566 W. Lake Street, Suite 400
Street Address (P.O. Box alone is unacceptable.)
Chicago IL 60661
City (must be in Illinois) ZIP
- Limited Partnership's Purpose. The transaction of any or all lawful business for which limited partnerships/limited liability limited partnerships may be formed under this Act.

Or a Specific Purpose: _____

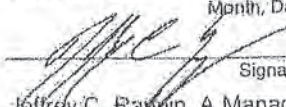
- This entity is a Limited Liability Limited Partnership:
 Yes
 No
- Total aggregate dollar amount of cash, property and services contributed by all partners (optional):

\$ _____

Form LP 201

7. If agreed upon, brief statement of partners' membership termination and distribution rights (optional):

The undersigned affirms, under penalties of perjury, that the facts stated herein are true, correct and complete. If a General Partner listed is an entity not registered or qualified in Illinois, submit an original Certificate of Good Standing dated within the last 30 days.
All General Partners are required to sign the Certificate of Limited Partnership.

1. Dated: July 31, 2015
Month, Day, Year

Signature
Jeffrey C. Rappin, A Manager of
Name and Title (type or print)
Aurora St. Charles Senior Living GP LLC
General Partner Name If corporation or other entity
566 W. Lake Street, Suite 400
Street Address
Chicago, IL 60661
City, State, ZIP

2. Dated: _____
Month, Day, Year

Signature

Name and Title (type or print)

General Partner Name If corporation or other entity

Street Address

City, State, ZIP

3. Dated: _____
Month, Day, Year

Signature

Name and Title (type or print)

General Partner Name If corporation or other entity

Street Address

City, State, ZIP

4. Dated: _____
Month, Day, Year

Signature

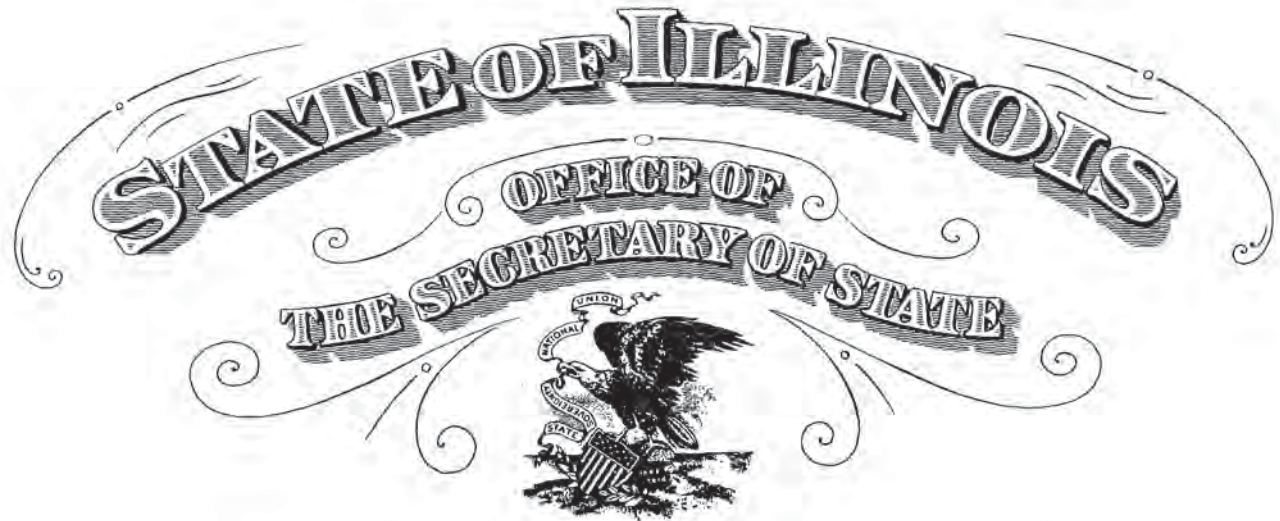
Name and Title (type or print)

General Partner Name if corporation or other entity

Street Address

City, State, ZIP

Signatures must be in black ink on an original document.
Carbon copy, photocopy or rubber stamp signatures
may only be used on conformed copies.



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

AURORA ST. CHARLES SENIOR LIVING L.P., HAVING REGISTERED IN THE STATE OF ILLINOIS ON AUGUST 05, 2015, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE UNIFORM LIMITED PARTNERSHIP ACT (2001) OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LP/LLP IN THE STATE OF ILLINOIS, HAVING FULFILLED ALL REQUIREMENTS OF SAID ACT WITH REGARD TO PAYMENT OF FEES, THE FILING OF ANNUAL REPORTS (IF APPLICABLE) AND NEITHER HAVING BEEN ADMINISTRATIVELY DISSOLVED BY THE SECRETARY OF STATE NOR HAVING VOLUNTARILY FILED A STATEMENT OF TERMINATION.



Authentication #: 1521702832

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 5TH day of AUGUST A.D. 2015

Jesse White

SECRETARY OF STATE



Department of the Treasury
Internal Revenue Service
Ogden, UT 84201

In reply refer to: 0457389848
Aug 12, 2015 LTR 147C
32-0471572

AURORA ST CHARLES SENIOR LIVING LP
% AURORA ST CHARLES SENIOR LI GEN P
566 W LAKE ST STE 400
CHICAGO IL 60661

Taxpayer Identification Number: 32-0471572

Form(s):

Dear Taxpayer:

Thank you for your telephone inquiry of August 12th, 2015.

Your Employer Identification Number (EIN) is 32-0471572. Please keep this letter in your permanent records. Enter your name and your EIN on all business federal tax forms and on related correspondence.

If you have any questions regarding this letter, please call our Customer Service Department at 1-800-829-0115 between the hours of 7:00 AM and 10:00 PM. If you prefer, you may write to us at the address shown at the top of the first page of this letter. When you write, please include a telephone number where you may be reached and the best time to call.

Sincerely,

Ms Fletcher
Change Badge# on the Settings Tab
Customer Service Representative

AGREEMENT OF LIMITED PARTNERSHIP
OF
AURORA ST. CHARLES SENIOR LIVING L.P.,
AN ILLINOIS LIMITED PARTNERSHIP

This AGREEMENT OF LIMITED PARTNERSHIP is entered into and shall be effective as of the 1st day of September, 2015 by and between Aurora St. Charles Senior Living GP LLC (“ASCSL”), an Illinois limited liability company, as a general partner, and Verigreen Development, LLC (“Verigreen”), an Illinois limited liability company, as a limited partner, pursuant to the provisions of the Illinois Revised Uniform Limited Partnership Act, on the following terms and conditions:

ARTICLE I

THE PARTNERSHIP

1.1 **Organization.** The Partners hereby agree to organize the Partnership as a limited partnership pursuant to the provisions of the Act and upon the terms and conditions set forth in this Agreement.

1.2 **Partnership Name.** The name of the Partnership shall be Aurora St. Charles Senior Living L.P., an Illinois limited partnership, and all business of the Partnership shall be conducted in such name.

1.3 **Purpose; Independent Activities.**

(a) The purpose of the Partnership is to acquire, improve, develop, lease, operate, finance and manage real property.

(b) Each Partner and the stockholders, officers, directors and members of each Partner which is a corporation or other entity, may, notwithstanding this Agreement, engage in whatever activities it or they may choose, whether the same or competitive with the Partnership or otherwise, without having or incurring any obligation to offer any interest in such activities to the Partnership or any Partner. Neither this Agreement nor any activity undertaken pursuant hereto shall prevent any Partner or any stockholder, officer, director or member of any Partner from engaging in such activities, or require any Partner to permit the Partnership or any Partner to participate in any such activities, and as a material part of the consideration for the execution of this Agreement by each Partner, each Partner hereby waives, relinquishes, and renounces any such right or claim of participation.

(c) The Partners anticipate that, in the future, the following entities will become partners in the Partnership, and an amended and restated limited partnership agreement will be executed at the time of their admission: (i) tax credit investor, to be a limited partner, (ii) Aurora St. Charles Senior Living NFP LLC, as a general partner, and (iii) NLDC St. Charles Senior Living SLP LLC, as a special limited partner.

1.4 **Principal Place of Business.** The principal place of business of the Partnership shall be 566 West Lake Street, Suite 400, Chicago, Illinois 60661. The General Partner may change the principal

place of business of the Partnership to any other place within the State of Illinois upon 10 days notice to the Limited Partners.

1.5 Term. The term of the Partnership shall have commenced on the date the certificate of limited partnership (the "Certificate") was filed in the office of the Secretary of State of Illinois in accordance with the Act (August 5, 2015) and shall continue until the winding up and liquidation of the Partnership and its business is completed following a Liquidating Event, as provided in Article XI hereof. Prior to the time that the Certificate is filed, no Person shall represent to third parties the existence of the Partnership or hold himself out as a Partner.

1.6 Filings; Agent for Service of Process.

(a) The General Partner shall take any and all other actions reasonably necessary to perfect and maintain the status of the Partnership as a limited partnership under the laws of Illinois. The General Partner shall cause amendments to the Certificate to be filed whenever required by the Act. Such amendments may be executed by any General Partner.

(b) The General Partner shall execute and cause to be filed original or amended Certificates and shall take any and all other actions as may be reasonably necessary to perfect and maintain the status of the Partnership as a limited partnership or similar type of entity under the laws of any other states or jurisdictions in which the Partnership engages in business.

(c) The agent for service of process on the Partnership shall be Jeffrey C. Rappin, 566 West Lake Street, Suite 400, Chicago, Illinois 60661 or any successor as appointed by the General Partner.

(d) Upon the dissolution of the Partnership, the General Partner (or, in the event there is no remaining General Partner, any Person elected pursuant to Section 11.2 hereof) shall promptly execute and cause to be filed certificates of dissolution in accordance with the Act and the laws of any other states or jurisdictions in which the Partnership has filed certificates.

1.7 Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

"Act" means the Illinois Revised Uniform Limited Partnership Act, as set forth in 805 ILCS 210/100 et. seq., as amended from time to time (or any corresponding provisions of succeeding law).

"Adjusted Capital Account Deficit" means, with respect to any Limited Partner, the deficit balance, if any, in such Limited Partner's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Partner is obligated to restore pursuant to any provision of this Agreement or pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Agreement" or "Partnership Agreement" means this Agreement of Limited Partnership, as amended from time to time. Words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole, unless the context otherwise requires.

"Capital Account" means the capital account maintained for each Partner in accordance with the following provisions:

(i) To such Partner's Capital Account there shall be credited such Partner's Capital Contributions, such Partner's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Section 3.3(a) hereof, and the amount of any Partnership liabilities assumed by such Partner or which are secured by any Property distributed to such Partner.

(ii) To such Partner's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Property distributed to such Partner pursuant to any provision of this Agreement, such Partner's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Section 3.3(a) hereof, and the amount of any liabilities of such Partner assumed by the Partnership or which are secured by any property contributed by such Partner to the Partnership.

(iii) In the event all or a portion of an interest in the Partnership is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(iv) In determining the amount of any liability for purposes of the foregoing subparagraphs (i) and (ii) of this definition of "Capital Account," there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Regulations.

"Capital Contributions" means, with respect to any Partner, the amount of money and the fair market value of any property contributed to the Partnership with respect to the interest in the Partnership held by such Person. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Partnership by the maker of the note shall not be included in the Capital Account of any Person until the Partnership makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations Section 1.704-1(b)(2)(iv)(d)(2).

"Code" means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

"General Partner" means ASCSL and any Person who has become a General Partner pursuant to the terms of this Agreement, and has not ceased to be a General Partner pursuant to the terms of this Agreement. "General Partners" means all such Persons.

"Interest" means a Limited Partner's ownership interest in the Partnership, including any and all benefits to which the holder of such an Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement.

"Limited Partner" means any Person (i) whose name is set forth on Exhibit A attached hereto or who has become a Limited Partner pursuant to the terms of this Agreement, and (ii) who holds an Interest. "Limited Partners" means all such Persons. All references in this Agreement to a majority in interest or a specified percentage of the Limited Partners shall mean Limited Partners whose combined Percentage Interests represent more than 50% or such specified percentage, respectively, of the Percentage Interests then held by all Limited Partners.

"Net Cash From Operations" means the gross cash proceeds from Partnership operations less the portion thereof used to pay or establish reserves for all Partnership expenses, debt payments, capital improvements, replacements, and contingencies, all as determined by the General Partner. "Net Cash From Operations" shall not be reduced by depreciation, amortization, cost recovery deductions, or similar allowances, but shall be increased by any reductions of reserves previously established.

"Net Cash From Sales or Refinancings" means the net cash proceeds from all sales and other dispositions (other than in the ordinary course of business) and all refinancings of Property, less any portion thereof used to establish reserves, all as determined by the General Partner. "Net Cash From Sales or Refinancings" shall include all principal and interest payments with respect to any note or other obligation received by the Partnership in connection with sales and other dispositions (other than in the ordinary course of business) of Partnership Property.

"Partners" means all General Partners and all Limited Partners, where no distinction is required by the context in which the term is used herein. "Partner" means any one of the Partners. All references in this Agreement to a majority interest or a specified percentage of the Partners shall mean Partners whose combined Percentage Interests represent more than 50% or such specified percentage, respectively, of the Percentage Interests then held by all Partners.

"Partnership" means the partnership formed pursuant to this Agreement and the partnership continuing the business of this Partnership in the event of dissolution as herein provided.

"Percentage Interest" means the percentage set forth for the General Partner in Section 2.1 hereof and for the Limited Partners on Exhibit A.

"Person" means any individual, partnership, corporation, trust, limited liability company or other entity.

"Profits" and "Losses" means, for each fiscal year or other period, an amount equal to the Partnership's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments.

- (i) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or

Losses pursuant to this definition shall be added to such taxable income or loss; and

(ii) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be subtracted from such taxable income or loss.

"Property" means all real and personal property acquired by the Partnership and any improvements thereto, and shall include both tangible and intangible property.

"Regulations" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Transfer" means, as a noun, any voluntary or involuntary transfer, sale, pledge, hypothecation, grant of security interest or other disposition and, as a verb, voluntarily or involuntarily to transfer, sell, pledge, hypothecate, grant a security interest or otherwise dispose of.

ARTICLE II

PARTNERS' CAPITAL CONTRIBUTIONS

2.1 General Partner. The name, address, Capital Contribution and Percentage Interest of the General Partner are as follows: ASCSL, 566 West Lake Street, Suite 400, Chicago, Illinois 60661, \$100 and 0.01%.

2.2 Limited Partner. The names, addresses, and Capital Contributions of the Limited Partners are set forth on Exhibit A attached hereto.

2.3 Other Matters.

(a) Except as otherwise provided in this Agreement, no Partner shall demand or receive a return of its Capital Contributions or withdraw from the Partnership without the consent of all Partners. Under circumstances requiring a return of any Capital Contributions, no Partner shall have the right to receive property other than cash except as may be specifically provided herein.

(b) No Partner shall receive any interest, salary or drawing with respect to his Capital Contributions or his Capital Account or for services rendered on behalf of the Partnership or otherwise in his capacity as a Partner, except as otherwise provided in this Agreement.

(c) Except as otherwise provided by this Agreement, no Limited Partner shall be liable for the debts, liabilities, contracts or any other obligations of the Partnership. Except as otherwise provided by this Agreement, any other agreements among the Partners, or applicable state law, a Limited Partner shall be liable only to make his Capital Contributions as set forth on Exhibit A and shall not be required to lend any funds to the Partnership or, after his Capital Contributions have been paid, to make any additional contributions to the Partnership. No General Partner shall have any personal liability for the repayment of any Capital Contributions of any Limited Partner.

ARTICLE III

ALLOCATIONS

3.1 Profits. After giving effect to the special allocation provisions set forth in Section 3.3(a) hereof, Profits for any fiscal year shall be allocated to the Partners in accordance with their respective Percentage Interests.

3.2 Losses.

(a) Losses for any fiscal year shall be allocated to the Partners in accordance with their respective Percentage Interests.

(b) The Losses allocated pursuant to Section 3.2(a) hereof shall not exceed the maximum amount of Losses that can be so allocated without causing any Limited Partner to have an Adjusted Capital Account Deficit at the end of any fiscal year. All Losses in excess of the limitations set forth in this Section 3.2(b) shall be allocated to the General Partner.

3.3 Other Allocation Rules.

(a) Target Final Capital Account Balances. The allocations of Profits and Losses under this Agreement are intended to produce final Capital Account balances (Capital Account balances immediately prior to the liquidation of the Partnership or of a Partner's Interest, after taking into account all allocations of fiscal periods through such point in time) that are at levels ("Target Final Balances") which permit liquidating distributions made in accordance with final Capital Account balances to equal the distributions which would occur if such liquidating proceeds were distributed in accordance with Section 4.2. To the extent that the tax allocation provisions of this Agreement would not produce the Target Final Balances, the Partners agree to take such actions as are necessary to amend such tax allocation provisions to produce such Target Final Balances. Notwithstanding the other provisions of this Agreement, allocations of income, gain, loss and deduction (including items of gross income, gain, loss and deduction) shall be made prospectively as necessary to produce such Target Final Balances, and, to the extent such prospective allocations would not effect such result, the prior tax returns of the Partnership shall be amended to reallocate items of gross income, gain, loss and deductions to produce such Target Final Balances.

(b) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the General Partner using any permissible method under Code Section 706 and the Regulations thereunder.

(c) Except as otherwise provided in this Agreement, all items of Partnership income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Partners in the same proportions as they share Profits or Losses, as the case may be, for the year.

(d) The Partners are aware of the income tax consequences of the allocations made by this Article III and hereby agree to be bound by the provisions of this Article III in reporting their shares of Partnership income and loss for income tax purposes.

ARTICLE IV

DISTRIBUTIONS

4.1 Net Cash From Operations. Except as otherwise provided in Article XI hereof, Net Cash From Operations, if any, shall be distributed, at such times as the General Partner may determine, to the Partners in accordance with their respective Percentage Interests.

4.2 Net Cash From Sales or Refinancings. Except as otherwise provided in Article XI hereof, Net Cash From Sales or Refinancings shall be distributed, at such times as the General Partner may determine, to the Partners in accordance with their respective Percentage Interests.

4.3 Amounts Withheld. All amounts withheld pursuant to the Code or any provision of any state or local tax law with respect to any payment or distribution to the Partnership or the General Partner shall be treated as amounts distributed to the Partners pursuant to this Article IV for all purposes under this Agreement. The General Partner may allocate any such amounts among the Partners in any manner that is in accordance with applicable law.

ARTICLE V

MANAGEMENT

5.1 Authority of the General Partner. Except to the extent otherwise provided herein, the General Partner shall have the sole and exclusive right to manage the business of the Partnership and shall have all of the rights and powers which may be possessed by general partners under the Act including, without limitation, the right and power to:

(a) acquire by purchase, lease, or otherwise any real or personal property which may be necessary, convenient, or incidental to the accomplishment of the purposes of the Partnership;

(b) operate, maintain, finance, improve, construct, own, grant options with respect to, sell, convey, assign, mortgage, and lease any real estate and any personal property necessary, convenient, or incidental to the accomplishment of the purposes of the Partnership;

(c) execute any and all agreements, contracts, documents, certifications and instruments necessary or convenient in connection with the management, maintenance, and operation of Property, or in connection with managing the affairs of the Partnership, including executing amendments to the Agreement and the Certificate in accordance with the terms of this Agreement, pursuant to any power of attorney granted by the Limited Partners to the General Partner;

(d) borrow money and issue evidences of indebtedness necessary, convenient, or incidental to the accomplishment of the purposes of the Partnership, and secure the same by mortgage, pledge, or other lien on any Property;

(e) execute, in furtherance of any or all of the purposes of the Partnership, any deed, lease, mortgage, deed of trust, mortgage note, promissory note, bill of sale, contract, or other instrument purporting to convey or encumber any or all of the Property;

(f) prepay in whole or in part, refinance, recast, increase, modify, or extend any liabilities affecting the Property and in connection therewith execute any extensions or renewals of encumbrances on any or all of the Property;

(g) care for and distribute funds to the Partners by way of cash, income, return of capital, or otherwise, all in accordance with the provisions of this Agreement, and perform all matters in furtherance of the objectives of the Partnership or this Agreement;

(h) contract on behalf of the Partnership for the employment and services of employees and/or independent contractors, including lawyers and accountants, and delegate to such Persons the duty to manage or supervise any of the assets or operations of the Partnership;

(i) engage in any kind of activity and perform and carry out contracts of any kind (including contracts of insurance covering risks to Property and General Partner liability) necessary or incidental to, or in connection with, the accomplishment of the purposes of the Partnership under the laws of each state in which the Partnership is then formed or qualified;

(j) make any and all elections for federal, state, and local tax purposes including, without limitation, any election, if permitted by applicable law; (i) to adjust the basis of Property pursuant to Code Sections 754, 734(b), and 743(b), or comparable provisions of state or local law, in connection with transfers of Partnership interests and Partnership distributions; (ii) to extend the statute of limitations for assessment of tax deficiencies against General Partners before taxing authorities or courts of competent jurisdiction in tax matters affecting the Partnership.

(k) take, or refrain from taking, all actions, not expressly proscribed or limited by this Agreement, as may be necessary or appropriate to accomplish the purposes of the Partnership; and

(l) institute, prosecute, defend, settle, compromise, and dismiss lawsuits or other judicial or administrative proceedings brought on or in behalf of, or against, the Partnership or the Partners in connection with activities arising out of, connected with, or incidental to this Agreement, and to engage counsel or others in connection therewith.

5.2 Right to Rely on General Partner. Any Person dealing with the Partnership may rely (without duty of further inquiry) upon a certificate signed by the General Partner as to:

(a) the identity of the General Partner or Limited Partners;

(b) the existence or nonexistence of any fact or facts which constitute a condition precedent to acts by a General Partner or which are in any other manner germane to the affairs of the Partnership;

(c) the Persons who are authorized to execute and deliver any instrument or document of the Partnership; or

(d) any act or failure to act by the Partnership or any other matter whatsoever involving the Partnership or any Partner.

5.3 Restrictions on Authority of General Partner.

(a) Without the consent of all the Partners, the General Partner shall not have the authority to:

(i) do any act in contravention of this Agreement;

(ii) do any act which would make it impossible to carry on the ordinary business of the Partnership, except as otherwise provided in this Agreement;

(iii) confess a judgment against the Partnership;

(iv) possess Property, or assign rights in specific Property, for other than a Partnership purpose; or

(v) knowingly perform any act that would subject any Limited Partner to liability as a general partner in any jurisdiction.

(b) Except as otherwise provided by this Agreement, the General Partner shall not have any right to participate in the management or control of the Partnership or its business and affairs or to act for or bind the Partnership in any way. The General Partner, if it acts beyond the scope of the authority granted by this Agreement, shall, in addition to any other remedy available to the Partnership or the other Partners, be liable in damages to the Partnership and each other Partner for any loss or damages that they may incur or suffer as a consequence of such act.

5.4 Duties and Obligations of General Partner.

(a) The General Partner shall take all actions which may be necessary or appropriate (i) for the continuation of the Partnership's valid existence as a limited partnership under the laws of the State of Illinois (and of each other jurisdiction in which such existence is necessary to protect the limited liability of the Limited Partners or to enable the Partnership to conduct the business in which it is engaged) and (ii) for the accomplishment of the Partnership's purposes, including the acquisition, development, maintenance, preservation, and operation of Property in accordance with the provisions of this Agreement and applicable laws and regulations.

(b) The General Partner shall devote to the Partnership such time as may be necessary for the proper performance of all duties hereunder, but the General Partner shall not be required to devote full time to the performance of such duties.

(c) The General Partner shall be under a fiduciary duty to conduct the affairs of the Partnership in the best interests of the Partnership and of the Limited Partners, including the safekeeping and use of all of the Property and the use thereof for the exclusive benefit of the Partnership.

(d) The General Partner shall act as the "Tax Matters Partner" under the Code and in any similar capacity under state or local law.

5.5 Indemnification of General Partner.

(a) The Partnership, its receiver, or its trustee shall indemnify, save harmless, and pay all judgments and claims against any General Partner or any Member thereof relating to any liability or damage incurred by reason of any act performed or omitted to be performed by such General Partner or Member in connection with the business of the Partnership, including attorneys' fees and expenses incurred by such General Partner or Member in connection with the defense of any action based on any such act or omission, which attorneys' fees and expenses may be paid as incurred, including all such liabilities under federal and state securities laws (including the Securities Act of 1933, as amended) as permitted by law.

(b) In the event of any action by a Limited Partner against any General Partner, including a Partnership derivative suit, the Partnership shall indemnify, save harmless, and pay all expenses of such General Partner, including attorneys' fees and expenses, incurred in the defense of such action, if such General Partner is successful in such action.

(c) The Partnership shall indemnify, save harmless, and pay all expenses, costs, or liabilities of any General Partner who for the benefit of the Partnership makes any deposit, acquires any option, or makes any other similar payment or assumes any obligation in connection with any property proposed to be acquired by the Partnership and who suffers any financial loss as the result of such action.

(d) Notwithstanding the provisions of Sections 5.5(a), 5.5(b), and 5.5(c) above, no General Partner or any Member thereof shall be indemnified from any liability for fraud, bad faith, willful misconduct, or gross negligence.

5.6 Compensation.

(a) Compensation and Reimbursement. Except as otherwise provided in this Section 5.6, no Partner shall be reimbursed for any expenses incurred by such Partner on behalf of the Partnership. No Partner shall receive any salary, fee, or shares for services rendered to or on behalf of the Partnership.

(b) Expenses. The General Partner may charge the Partnership for any direct expenses reasonably incurred in connection with the Partnership's business.

5.7 Operating Restrictions.

(a) All Property in the form of cash not otherwise invested shall be deposited in one or more accounts maintained in such financial institutions as the General Partner shall determine or shall be invested in short-term liquid securities or shall be left in escrow and withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the General Partner may determine from time to time.

(b) The signature of the General Partner shall be necessary and sufficient to convey title to any real property owned by the Partnership or to execute any promissory notes, trust deeds, mortgages, or other instruments of hypothecation, and all of the Partners agree that a copy of this Agreement may be shown to the appropriate parties in order to confirm the same, and further agree that the signature of the General Partner shall be sufficient to execute any "statement of partnership" or other documents necessary to effectuate this or any other provision of this Agreement. All of the Partners do hereby appoint the General Partner as their attorney-in-fact for the execution of any or all of the documents described herein.

ARTICLE VI

ROLE OF LIMITED PARTNERS

6.1 Rights or Powers. Except as otherwise set forth in Section 6.2 hereof, no Limited Partner shall have any right or power to take part in the management or control of the Partnership or its business and affairs or to act for or bind the Partnership in any way.

6.2 Voting Rights. The Limited Partners shall have the right to vote on the matters explicitly set forth in this Agreement.

ARTICLE VII

BOOKS AND RECORDS

7.1 Books and Records. The Partnership shall keep adequate books and records at its principal place of business, setting forth a true and accurate account of all business transactions arising out of and in connection with the conduct of the Partnership. Any Partner or his or its designated representative shall have the right, at any reasonable time, to have access to and inspect and copy the contents of such books or records.

7.2 Annual Reports. Within a reasonable period after the end of each Partnership fiscal year, each Partner shall be furnished with pertinent information regarding the Partnership and its activities during such period.

7.3 Tax Information. Necessary tax information shall be delivered to each Partner after the end of each fiscal year of the Partnership. Every effort shall be made to furnish such information within 75 days after the end of each fiscal year.

7.4 Method of Accounting. The Partnership shall account for all Partnership operations under the accrual method of accounting.

ARTICLE VIII

AMENDMENTS

8.1 Amendments. Amendments to this Agreement may be proposed by any Partner. A proposed amendment shall be adopted and be effective as an amendment hereto if it receives the affirmative vote of all the Partners.

ARTICLE IX

TRANSFERS OF INTERESTS

9.1 Restriction on Transfers. No Limited Partner shall Transfer all or any portion of his Interest without the written consent of all Partners.

9.2 Prohibited Transfers. Any purported Transfer of all or any portion of an Interest that is not consented to by all Partners shall be null and void and of no effect whatever. In the case of a Transfer or attempted Transfer of an Interest or any part thereof that is not consented to by all Partners, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Partnership and the other Partners from all cost, liability, and damage that any of such indemnified Persons may incur (including, without limitation, incremental tax liability and attorneys fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

9.3 Admission of Assignees as Partners. Subject to the other provisions of this Article IX, a transferee of an Interest or any part thereof may be admitted to the Partnership as a Substituted Limited Partner only upon satisfaction of the conditions set forth below in this Section 9.3:

(a) The General Partner consents to such admission;

(b) The transferee becomes a party to this Agreement as a Limited Partner and executes such documents and instruments as the General Partner may reasonably request (including, without limitation, amendments to the Certificate) as may be necessary or appropriate to confirm such transferee as a Limited Partner in the Partnership and such transferee's agreement to be bound by the terms and conditions hereof;

(c) The transferee pays or reimburses the Partnership for all reasonable legal, filing, and publication costs that the Partnership incurs in connection with the admission of the transferee as a Limited Partner with respect to the Transferred Interest; and

(d) If the transferee is not an individual of legal majority, the transferee provides the Partnership with evidence satisfactory to counsel for the Partnership of the authority of the transferee to become a Partner and to be bound by the terms and conditions of this Agreement.

9.4 Distributions and Allocations in Respect to a Transferred Interest. If any Partnership Interest is sold, assigned, or transferred during any accounting period in compliance with the provisions of this Article IX, Profits, Losses, each item thereof, and all other items attributable to the transferred interest for such period shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during the period in accordance with Code Section 706(d), using any conventions permitted by law and selected by the General Partner. All distributions on or before the date of such transfer shall be made to the transferor, and all distributions there-after shall be made to the transferee. Solely for purposes of making such allocations and distributions, the Partnership shall recognize such transfer not later than the end of the calendar month during which it is given notice of such transfer, provided that if the Partnership does not receive a notice stating the date such Interest was transferred and such other information as the General Partner may reasonably require within 30 days after the end of the accounting period during which the transfer occurs, then all of such items shall be allocated, and all distributions shall be made, to the Person who, according to the books and records of the Partnership, on the last day of the accounting period during which the transfer occurs, was the owner of the interest. Neither the Partnership nor any General Partner shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 9.4, whether or not any General Partner or the Partnership has knowledge of any transfer of ownership of any interest.

ARTICLE X

GENERAL PARTNERS

10.1 Additional General Partners. Except as provided in this Article X and Section 11.1 hereof, no Person shall be admitted to the Partnership as a General Partner without the unanimous consent of the Partners.

10.2 Covenant Not to Withdraw, Transfer, or Dissolve. Except as otherwise permitted by this Agreement, the General Partner hereby covenants and agrees not to (a) withdraw or attempt to withdraw from the Partnership, (b) exercise any power under the Act to dissolve the Partnership, or (c) Transfer all or any portion of his interest in the Partnership as a General Partner. Further, each General Partner hereby covenants and agrees to continue to carry out the duties of a General Partner hereunder until the Partnership is dissolved and liquidated pursuant to Article XI hereof.

10.3 Restriction on Transfers. The General Partner shall not Transfer all or any portion of its Partnership interest without the written consent of all Partners.

10.4 Permitted Transfers.

(a) A transferee of a Partnership interest from a General Partner pursuant to a Transfer permitted hereunder shall be admitted as a General Partner with respect to such interest if, but only if the admission of such transferee as a General Partner is approved by all Partners.

(b) A transferee who acquires a Partnership interest from a General Partner hereunder by means of a Transfer that is permitted under this Agreement but who is not admitted as a General Partner, shall have no authority to act for or bind the Partnership, to inspect the Partnership's books, or otherwise to be treated as a General Partner, but such transferee shall be treated as the transferee of a Limited Partner who acquired an Interest in the Partnership in a Permitted Transfer under Article IX hereof.

10.5 Prohibited Transfers.

(a) Any purported Transfer of any Partnership interest held by a General Partner that is not consented to by all Partners shall be null and void and of no effect whatever.

(b) In the case of a Transfer or attempted Transfer of a Partnership interest of a General Partner that is not consented to by all Partners, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Partnership and the other Partners from all cost, liability, and damage that any of such indemnified Persons may incur (including, without limitation, incremental tax liability and lawyers fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnify granted hereby.

ARTICLE XI

DISSOLUTION AND WINDING UP

11.1 Liquidating Events. The Partnership shall dissolve and commence winding up and liquidating upon the first to occur of any of the following ("Liquidating Events"):

- (a) [Intentionally left blank];
- (b) The sale of all or substantially all of the Property;
- (c) The vote by all Partners to dissolve, wind up, and liquidate the Partnership;
- (d) The happening of any other event that makes it unlawful, impossible, or impractical to carry on the business of the Partnership; or
- (e) Any event which causes there to be no General Partner.

The Partners hereby agree that, notwithstanding any provision of the Act or the Illinois Revised Uniform Partnership Act, the Partnership shall not dissolve prior to the occurrence of a Liquidating Event. Furthermore, if an event specified in Section 11.1(e) hereof occurs, the Limited Partners may, within 90 days of the date such event occurs, unanimously vote to elect a successor General Partner and continue the Partnership business, in which case the Partnership shall not dissolve and the occurrence of the event under Section 11.1(e) shall not be deemed a Liquidating Event. If it is determined, by a court of competent jurisdiction, that the Partnership has dissolved (i) prior to the occurrence of a Liquidating Event, or (ii) upon

the occurrence of an event specified in Section 11.1(e) hereof following which the Limited Partners elect a successor General Partner pursuant to the previous sentence, the Partners hereby agree to continue the business of the Partnership without a winding up or liquidation.

11.2 Winding Up. Upon the occurrence of a Liquidating Event, the Partnership shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of its creditors and Partners. No Partner shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner (or, in the event there is no remaining General Partner, any Person elected by a majority in interest of the Limited Partners) shall be responsible for overseeing the winding up and dissolution of the Partnership and shall take full account of the Partnership's liabilities and Property and the Partnership Property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom, to the extent sufficient thereof, shall be applied and distributed in the following order:

(a) First, to the payment and discharge of all of the Partnership's debts and liabilities to creditors other than General Partners;

(b) Second, to the payment and discharge of all of the Partnership's debts and liabilities to General Partners; and

(c) The balance, if any, to the General Partner and Limited Partners in accordance with their Capital Accounts, after giving effect to all contributions, distributions, and allocations for all periods.

No General Partner shall receive any additional compensation for any services performed pursuant to this Article XI.

11.3 Compliance With Timing Requirements of Regulations; Deficit Capital Account Balance. In the event the Partnership is "liquidated" within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g), (a) distributions shall be made pursuant to this Article XI to the General Partner and Limited Partners who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2), and (b) if any General Partner's Capital Account has a deficit balance (after giving effect to all contributions, distributions, and allocations for all taxable years, including the year during which such liquidation occurs), such General Partner shall contribute to the capital of the Partnership the amount necessary to restore such deficit balance to zero in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(3). If any Limited Partner has a deficit balance in his Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), such Limited Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever.

11.4 Deemed Distribution and Recontribution. Notwithstanding any other provision of this Article XI, in the event the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g) but no Liquidating Event has occurred, the Property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up. Instead, the Partnership shall be deemed to have distributed the Property in kind to the General Partner and Limited Partners, who shall be deemed to have assumed and taken subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the General Partner and Limited Partners shall be deemed to have recontributed the Property in kind to the Partnership, which shall be deemed to have assumed and taken subject to all such liabilities.

11.5 Rights of Limited Partners. Except as otherwise provided in this Agreement, (a) each Limited Partner shall look solely to the assets of the Partnership for the return of his Capital Contribution and shall have no right or power to demand or receive property other than cash from the Partnership, and (b) no Limited Partner shall have priority over any other Limited Partner as to the return of his Capital Contributions, distributions, or allocations.

11.6 Notice of Dissolution. In the event a Liquidating Event occurs or an event occurs that would, but for provisions of Section 11.1, result in a dissolution of the Partnership, the General Partner shall, within 30 days thereafter, provide written notice thereof to each of the Partners and to all other parties with whom the Partnership regularly conducts business (as determined in the discretion of the General Partner) and shall publish notice thereof in a newspaper of general circulation in each place in which the Partnership regularly conducts business (as determined in the discretion of the General Partner).

ARTICLE XII

MISCELLANEOUS

12.1 Notices. Any notice, payment, demand, or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be delivered personally to the Person or to an officer of the Person to whom the same is directed, or sent by regular, registered, or certified mail, addressed as follows, or to such other address as such Person may from time to time specify by notice to the Partners:

- (a) If to the Partnership, to the Partnership at the address set forth in Section 1.4 hereof;
- (b) If to a General Partner, to the address set forth in Section 2.1 hereof; and
- (c) If to a Limited Partner, to the address set forth opposite his name on Exhibit A attached hereto.

Any such notice shall be deemed to be delivered, given, and received for all purposes as of the date so delivered, if delivered personally or if sent by regular mail, or as of five days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, if sent by registered or certified mail, postage and charges prepaid. Any Person may from time to time specify a different address by notice to the Partnership and the Partners.

12.2 Binding Effect. Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of the Partners and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

12.3 Construction. Every covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Partner.

12.4 Time. Time is of the essence with respect to this Agreement.

12.5 Headings. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

12.6 Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

12.7 Incorporation by Reference. Every exhibit, schedule, and other appendix attached to this Agreement and referred to herein is hereby incorporated in this Agreement by reference.

12.8 Further Action. Each Partner, upon the request of any General Partner, agrees to perform all further acts and execute, acknowledge, and deliver any documents which may be reasonably necessary, appropriate, or desirable to carry out the provisions of this Agreement.

12.9 Variation of Pronouns. All pronouns and any variations thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the Person or Persons may require.

12.10 Governing Law. The laws of the State of Illinois shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the Partners.

12.11 Waiver of Action for Partition. Each of the Partners irrevocably waives any right that he may have to maintain any action for partition with respect to any of the Partnership Property.

12.12 Counterpart Execution. This Agreement may be executed in any number of counterparts with the same effect as if all of the Partners had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

12.13 Sole and Absolute Discretion. Except as otherwise provided in this Agreement, all actions which any General Partner may take and all determinations which any General Partner may make pursuant to this Agreement may be taken and made at the sole and absolute discretion of such General Partner.

12.14 Entire Agreement. This Agreement constitutes the entire agreement and understanding among the Partners and supersedes any prior understandings or written or oral agreements among them respecting the subject matter hereof.

[Signatures on the following page]

IN WITNESS WHEREOF, the parties have entered into this Agreement of Limited Partnership as of the day first above set forth.

Aurora St. Charles Senior Living GP LLC, an Illinois limited liability company, the general partner

By: 
Name: Jerry C. Rapp
Its: Manager

Verigreen Development, LLC, an Illinois limited liability company, the limited partner

By: 
Name: Jerry C. Rapp
Its: Manager

EXHIBIT A

AGREEMENT OF LIMITED PARTNERSHIP

OF

**AURORA ST. CHARLES SENIOR LIVING L.P.,
AN ILLINOIS LIMITED PARTNERSHIP**

LIMITED PARTNER

<u>Name and Address</u>	<u>Capital Contribution</u>	<u>Percentage Interest</u>
Verigreen Development, LLC 566 West Lake Street, Suite 400 Chicago, IL 60661	\$99.99	99.99%

F – For Profit Ownership

Aurora St. Charles Senior Living L.P. is organized as a partnership. The initial owners are Aurora St. Charles Senior Living GP LLC, an Illinois limited liability company, general partner and VeriGreen Development, LLC, an Illinois limited liability company, limited partner.

At the financial closing, VeriGreen Development LLC will be replaced by an investor and Aurora St. Charles Senior Living NFP LLC and NLDC St. Charles Senior Living SLP LLC will be admitted to the partnership as a general partner and special limited partner, respectively.

G – Project Narrative

Attachments include:

- Veteran's service letters
- Certificate of consistency with the local consolidated plan
- Market Study
- Local Support Letter from Mayor Weisner



March 27, 2015

Larry Pusateri, CEO
VeriGreen Development
566 W Lake St #400
Chicago, IL 60661

RE: Veterans Resources for Aurora St Charles Senior Living

Dear Mr. Pusateri,

I understand that VeriGreen Development LLC (**VeriGreen**) is working with the City of Aurora to develop an affordable housing project at 400 E New York St in Aurora, IL (the Property) with approximately 60 units of housing for seniors age 55 or older. VeriGreen has expressed the desire to provide affordable housing for and facilitate service provision to veterans through this development.

As a Supportive Services for Veteran Families (SSVF) provider serving Kane County, we are well suited to understand the needs of our constituents, the services that are available to them and how to provide them with case management services that will assist in addressing their individual needs. The VeriGreen Development will provide a stable housing starting point where these residents could receive the services we offer.

In 2014, MSHV assisted 264 veteran households' individuals with supplies, services and referrals and 81% of our SSVF veteran households successfully maintained or obtained housing through the assistance of our program. 87% of our homeless veterans completed the Larson Program successfully, meaning the veterans were employed; sober and moving into permanent housing at program discharge. The VeriGreen Development could be the target destination for individuals in this program.

We will coordinate with VeriGreen's property management to identify veterans in need of our services. VeriGreen will also be added to our resource directory of available affordable housing for veteran households.

Warmest Regards,


Pamela Kostecki
Executive Director

119 N. West Street
Wheaton, IL 60187 USA

Ph: 630-871-VETS (8387)

Fax: 630-871-MSHV (6748)

info@mshv.org

Transitional Housing

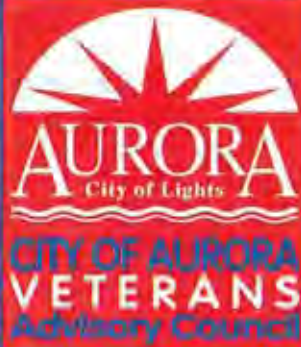
Marine LCpl. Nicholas Larson Home

Affordable Housing

Army SSGT. Robert J. Miller Home

Freedom Commissary

Army Captain Kevin C. Landeck



March 27, 2015

Larry Pusateri, CEO
VeriGreen Development
566 W. Lake Street, #400
Chicago, Illinois 60661

RE: VETERANS RESOURCES FOR AURORA ST. CHARLES SENIOR LIVING

Dear Mr. Pusateri,

I understand that VeriGreen Development LLC (VeriGreen) is working with the City of Aurora to develop an affordable housing project at 400 E. New York Street in Aurora, IL with approximately 60 units of housing for seniors age 62 or older. VeriGreen has expressed the desire to provide affordable housing for and facilitate service provision to Veterans through this development.

The City of Aurora's Veterans Advisory Council (AVAC) understands the needs of Veterans, esp. those who find themselves homeless or near homelessness. Our mission statement gives testament to who the AVAC is and how we strive to aid Veterans the best we can.

We are advocates for all Veterans of all generations and all conflicts. We shall ensure our citizens, our city and our nation remember the sacrifices of those gone and those who remain. We shall work on their behalf to enlighten the city of Veteran situations and likewise inform the citizens about the city's efforts for Veterans.

Our mission statement says it all. AVAC will refer potential Veteran residents in need of affordable housing to the property and provide any assistance you may need in relation to Veteran's needs. We are extremely pleased to hear about this endeavor and will do our best to help VeriGreen succeed. Please feel free to call me if you have any questions or comments. Thank you Larry.

WE SALUTE YOUR EFFORTS!

Sincerely,

Joe Toma
AVAC Chairman
joe@joetoma.net
630.899.9021



Council Members

- JOE TOMA, *Chairman*
- LISA GARCIA, *Vice Chair/Treasurer*
- DALE ANDERSON, *Secretary*
- JAMES BUTLER
- AURELIANO DELATORRE
- MIKE ECKBURG
- CHRISTOPHER HESS
- HERSCHEL LUCKINBILL
- BOB MCKNIGHT
- ROBERT MOGA
- JOHN MUSCHLER
- BERNINA PERKINS
- SCOTT ROSCOE
- ART SHERIDAN

Certification of Consistency with the Consolidated Plan

U.S. Department of Housing
and Urban Development

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's current, approved Consolidated Plan.
(Type or clearly print the following information:)

Applicant Name: VeriGreen Development LLC

Project Name: Aurora St. Charles Senior Living


Location of the Project: 400 E New York St.
Aurora, IL 60505

Name of the Federal Program to which the applicant is applying: LIHTC and potentially soft gap funds including HOME and/or CDBG

Name of Certifying Jurisdiction: Aurora, IL

Certifying Official of the Jurisdiction Name: Thomas Weisner

Title: Mayor

Signature: 

Date: 3-25-15

2015 Site and Market Study Summary Form

(Please complete all highlighted (in yellow) sections of this form. Failure to do so will be grounds for automatic denial of your application)

Required Information:	Information Requested on this form:	Mark appropriate box / Include required information:	Other information / Page Number Where information can be found in Site and Market Study:
Name of Development:	Aurora St. Charles Senior Living		
Location of the Proposed (City/County):	Aurora/Kane		
Targeted Tenant Type:	Family Elderly Other	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	If Other please indicate targeted population:
Other affordable units that target the same tenant type in the PMA: (should include IHDA, HUD, Rural Housing, Chicago Tax Credits, etc.)	Number of Units	602	Page number: 23, 42
Total Number of other affordable units in the PMA: (should include IHDA, HUD, Rural Housing, Chicago Tax Credits, etc.)	Number of Units	1,500	Page number: 39
Rent Schedule (including unit sizes) for Proposed Development:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: 5
Occupancy levels for existing affordable properties in PMA:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: Appendix
Rent Schedule for Comparable Properties:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: 23
Evaluation of the proposed rents to comparable properties in the PMA:	Lower Comparable Higher	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Evaluation and Explanation found on page: 35
Demographic (population) trending for PMA and for targeted tenant population:	Increase Stable Decrease	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Evaluation and Explanation found on page: 27-28
Demographic (households) trending for PMA and for targeted tenant population:	Increase Stable Decrease	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Evaluation and Explanation found on page: 27-28
Evaluation of the proposed unit mix to the PMA standard:	Superior Meets Inferior	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Evaluation found on page: 35
Evaluation of the proposed unit sizes (sq. ft.) to the PMA standard:	Superior Meets Inferior	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Evaluation found on page: 35
List of Proposed Development Amenities:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: 7
Evaluation of proposed amenities to PMA standard:	Superior Equal Inferior	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Evaluation and Explanation found on page: 35

Estimated absorption period:	Units per month	10	Explanation of absorption estimate found on page:
	Number of months	6	
Marketability/Visibility of the Site:	Good	x	Explanation found on page:
	Average		
	Poor		
Affordable units market penetration including the proposed in the PMA (use ALL income qualified households for PMA ONLY):	Rate	24.40%	Page number:
			42
Proposed projects' required rate of capture within the PMA (use ALL income qualified households for PMA ONLY):	Rate	0.90%	Page number:
			42
Overall Market Demand (the additional number of units needed within the market area to meet demand from targeted populations. The analysis should determine if there is sufficient demand to support the proposed project):	Units needed	4,434	Page number:
	Sufficient Demand (y/n)?	y	39
Public Safety Issues (Provide an analysis of public safety issues including information or statistics on crime in the PMA. Address any local perceptions of crime or safety issues in the PMA):	Included	x	Page number:
	Not Included		11
List of major employers in PMA (not required of some projects, see requirements):	Included	x	Page number:
	Not Included		30
Economic Stability Analysis / Evaluation of PMA employment (not required of some projects, see requirements):	Growth		Analysis found on page:
	Stability	x	
	Decline		

A SITE AND MARKET STUDY FOR
THE PROPOSED

AURORA ST. CHARLES SENIOR LIVING
A 60-UNIT AFFORDABLE APARTMENT COMMUNITY

400 EAST NEW YORK STREET
AURORA, ILLINOIS

MARCH 25, 2015

PREPARED FOR

VERIGREEN DEVELOPMENT, LLC



March 25, 2015

Mr. David Block
VeriGreen Development, LLC
566 West Lake Street
Chicago, Illinois 60661

RE: Site and Market Study for the Proposed Aurora St. Charles Senior Living in Aurora, Illinois

Dear Mr. Block:

We are pleased to submit the following Site and Market Study for the proposed St. Charles Aurora Senior Living. The development will include the adaptive reuse and rehabilitation of the historic St. Charles Hospital building into 60 studio, one- and two-bedroom apartments restricted to senior households (55+) earning at or below 30 percent, 50 percent, and/or 60 percent of area median income (AMI) for Kane County.

The proposed development is a good candidate for partial funding through the Low Income Housing Tax Credit program because there continues to be strong demand for quality affordable senior housing in the primary market area. The subject's location near the amenities of Downtown Aurora will offer numerous entertainment opportunities for active seniors, while most everyday amenities are located within a mile. The development of the former hospital building will also contribute significantly to the continued redevelopment of Aurora's East Side, and be a productive reuse of a historic structure that is currently underutilized. As proposed, St. Charles Senior Living will greatly improve the quality of housing available to senior households in the area, and help expand existing affordable options.

Given these findings, we support your proposal to build affordable apartments for low- to moderate-income senior households in Kane County. Development Strategies appreciates the opportunity to assist you with this market study. Should you or your associates have any questions about the following study, please call. We will be glad to hear from you.

Yours very truly,



Brad Beggs, MAI
Illinois State Certified General Appraiser



Jake Narup
Analyst

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I. PROPOSED DEVELOPMENT PROGRAM

I. A. DEVELOPER

The developer of the subject property will be:

VeriGreen Development, LLC
566 West Lake Street
Chicago, Illinois 60661
(312) 382-3259

I. B. PROJECT DESCRIPTION

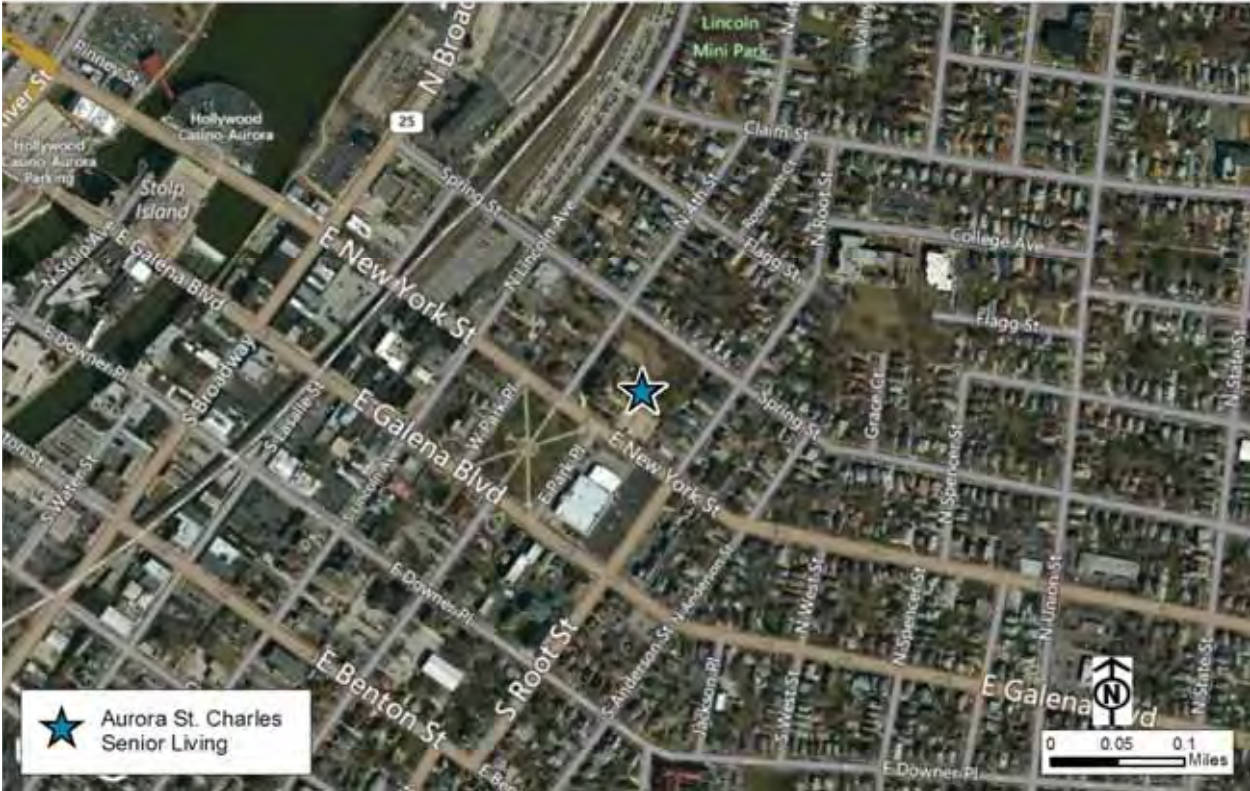
The subject of this market study is the proposed rehabilitation of Aurora's historic St. Charles Hospital building into a 60-unit affordable apartment development for seniors. The development will contain a combination of studio, one-bedroom, and two-bedroom units available to seniors (55+) earning at or below 30 percent, 50 percent, and/or 60 percent of Area Median Income (AMI) for Kane County.

The 1932 Art Deco building will be substantially rehabbed, including exterior masonry and stone work, new building systems, significant upgrades to the building interior, and modifications to the interior layout. Units will be spacious—ranging from an average of 610 to 862 square feet—and include original historic architectural details and views of Downtown Aurora. A comprehensive community amenities package will include an exercise and wellness room, reading library, laundry facilities on each floor, bicycle storage, on-site management, and a large community room contained within the building's renovated chapel. Once complete, the property's finish and amenities will be comparable or superior to other affordable rental developments currently in the market.

This development will be partially financed using Low Income Housing Tax Credits.

I. C. LOCATION

The site is located at 400 East New York Street in Aurora. The subject is just east of the Fox River and Downtown Aurora and approximately 36 miles west of Downtown Chicago. The site is on the northeast corner of the intersection of East New York and North Fourth streets, and about three blocks southwest of Illinois Route 25—a primary north-south thoroughfare that links Aurora to many neighboring communities. The subject is situated about two miles west of the Kane-DuPage county border and two miles north of the Kane-Kendall county border.



I. D. SITE DESCRIPTION

The development site is rectangular and contains approximately 3.15 acres (137,214 square feet) of land on the northeast corner of East New York and North Fourth streets. The site is level and is currently improved with the former hospital building along the western portion of the site, as well as a small surface parking lot and sports field on the site's eastern side. The five-to-seven-story hospital building is generally L-shaped and built in the Art Deco architectural style. The main entrance faces the parcel's southwest corner with a short wing extending to the east and a longer wing to the north. Mature trees are located around the perimeter of the site to the north and east, while a small roundabout formerly used for patient drop-off borders the building on its east side.

The site is bound by Spring Street to the northeast and 4th Street to the northwest. Single-family homes are located along both thoroughfares. These structures are in average condition, with some homes showing minor signs of deferred maintenance. Adjacent uses to the southeast include a gas station and additional single-family homes. The site is bound to the southwest by East New York Street followed by a Family Dollar discount store and McCarty Park. The three-acre park was renovated in 2008 and includes a shaded pergola and interactive water feature. Overall, the site is appropriate for the intended tenant base.



I. E. BUILDINGS

The five-to-seven-story historic building located in the southwest portion of the site originally operated as a hospital—and eventually a nursing home and mental health facility—from its construction in 1932 until its closure in 2010. It was placed on the National Register of Historic Places shortly after its closure for its local significance and reflection of the Art Deco style popular in the 1920s and 1930s. Planned renovations will adhere to the Secretary of the Interior’s Standards for the Rehabilitation of Historic Properties.

Studio units will contain an average of 610 square feet, one-bedroom units will average 692 square feet, and two-bedroom units will average 862 square feet. A large chapel located in the northernmost portion of the building will be converted into a large community room, while a fitness center, reading library, and an on-site management office will be located on the building’s ground floor. An elevator will provide access to each floor, with units accessed via a central corridor.

The general design of the building will be unique for the market, but competitive with existing affordable and market rate properties in the area. Unit types and sizes will be appropriate for seniors, and common area amenities will be superior to other senior properties throughout Aurora. Finally, the development plan will include the productive reuse of a key historic structure that is currently underutilized. Therefore, the overall design is appropriate for the target tenant base.

I. F. APARTMENT DETAILS/RENT SCHEDULE

The subject property will be affordable to a range of low- and moderate-income senior households. Of the subject’s 60 total units, 44 will be restricted to households earning at or below 50 percent of AMI for Kane County. These units will be subsidized by project-based Section 8 subsidies in which tenants pay a portion of income towards rent and utilities. Ten units will be restricted to households earning at or below 30 percent and/or 60 percent of AMI and rented at LIHTC rents, and four units will be rented at unrestricted market rates.

Sewer, trash, hot and cold water, and heat will be included in rents. Tenants will be responsible for electricity service, as well as optional cable, internet and phone services.

Aurora St. Charles Senior Living

PROPOSED UNIT MIX

<i>Unit Type</i>	<i>Total Units</i>	<i>Proposed Unit Size</i>	<i>Proposed Rent</i>	<i>Proposed Rent/SF</i>	<i>Utility Allowance</i>	<i>Gross Rent</i>	<i>LIHTC Max Gross Rent</i>
30% AMI							
Studio	2	610 SF	\$359	\$0.59	\$20	\$379	\$399
1 BR/1 Ba	3	692 SF	\$380	\$0.55	\$26	\$406	\$427
2 BR/1 Ba	1	862 SF	\$453	\$0.53	\$34	\$487	\$513
Subtotal/Average	6	693 SF	\$385	\$0.56	\$25	\$411	\$432
50% AMI (Section 8) ¹							
Studio	1	610 SF	\$813	\$1.33	\$20	\$833	\$665
1 BR/1 Ba	34	692 SF	\$922	\$1.33	\$26	\$948	\$712
2 BR/1 Ba	9	862 SF	\$1,094	\$1.27	\$34	\$1,128	\$855
Subtotal/Average	44	725 SF	\$955	\$1.32	\$28	\$982	\$740
60% AMI							
Studio	1	610 SF	\$700	\$1.15	\$20	\$720	\$798
1 BR/1 Ba	3	692 SF	\$786	\$1.14	\$26	\$812	\$855
2 BR/1 Ba	2	862 SF	\$941	\$1.09	\$34	\$975	\$1,026
Subtotal/Average	6	735 SF	\$823	\$1.12	\$28	\$851	\$903
Market Rate							
Studio	1	610 SF	\$700	\$1.15	\$20	\$720	NA
1 BR/1 Ba	2	692 SF	\$925	\$1.34	\$26	\$951	NA
2 BR/1 Ba	1	862 SF	\$1,100	\$1.28	\$34	\$1,134	NA
Subtotal/Average	4	714 SF	\$714	\$1.00	\$28	\$939	-

¹ Contract rents may exceed LIHTC maximums

I. G. IN-UNIT AMENITIES

Each unit will be equipped with an electric oven and refrigerator. Historic windows will be maintained providing views of the grounds and Downtown Aurora, and 12 units will be made ADA accessible. Flooring will be carpet for bedrooms and wood-look sheet vinyl for the living room, hallways, kitchens and bathrooms. The property's finish and in-unit amenities will be generally comparable to the other affordable apartment developments currently in the market.

Unit sizes will be appropriate, and larger than both affordable and market rate properties in the area. The unit mix is somewhat unique to include studio units, but proposed layouts are comparable to or even slightly larger than the one-bedroom units surveyed. We expect the proposed two-bedroom layouts to perform especially well, as the extra bedroom provides additional space for those downsizing from a single-family home and is attractive in allowing seniors to accommodate overnight guests—particularly grandchildren. The unit mix is appropriate for both singles and couples, though most residents will be single.

Based on the amenities, level of finish, unit mix, size of the units, and proposed rents, the subject will be well-positioned near top of the area affordable rental market.

I. H. DEVELOPMENT AMENITIES

The development will include landscaped grounds with a walking path, as well as a large community space in the renovated chapel located on the north side of the building. Additional common amenities will include a reading library, an exercise/wellness room, bicycle storage, and a reading library. Laundry facilities will be located on each floor, management will be located on-site, and off-street parking of one space per unit will be provided. The subject's development amenities will be appropriate for the tenant base and generally superior to other properties in the market.

I. I. CONSTRUCTION

The general features of the project are summarized below:

Foundation:	Reinforced concrete and masonry basement
Structure:	Existing load bearing masonry
Exterior Walls:	Brick
Windows:	Double-hung insulated glass windows meeting SPHO standards for historic appropriateness
Roof:	Flat with rubber membrane and built up roofing material
Floor Covering:	Terrazzo tile in hallways and lobbies, carpet and wood-look vinyl flooring in units
Air Conditioning and Heat:	Individually controlled electric HVAC systems
Hot Water:	Individual electric water heaters

Plans renovations will also include the historic renovation of lobby and chapel spaces, and tuck pointing of masonry as needed. All mechanical, electrical, and plumbing systems will be replaced..

I. J. PARKING

The property will include 60 resident parking spaces for a parking ratio of one space per unit, which is appropriate given the subject's unit mix, tenant base, and location. Several additional parking spaces are planned for visitors. There will be no cost for parking.

I. K. DENSITY

The site contains approximately 3.15 acres, resulting in a density of 19.05 units per acre, or 6,287 square feet of land per unit. Considering the project's location, the density is appropriate.

I. L. TENANT DISPLACEMENT

This property has not previously been used as an apartment complex, so there will be no tenant displacement.

I. M. OTHER

There are no other existing structures on site.

II. FIELD OBSERVATIONS

II. A. ACCESS TO SITE

Surrounding thoroughfares provide excellent local access to the site. The site will be accessible from East New York Street on its southern side and Spring Street to the north. East New York Street continues northwest across the Fox River and into Downtown Aurora (0.4 mile), while Spring Street extends towards residential areas to the east. Illinois Route 25 (locally Broadway) is the nearest north-south thoroughfare (0.2 mile northwest of the subject) and runs along the Fox River, bisecting Aurora and connecting the area to nearby communities to the north including Batavia (6.5 miles), and St. Charles (eleven miles), and the south including Boulder Hill (3.5 miles) and Oswego (5.5 miles). US Route 34 is approximately three miles southeast of the subject and provides access to neighboring Naperville.

Regional access to the subject site is good. Interstate 88 (2.8 miles north) extends through Kane, DuPage, and Cook counties, connecting Aurora to numerous western suburbs as well as Downtown Chicago (36 miles east). The local Metra rail station is located at the Aurora Transportation center along Broadway (0.3 mile northwest) and provides regular service throughout the Chicago metro region, while Pace bus service provides public transit throughout Aurora and nearby communities. The 521 route runs along East New York Street directly in front of the subject and continues towards Downtown Aurora.

Overall, access to the site is very good. Surrounding thoroughfares and arterials provide easy access throughout Aurora, while Interstate 88 and the nearby Metra rail line provide linkages throughout the Chicago metro area. Access to public transit is also very good, with Pace bus service available along East New York Street.

II. B. SITE MARKETABILITY

The subject site will be very marketable for senior housing. The site's close proximity to Downtown Aurora provides easy access to entertainment amenities, while everyday needs such as grocery and pharmacy are located within a mile. The site will appeal to active seniors who wish to stay engaged in the community, and is contrasted to other competitive properties that are isolated in less dense portions of Aurora to the southeast. The subject's location will also be highly visible. The building is one of the tallest in the area and is well-known among area residents. The condition of surrounding development is mixed, but the subject's proposed use will remain compatible with adjacent uses as it has for many decades.

Overall, the proposed development is compatible with the surrounding land uses and neighborhood.

II. C. ADJACENT LAND USE

North

The subject is bordered to the north by Spring Street followed by single-family homes



South

The subject is bordered to the south by East New York Street followed by McCarty Park



East

The subject is bordered to the east by a gas station and single-family homes



West

The subject is bordered to the west by North Fourth Street followed by single-family homes



There are no objectionable land uses proximate to the development site.

II. D. NEIGHBORHOOD DESCRIPTION

Aurora is situated near the intersection of DuPage, Kendall, and Will counties approximately 35 miles west of Chicago. Its location along the Fox River made it an ideal for the development of numerous industrial and manufacturing facilities from the mid-19th century through the 1970s. While these sectors have struggled in recent decades, Aurora’s population continues to grow steadily with the construction of several large subdivisions along the city’s eastern boundary as households move west out of Chicago. As of 2014, Aurora’s population was an estimated 200,696--more than double the population in 1990.

The subject is located in an area of relatively high-density development in central Aurora just east of the Fox River and Downtown. Surrounding uses are varied and include residential, commercial, institutional, and open space. A grocery store, gas station, and several multi-family properties are located along East New York Street, while single-family homes are more common to the north and east. While the site is located near the city’s geographic center, the larger neighborhood is referred to as Aurora’s “East Side”. There are few signs of concentrated poverty or vacant or abandoned parcels in the area, but surrounding properties are in mixed condition, with some showing signs of deferred maintenance. The neighborhood has been targeted by redevelopment efforts in recent years, and the site is within the boundaries of the state’s River Edge Redevelopment Zone, and the Aurora East Side Neighborhood Revitalization Strategy Area. The subject property is one of the most prominent in the area, and is well-known for its previous uses as a medical facility. The planned rehabilitation of the property will be a significant addition to local redevelopment efforts, and will be a productive reuse of a key historic structure that is currently underutilized.

Overall, the neighborhood is a very appropriate location for senior rental housing and the intended tenant base.

II. E. PUBLIC SAFETY ISSUES

According to 2013 Crime data provided by ESRI, the subject census block group has a total crime index of 75, while Kane County has a total crime index of 41. These figures compare very favorably to the national crime index of 100. The property managers surveyed did not indicate any strong perceptions of local crime or safety issues.

III. MARKET AREA CHARACTERISTICS

III. A. MARKET AREA

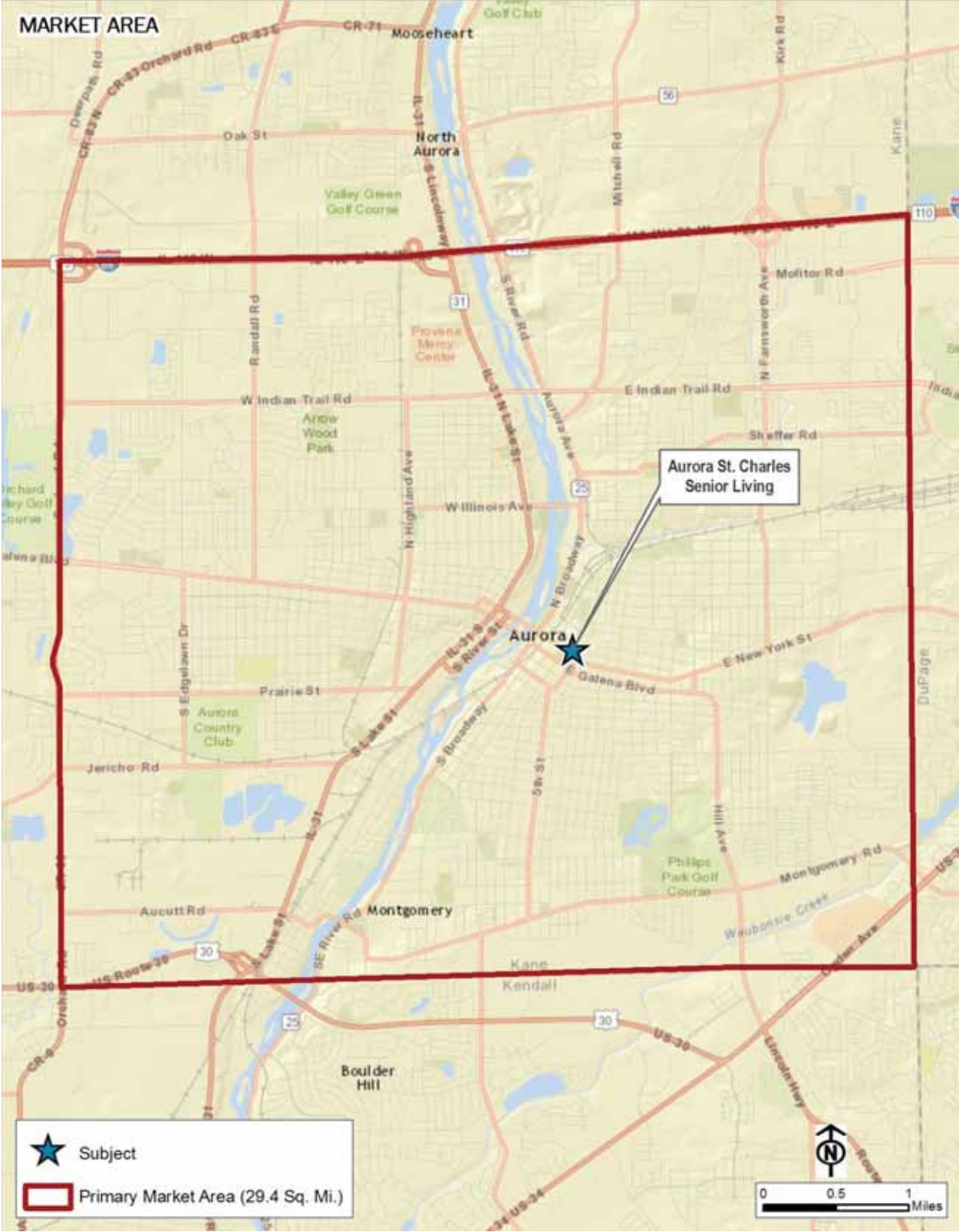
The primary market area (PMA) is briefly defined as the smallest geographic area that is expected to generate between 70 to 80 percent of the support for the proposed project. The PMA is separated from adjacent market areas by natural and manmade barriers such as rivers, highways, railroads, major arteries, or a marked difference in the socioeconomic makeup of the neighborhood or area.

The PMA has been determined by: 1) Interviews conducted with area apartment managers, city officials, real estate agents, and area developers; 2) Demographic analysis; and 3) Field analyst observations.

The subject is located near the center of a rectangular PMA bound by Interstate 88 to the north, the Kane-DuPage county line to the east, the Kane-Kendall county line to the south, and Orchard Road to the west. The market area contains approximately 29.4 square miles. Households within the PMA are relatively homogenous, with median household incomes considerably lower than area to the east, south and west.

We estimate that up to 75 percent of the tenants will come from the primary market area. We have not delineated a secondary market area, but additional project support may be derived from other portions of Kane County as well as nearby DuPage and Kendall counties.

A map of the PMA is included on the following page.



III. B. COMPARABLE PROPERTIES

There are several affordable housing options throughout Aurora, but most are contained within deeply subsidized Section 8 and public housing projects. There are currently seven LIHTC properties in the PMA, four of which target senior tenants. We have included each of these four properties in the analysis below. North Island Apartments is most similar to the subject is located just west on Stolp Island. It contains 56 studio, one-, and two-bedroom units in a historic eight-story former hotel brick building. The property was rehabbed in 1998 using LIHTC and is currently in average condition and fully-occupied. Remaining properties largely consist of garden-style apartment communities built in the 1980s and 1990s in less dense areas of Aurora to the southeast. In-unit and community amenities were similar at each of the affordable properties surveyed and included basic kitchen appliances, on-site laundry facilities, and a community room.

There are numerous professional managed market rate properties throughout the PMA. Similar to North Island Apartments, The Graham Building is a historic rehab on Stolp Island. It is located less than a half mile west of the subject and includes small one-bedroom units in a variety of layouts with limited amenities. The YMCA Apartments located along Garfield Avenue formerly operated as affordable senior rentals before the LIHTC compliance period ended last year. While the property is older and unit layouts are significantly smaller than the subject, it is well located near Downtown and includes all utilities plus cable television in rent. Finally, The Aventine at Oakhurst and Lakeview Residences are larger market rate properties with access to community amenities such as sports courts, fitness centers, outdoor spaces, and swimming pools. Both properties are located on large sites outside of the city center.

One-bedroom and two-bedroom units are relatively common throughout the market, while fewer studio units are available. At market rate properties in the area, one-bedroom rents range from approximately \$695 to \$1,185 and average \$864, while market rate two-bedroom rents range from \$780 to \$1,360 and average \$1,045. Only one market rate property contains studio units, which rent for \$714. LIHTC properties offer a significant discount to market rents, with average 60 percent AMI one-bedroom rents of \$780 and two-bedroom rents of \$923. North Island Apartments was the only LIHTC property surveyed to contain studio units, which rent for \$600.

The selected properties are summarized on the following pages.

**SELECTED PROPERTY #1
LIHTC- SENIOR**

NORTH ISLAND APARTMENTS

2 N Stolp Avenue
Aurora, IL 60506

Property Manager
630-859-0877

Date Contacted:
03/24/2015



Unit Mix/Current Rents

	<i>Unit Type</i>	<i>Number</i>	<i>Vacant</i>	<i>Size</i>	<i>Rent</i>	<i>Rent/SF</i>
50% AMI Units	1-BR/1-Ba	N/A	0	600 SF	\$600	\$1.00
	Studio	N/A	0	525 SF	\$600	\$1.14
60% AMI Units	1-BR/1-Ba	N/A	0	600 SF	\$650	\$1.08
80% AMI Units	1-BR/1-Ba	N/A	0	600 SF	\$750	\$1.25
	Total	56	0			

Total Units: 56
Built/Renovated: 1928/1998
Current Occupancy: 100%
Absorption: Not applicable
Rent Increases: No recent increases
Concessions: None
Waiting List: Yes, four applicants

- Unit Amenities:**
- Refrigerator
 - Oven/range
 - Dishwasher
 - Disposal
 - Microwave
 - Wall a/c
 - Central a/c
 - Ceiling fans
 - Balcony/patio
 - Washer/dryer hookups
 - Washer/dryer in unit
 - Walk-in closets
 - Extra storage
 - Other (see comments)

Distance from Subject: 0.4 mile northwest
Section 8 Vouchers: Accepted
Type of Utilities: All electric

- Utilities Included in Rent:**
- Water
 - Sewer
 - Trash
 - Hot water
 - Heat
 - All gas
 - All electricity
 - Cable/satellite
 - Internet

- Community Amenities:**
- On-site management
 - Community room
 - Laundry facilities
 - Business center
 - Fitness center
 - Elevator
 - Secure entry
 - Playground
 - Sport courts
 - Picnic/BBQ area
 - Swimming pool
 - Off-street parking
 - Garage parking
 - Other (see comments)

Comments:

None

**SELECTED PROPERTY #2
LIHTC- SENIOR**

SILVER OAKS AT WATERFORD

1819 Silver Oaks Drive
Aurora, IL 60504

Ellen
(630) 585-6040

Date contacted:
03/19/2015



Unit Mix/Current Rents

	<i>Unit Type</i>	<i>Number</i>	<i>Vacant</i>	<i>Size</i>	<i>Rent</i>	<i>Rent/SF</i>
40% AMI Units	1-BR/1-Ba	N/A	0	660 SF	\$536	\$0.81
50% AMI Units	1-BR/1-Ba	N/A	0	660 SF	\$648	\$0.98
60% AMI Units	1-BR/1-Ba	N/A	0	660 SF	\$806	\$1.22
	Total	96	0			

Total Units:	96	Distance from Subject:	2.1 miles southeast	
Built/Renovated:	2000	Section 8 Vouchers:	Accepted	
Current Occupancy:	100%	Type of Utilities:	All electric	
Absorption:	Not applicable	Utilities Included in Rent:		
Rent Increases:	No recent increases	<input checked="" type="checkbox"/> Water	<input type="checkbox"/> Hot water	<input type="checkbox"/> All electricity
Concessions:	None	<input checked="" type="checkbox"/> Sewer	<input type="checkbox"/> Heat	<input type="checkbox"/> Cable/satellite
Waiting List:	Yes, approx. 25 applicants	<input checked="" type="checkbox"/> Trash	<input type="checkbox"/> All gas	<input type="checkbox"/> Internet
Unit Amenities:		Community Amenities:		
<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Ceiling fans	<input checked="" type="checkbox"/> On-site management	<input type="checkbox"/> Playground	
<input checked="" type="checkbox"/> Oven/range	<input checked="" type="checkbox"/> Balcony/patio	<input checked="" type="checkbox"/> Community room	<input type="checkbox"/> Sport courts	
<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Washer/dryer hookups	<input checked="" type="checkbox"/> Laundry facilities	<input type="checkbox"/> Picnic/BBQ area	
<input checked="" type="checkbox"/> Disposal	<input type="checkbox"/> Washer/dryer in unit	<input type="checkbox"/> Business center	<input type="checkbox"/> Swimming pool	
<input type="checkbox"/> Microwave	<input type="checkbox"/> Walk-in closets	<input type="checkbox"/> Fitness center	<input checked="" type="checkbox"/> Off-street parking	
<input type="checkbox"/> Wall a/c	<input type="checkbox"/> Extra storage	<input type="checkbox"/> Elevator	<input type="checkbox"/> Garage parking	
<input checked="" type="checkbox"/> Central a/c	<input type="checkbox"/> Other (see comments)	<input type="checkbox"/> Secure entry	<input type="checkbox"/> Other (see comments)	

Comments:

None

SELECTED PROPERTY #3
LIHTC – SENIOR

ALDEN HORIZON SENIOR LIVING

2000 Randi Drive
Aurora, IL 60504

Date Contacted:
03/24/2015

Property Manager
(630) 499-4890



Unit Mix/Current Rents

	<i>Unit Type</i>	<i>Number</i>	<i>Vacant</i>	<i>Size</i>	<i>Rent</i>	<i>Rent/SF</i>
40% AMI Units	1-BR/1-Ba	20	0	725 SF	\$509 - \$520	\$0.70 - \$0.72
50% AMI Units	1-BR/1-Ba	15	0	725 SF	\$618 - \$626	\$0.85 - \$0.86
	2-BR/2-Ba	6	0	950 SF	\$729 - \$746	\$0.77 - \$0.79
	Total	21	0			
60% AMI Units	1-BR/1-Ba	24	0	725 SF	\$782 - \$791	\$1.08 - \$1.09
	2-BR/2-Ba	12	0	950 SF	\$862 - \$897	\$0.91 - \$0.94
	Total	36	0			
80% AMI Units	1-BR/1-Ba	17	0	725 SF	\$935	\$1.29
	2-BR/2-Ba	3	0	950 SF	\$1,185	\$1.25
	Total	20	0			

Total Units:	97	Distance from Subject:	2.3 miles southeast	
Built/Renovated:	2001	Section 8 Vouchers:	Accepted	
Current Occupancy:	100%	Type of Utilities:	Electric w/ gas heat & hot water	
Absorption:	Not applicable	Utilities Included in Rent:		
Rent Increases:	No recent increases	<input checked="" type="checkbox"/> Water	<input checked="" type="checkbox"/> Hot water	<input type="checkbox"/> All electricity
Concessions:	None	<input checked="" type="checkbox"/> Sewer	<input checked="" type="checkbox"/> Heat	<input type="checkbox"/> Cable/satellite
Waiting List:	Yes, approx. 162 applicants	<input checked="" type="checkbox"/> Trash	<input type="checkbox"/> All gas	<input type="checkbox"/> Internet
Unit Amenities:		Community Amenities:		
<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Ceiling fans	<input checked="" type="checkbox"/> On-site management	<input type="checkbox"/> Playground	
<input checked="" type="checkbox"/> Oven/range	<input checked="" type="checkbox"/> Balcony/patio	<input checked="" type="checkbox"/> Community room	<input type="checkbox"/> Sport courts	
<input type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Washer/dryer hookups	<input checked="" type="checkbox"/> Laundry facilities	<input checked="" type="checkbox"/> Picnic/BBQ area	
<input type="checkbox"/> Disposal	<input type="checkbox"/> Washer/dryer in unit	<input checked="" type="checkbox"/> Business center	<input type="checkbox"/> Swimming pool	
<input type="checkbox"/> Microwave	<input type="checkbox"/> Walk-in closets	<input type="checkbox"/> Fitness center	<input checked="" type="checkbox"/> Off-street parking	
<input type="checkbox"/> Wall a/c	<input type="checkbox"/> Extra storage	<input type="checkbox"/> Elevator	<input type="checkbox"/> Garage parking	
<input checked="" type="checkbox"/> Central a/c	<input type="checkbox"/> Other (see comments)	<input type="checkbox"/> Secure entry	<input type="checkbox"/> Other (see comments)	

Comments:

None

SELECTED PROPERTY #4

LIHTC – SENIOR

ANDERSON FARMS SENIOR

1500 Briarcliff Road
Montgomery, IL 60538

Date Contacted:
03/20/2015

Property Manager
(630) 801-9850



Unit Mix/Current Rents

	<i>Unit Type</i>	<i>Number</i>	<i>Vacant</i>	<i>Size</i>	<i>Rent</i>	<i>Rent/SF</i>
	1 BR/1-Ba	60	0	637 SF	\$768	\$1.21
60% AMI Units	2 BR/1-Ba	60	0	828 SF	\$923	\$1.11
	Total	120	4			

Total Units:	120	Distance from Subject:	2.4 miles south	
Built/Renovated:	1997	Section 8 Vouchers:	Accepted	
Current Occupancy:	97%	Type of Utilities:	Electric and gas	
Absorption:	Not applicable	Utilities Included in Rent:		
Rent Increases:	No recent increases	<input checked="" type="checkbox"/> Water	<input type="checkbox"/> Hot water	<input type="checkbox"/> All electricity
Concessions:	None	<input checked="" type="checkbox"/> Sewer	<input checked="" type="checkbox"/> Heat	<input type="checkbox"/> Cable/satellite
Waiting List:	Yes, length undisclosed	<input checked="" type="checkbox"/> Trash	<input type="checkbox"/> All gas	<input type="checkbox"/> Internet
Unit Amenities:		Community Amenities:		
<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Ceiling fans	<input checked="" type="checkbox"/> On-site management	<input type="checkbox"/> Playground	
<input checked="" type="checkbox"/> Oven/range	<input checked="" type="checkbox"/> Balcony/patio*	<input checked="" type="checkbox"/> Community room	<input type="checkbox"/> Sport courts	
<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Washer/dryer hookups	<input checked="" type="checkbox"/> Laundry facilities	<input checked="" type="checkbox"/> Picnic/BBQ area	
<input checked="" type="checkbox"/> Disposal	<input type="checkbox"/> Washer/dryer in unit	<input checked="" type="checkbox"/> Business center	<input type="checkbox"/> Swimming pool	
<input type="checkbox"/> Microwave	<input type="checkbox"/> Walk-in closets	<input type="checkbox"/> Fitness center	<input checked="" type="checkbox"/> Off-street parking	
<input type="checkbox"/> Wall a/c	<input type="checkbox"/> Extra storage	<input checked="" type="checkbox"/> Elevator	<input type="checkbox"/> Garage parking	
<input checked="" type="checkbox"/> Central a/c	<input type="checkbox"/> Other (see comments)	<input checked="" type="checkbox"/> Secure entry	<input type="checkbox"/> Other (see comments)	

Comments:

*Available in some units

**SELECTED PROPERTY #5
MARKET RATE**

THE GRAHAM BUILDING

33 S Stolp Avenue
Aurora, IL 60506

Property Manager
630-897-6055

Date Contacted:
03/20/2015



Unit Mix/Current Rents

<i>Unit Type</i>	<i>Number</i>	<i>Vacant</i>	<i>Size</i>	<i>Rent</i>	<i>Rent/SF</i>
1-BR/1-Ba	35	2	475 SF - 525 SF	\$800 - \$850	\$1.62 - \$1.68

Total Units:	35	Distance from Subject:	0.4 mile west	
Built/Renovated:	1926	Section 8 Vouchers:	Not accepted	
Current Occupancy:	100%	Type of Utilities:	All electric	
Absorption:	Not applicable	Utilities Included in Rent:		
Rent Increases:	No recent increases	<input type="checkbox"/> Water	<input type="checkbox"/> Hot water	<input type="checkbox"/> All electricity
Concessions:	None	<input checked="" type="checkbox"/> Sewer	<input type="checkbox"/> Heat	<input type="checkbox"/> Cable/satellite
Waiting List:	None	<input checked="" type="checkbox"/> Trash	<input type="checkbox"/> All gas	<input type="checkbox"/> Internet
Unit Amenities:		Community Amenities:		
<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Ceiling fans	<input checked="" type="checkbox"/> On-site management	<input type="checkbox"/> Playground	
<input checked="" type="checkbox"/> Oven/range	<input type="checkbox"/> Balcony/patio	<input type="checkbox"/> Community room	<input type="checkbox"/> Sport courts	
<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Washer/dryer hookups	<input checked="" type="checkbox"/> Laundry facilities	<input type="checkbox"/> Picnic/BBQ area	
<input type="checkbox"/> Disposal	<input type="checkbox"/> Washer/dryer in unit	<input type="checkbox"/> Business center	<input type="checkbox"/> Swimming pool	
<input type="checkbox"/> Microwave	<input type="checkbox"/> Walk-in closets	<input type="checkbox"/> Fitness center	<input type="checkbox"/> Off-street parking	
<input checked="" type="checkbox"/> Wall a/c	<input type="checkbox"/> Extra storage	<input checked="" type="checkbox"/> Elevator	<input type="checkbox"/> Garage parking	
<input type="checkbox"/> Central a/c	<input type="checkbox"/> Other (see comments)	<input checked="" type="checkbox"/> Secure entry	<input type="checkbox"/> Other (see comments)	

Comments:

None

**SELECTED PROPERTY #6
MARKET RATE**

AUTUMNWOOD APARTMENTS

734 N Gladstone Avenue
Aurora, IL 60506

Property Manager
630-897-6055

Date Contacted:
03/23/2015



Unit Mix/Current Rents

<i>Unit Type</i>	<i>Number</i>	<i>Vacant</i>	<i>Size</i>	<i>Rent</i>	<i>Rent/SF</i>
1 BR/1-Ba	N/A	N/A	425 SF	\$695	\$1.64
2 BR/1-Ba	N/A	N/A	560 SF - 600 SF	\$765 - \$795	\$1.33 - \$1.37
3 BR/1.5-Ba	N/A	N/A	1,082 SF	\$1,050	\$0.97
Total	173	8			

Total Units:	173	Distance from Subject:	2.3 miles west	
Built/Renovated:	1960s	Section 8 Vouchers:	Accepted	
Current Occupancy:	95%	Type of Utilities:	Gas and electric	
Absorption:	Not applicable	Utilities Included in Rent:		
Rent Increases:	No recent increases	<input checked="" type="checkbox"/> Water	<input type="checkbox"/> Hot water	<input type="checkbox"/> All electricity
Concessions:	None	<input checked="" type="checkbox"/> Sewer	<input type="checkbox"/> Heat	<input type="checkbox"/> Cable/satellite
Waiting List:	None	<input checked="" type="checkbox"/> Trash	<input type="checkbox"/> All gas	<input type="checkbox"/> Internet
Unit Amenities:		Community Amenities:		
<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Ceiling fans	<input checked="" type="checkbox"/> On-site management	<input type="checkbox"/> Playground	
<input checked="" type="checkbox"/> Oven/range	<input checked="" type="checkbox"/> Balcony/patio	<input type="checkbox"/> Community room	<input type="checkbox"/> Sport courts	
<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Washer/dryer hookups	<input checked="" type="checkbox"/> Laundry facilities	<input type="checkbox"/> Picnic/BBQ area	
<input type="checkbox"/> Disposal	<input type="checkbox"/> Washer/dryer in unit	<input type="checkbox"/> Business center	<input type="checkbox"/> Swimming pool	
<input type="checkbox"/> Microwave	<input type="checkbox"/> Walk-in closets	<input type="checkbox"/> Fitness center	<input checked="" type="checkbox"/> Off-street parking	
<input checked="" type="checkbox"/> Wall a/c	<input type="checkbox"/> Extra storage	<input type="checkbox"/> Elevator	<input type="checkbox"/> Garage parking	
<input type="checkbox"/> Central a/c	<input type="checkbox"/> Other (see comments)	<input type="checkbox"/> Secure entry	<input type="checkbox"/> Other (see comments)	

Comments:

None

**SELECTED PROPERTY #7
MARKET RATE**

LAKEVIEW RESIDENCES

1037 Howell Place
Aurora, IL 60505

Property Manager
(630) 898-3262

Date Contacted:
03/23/2015



Unit Mix/Current Rents

<i>Unit Type</i>	<i>Number</i>	<i>Vacant</i>	<i>Size</i>	<i>Rent</i>	<i>Rent/SF</i>
Studio	N/A	N/A	500 SF	\$679 - \$749	\$1.36 - \$1.50
1 BR/1-Ba	N/A	N/A	610 SF	\$699 - \$799	\$1.15 - \$1.31
2 BR/1-Ba	N/A	N/A	785 SF	\$899 - \$1,089	\$1.15 - \$1.39
Total	96	5			

Total Units: 173
Built/Renovated: 1974
Current Occupancy: 95%
Absorption: Not applicable
Rent Increases: No recent increases
Concessions: None
Waiting List: None
Unit Amenities:

- Refrigerator
- Oven/range
- Dishwasher
- Disposal
- Microwave
- Wall a/c
- Central a/c
- Ceiling fans
- Balcony/patio
- Washer/dryer hookups
- Washer/dryer in unit
- Walk-in closets
- Extra storage
- Other (see comments)

Distance from Subject: 1.5 miles south
Section 8 Vouchers: Not accepted
Type of Utilities: All electric
Utilities Included in Rent:

- Water
- Sewer
- Trash
- Hot water
- Heat
- All gas
- All electricity
- Cable/satellite
- Internet

Community Amenities:

- On-site management
- Community room
- Laundry facilities
- Business center
- Fitness center
- Elevator
- Secure entry
- Playground
- Sport courts
- Picnic/BBQ area
- Swimming pool
- Off-street parking
- Garage parking
- Other (see comments)

Comments:

None

**SELECTED PROPERTY #8
MARKET RATE**

**THE AVENTINE AT OAKHURST
NORTH**

2800 Pontiac Drive
Aurora, IL 60502

Property Manager
(630) 442-1369

Date Contacted:
03/20/2015



Unit Mix/Current Rents

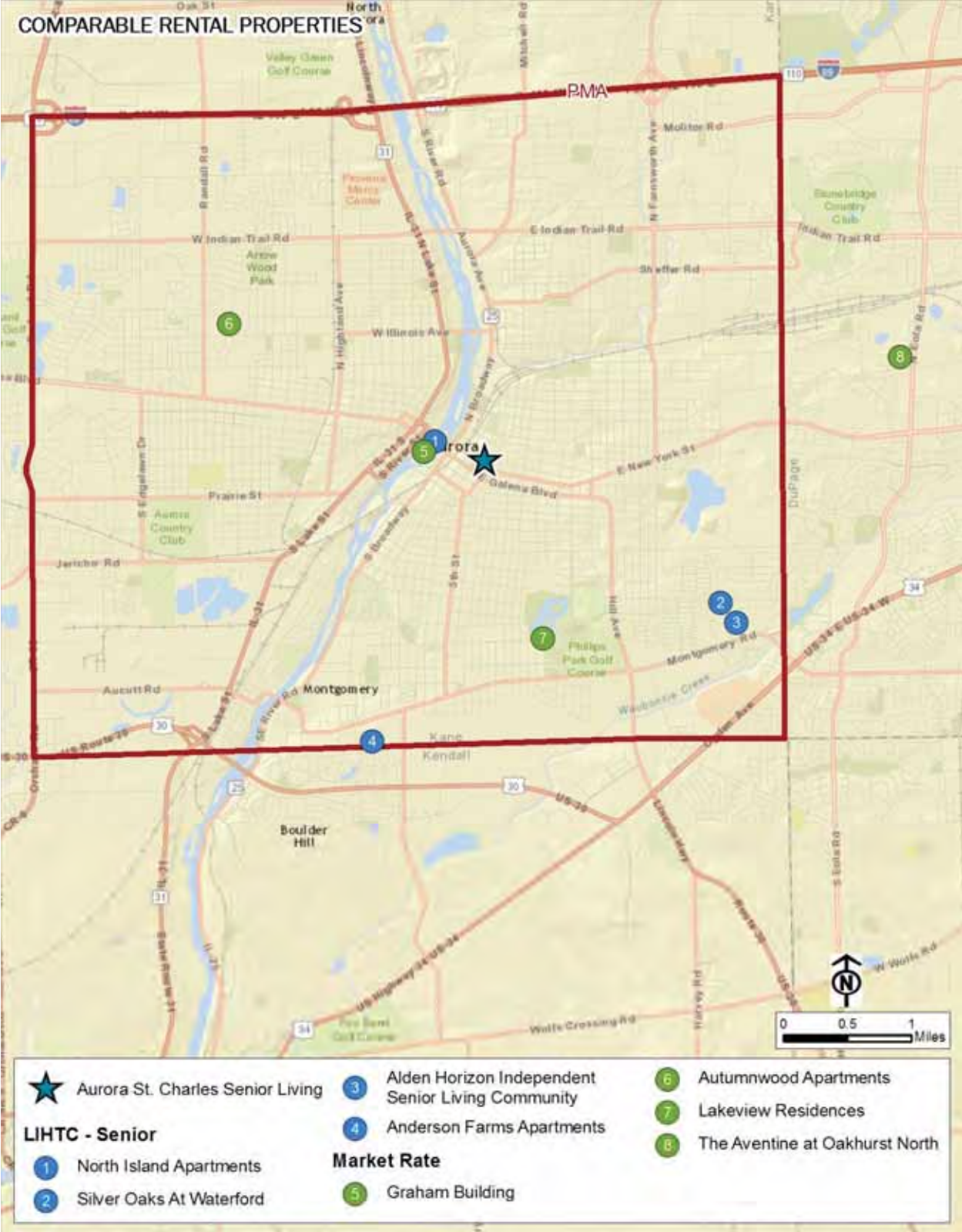
Unit Type	Number	Vacant	Size	Rent	Rent/SF
1 BR/1-Ba	N/A	4	685 SF - 777 SF	\$1,150 - \$1,220	\$1.57 - \$1.68
2 BR/2-Ba	N/A	3	970 SF - 1,100 SF	\$1,295 - \$1,425	\$1.30 - \$1.34
2 BR/2-Ba	N/A	5	1,210 SF - 1,399 SF	\$1,360 - \$1,600	\$1.12 - \$1.14
Total	464	12			

Total Units: 464
Built/Renovated: 1999
Current Occupancy: 97%
Absorption: Not applicable
Rent Increases: No recent increases
Concessions: None
Waiting List: None
Unit Amenities:
 Refrigerator
 Oven/range
 Dishwasher
 Disposal
 Microwave
 Wall a/c
 Central a/c
 Ceiling fans
 Balcony/patio
 Washer/dryer hookups
 Washer/dryer in unit
 Walk-in closets
 Extra storage
 Other (see comments)

Distance from Subject: 3.1 miles east
Section 8 Vouchers: Not accepted
Type of Utilities: All electric
Utilities Included in Rent:
 Water Hot water All electricity
 Sewer Heat Cable/satellite
 Trash All gas Internet
Community Amenities:
 On-site management Sport courts
 Community room Sport courts
 Laundry facilities Picnic/BBQ area
 Business center Swimming pool
 Fitness center Off-street parking
 Elevator Garage parking
 Secure entry Other (see comments)

Comments:

None



St. Charles Aurora Senior Living

SUMMARY OF SELECTED RENTAL PROPERTIES

	Occ. Rate	# of Units*	Studio			One-Bedroom			Two-Bedroom		
			Avg. Rent	Size (SF)	Rent PSF	Avg. Rent	Size (SF)	Rent PSF	Avg. Rent	Size (SF)	Rent PSF
40% AMI Properties											
2 Silver Oaks at Waterford	100%	24	-	-	-	\$536	660	\$0.81	-	-	-
3 Alden Horizon Senior Living	100%	20	-	-	-	\$515	725	\$0.71	-	-	-
Total/Average	100%	44	-	-	-	\$526	690	\$0.76	-	-	-
50% AMI Properties											
1 North Island Apartments	100%	56	-	-	-	\$600	600	\$1.00	-	-	-
2 Silver Oaks at Waterford	100%	24	-	-	-	\$648	660	\$0.98	-	-	-
3 Alden Horizon Senior Living	100%	21	-	-	-	\$622	725	\$0.86	\$738	950	\$0.78
Total/Average	100%	101	-	-	-	\$616	640	\$0.96	\$738	950	\$0.78
60% AMI Properties											
1 North Island Apartments	100%	56	\$600	525	\$1.14	\$650	600	\$1.08	-	-	-
2 Silver Oaks at Waterford	100%	48	-	-	-	\$806	660	\$1.22	-	-	-
3 Alden Horizon Senior Living	100%	36	-	-	-	\$787	725	\$1.09	\$880	950	\$0.93
4 Anderson Farms	97%	120	-	-	-	\$768	637	\$1.21	\$923	828	\$1.11
Total/Average	99%	260	\$714	\$500	\$1.43	\$752	645	\$1.17	\$913	856	\$1.07
Market Rate Properties											
5 The Graham Building	94%	35	-	-	-	\$825	500	\$1.65	-	-	-
6 Autumnwood Apartments	95%	173	-	-	-	\$695	425	\$1.64	\$780	580	\$1.34
7 Lakeview Residences	95%	96	\$714	500	\$1.43	\$750	610	\$1.23	\$994	785	\$1.27
8 The Aventure at Oakhurst North	97%	464	-	-	-	\$1,185	731	\$1.62	\$1,360	1,035	\$1.31
Total/Average	96%	768	\$714	\$500	\$1.43	\$864	567	\$1.52	\$1,045	800	\$1.31
Subject Property*											
30% AMI Units	-	6	\$339	610	\$0.56	\$359	692	\$0.52	\$428	862	\$0.50
50% AMI Units ¹	-	44	\$813	610	\$1.33	\$922	692	\$1.33	\$1,094	862	\$1.27
60% AMI Units	-	6	\$698	610	\$1.14	\$744	692	\$1.08	\$889	862	\$1.03
Market Rate	-	4	\$700	610	\$1.15	\$925	692	\$1.34	\$1,100	862	\$1.28

¹ Units are subsidized by project-based Section 8 contract; tenants pay a portion of income towards rent and utilities

Overall, the subject would be placed at the top of the LIHTC market and in the mid- to upper levels of the market rate market given its design, amenities, and overall marketability.

III. C. AFFORDABLE PROPERTIES WITHIN THE PRIMARY MARKET AREA

There are currently twelve other affordable apartment communities located in the primary market area. These properties contain a mix of approximately 898 units targeting families and 602 units targeting seniors across a number of affordable and deeply-subsidized Section 8 and LIHTC properties. Affordable properties in the PMA are generally in average condition, with several properties constructed in the past ten years in above average condition. All of the properties are well-occupied and reported occupancy rates above 90 percent. As of March 2015, the Aurora Housing Authority also managed approximately 800 Section 8 vouchers. The Section 8 waiting list has been closed since the summer of 2014.

A list of all competitive affordable multifamily properties in the primary market area is included in the appendix of this report.

III. D. AREA SERVICES

The subject property is located within 1.5 miles of a wide variety of neighborhood services and amenities, including shopping, public services, and recreational opportunities. Many of these services and amenities are detailed in the following paragraphs.

1. Shopping and Related Services

The subject site is located less than one mile from a number of shopping options, particularly along New York Street and Lincoln Avenue toward the center of Aurora, including the grocery store ElGuero Super Mercado (directly south) and an ALDI supermarket located 1.4 miles east. Local pharmacies are also within proximity to the subject site, including Walgreens (0.4 mile southeast) and Medical Park Pharmacy (0.8 mile southwest). The nearest supercenter option is Walmart, which is 3.2 miles west of the site. Northgate Shopping Center, 1.4 miles northwest, is a 200,000 square foot community shopping center and Westfield Fox Valley (4.8 miles east) is the nearest regional mall with anchors JC Penney, Sears, and Macy's. The nearest banks are Old Second National Bank (0.1 mile northwest) and Fifth Third Bank (0.3 mile west), and several dining options are located less than one half-mile of the subject, including Lamina, Torres Mania, Subway, and McDonald's. A discount store and gas station are adjacent and the Aurora post office is 0.6 mile from the subject.

2. Transportation

The subject site is located on East New York Street at North Fourth Street. New York Street extends east from the subject toward Fox Valley Mall and west toward Aurora University. Interstate 88 (2.8 miles north) is accessible with an entrance north of the subject via Route 31 through the center of Aurora. Interstate 88 runs east-west, providing access east to Interstate 290 (14.8 miles) into Chicago and the north-south running Interstate 355 (13.6 miles) around Chicago, and west to Interstate 39 (38 miles) that heads north to Rockford, with access to Madison, and south to Bloomington.

Public transportation is readily available near the subject site. The Pace bus transit system provides connection services throughout its six-county region, with the nearest stop in front of the subject site. The Aurora Transportation Center (0.3 mile north) is a Metra railway station on North Broadway providing access east into Chicago.

The nearest international airport is O'Hare International Airport located approximately 26 miles northeast, with Chicago Midway International Airport located 29 miles east. A Greyhound Bus station and Amtrak station are located at the Naperville Metra station, approximately 8.6 miles east of the subject site.

3. Educational Facilities

Because the subject property is restricted to senior (55+) households, few, if any, residents of the subject will be enrolled in schools. However, Waubensee Community College's Aurora campus (0.45 mile west) provides continuing and adult education courses, including computer skills and ESL.

4 Recreation

There are a number of parks and recreational facilities within approximately one mile of the subject site. The nearest public parks are McCarty Park (immediately south), North River Street Park (0.5 mile northwest), and Phillips Park (1.2 miles southeast). McCarty Park acts as a central public square for the neighborhood. North River Street Park lines the Fox River and features the Fox River Trail running along the bank, and Phillips Park features a golf course, zoo, aquatic center, sports fields, and playgrounds. Aurora Public Library is the nearest library to the subject, one half-mile west, and the nearest movie theater is Cinemark Tinseltown USA, which is 2.6 miles northwest. Two museums, the Aurora Regional Fire Museum and SciTech Hands On Museum, are within one half-mile west and a YMCA recreation and fitness center is 0.9 mile west.

5. Health Care

There are several health practitioners and facilities within approximately two miles of the subject site. Aurora Community Health Center is located 0.4 mile southwest and offers medical care services in primary, dental, and mental health. An urgent care facility, Aurora Urgent Care Now, is 2.1 miles northwest, and Presence Mercy Medical Center (2.2 miles northwest) is a 299-bed comprehensive care hospital and level II trauma center that provides cardiovascular care, robotic surgeries, and behavioral health services among others. Family Counseling Services (0.5 mile west) provides counseling and older adult support services free of charge.

Summary

The following table summarizes various amenities and services in the subject's neighborhood and the surrounding area.

Neighborhood and Community Amenities

<i>Name</i>	<i>Address</i>	<i>Type of Amenity</i>	<i>Distance</i>
Retail and Related Services			
ElGuero Super Mercados	30 N Root St.	Grocery	0.1 mile
ALDI	1410 E New York St.	Grocery	1.4 miles
Walgreens	9 N Union St.	Pharmacy	0.4 mile
Medical Park Pharmacy	330 Weston Ave.	Pharmacy	0.8 mile
Lamina	50 N Lincoln Ave.	Restaurant	0.1 mile
Torres Mania	3 S Lincoln Ave.	Restaurant	0.2 mile
Subway	5 E Downer Pl.	Restaurant	0.4 mile
McDonald's	711 E New York St.	Restaurant	0.4 mile
Old Second National Bank	83 N Lincoln Ave.	Bank	0.1 mile
Fifth Third Bank	34 S Broadway	Bank	0.3 mile
BP	305 E Galena Blvd.	Gas Station	0.1 mile
U.S. Post Office	525 N Broadway	Post Office	0.6 mile
Ace Hardware	994 N Lake St	Hardware Store	1.5 miles
Family Dollar	425 E New York St.	Discount Store	0.1 mile
Walmart	2131 W Galena Blvd.	Su percenter	3.2 miles
Northgate Shopping Center	900 N Lake St.	Shopping Center	1.4 miles
Westfield Fox Valley	195 Fox Valley Ctr.	Regional Mall	4.8 miles
Recreation			
Aurora Public Library	1 E Benton St.	Public Library	0.5 mile
McCarty Park	350 E Galena Blvd.	Public Park	0.1 mile
North River Street Park	44 E. Downer Pl.	Public Park	0.5 mile
Phillips Park	901 Ray Moses Dr.	Public Park	1.2 miles
Paramount Theatre	23 E Galena Blvd.	Performing Arts Theater	0.3 mile
Aurora Regional Fire Museum	53 N Broadway	Museum	0.2 mile
SciTech Hands On Museum	18 W Benton St.	Museum	0.5 mile
YMCA	460 Garfield Ave.	Recreational Facility	0.9 mile
Cinemark Tinseltown USA	320 S Lincolnway St.	Movie Theater	2.6 miles
Medical Facilities			
Family Counseling Services	70 S River St.	Older Adult Services	0.5 mile
Aurora Community Health Center	101 S Broadway	Medical Clinic	0.4 mile
Aurora Urgent Care Now	1177 N Highland Ave.	Urgent Care	2.1 miles
Presence Mercy Medical Center	1325 N Highland Ave.	Hospital	2.2 miles

Development Strategies, 2015

III. E. POPULATION/DEMOGRAPHIC CHARACTERISTICS

According to ESRI data, the PMA's currently population of 140,042 has increased modestly at an annual rate of approximately 0.2 percent since 2010. This is slightly slower than annual population growth in Aurora (0.4 percent) and Kane County (0.5 percent), but comparable to the Chicago MSA and state. These trends are largely expected to continue through 2019, with annual population growth in the PMA projected at just 0.1 percent, while annual the growth in the city, county, and MSA is expected between 0.3 and 0.6 percent. Household growth is expected to remain roughly level to slightly above overall population growth over the period, suggesting an increased number of smaller households. However, the PMA has the highest average household size of the five

study areas (3.27 persons)—slightly larger than the city of Aurora and the MSA (both 3.14 persons) and well above the county (2.99 persons) and state (2.58 persons).

The following table summarizes population and household trends for the PMA, Aurora, Kane County, the Chicago MSA, and Illinois.

Demographic Trends

<i>Description</i>	<i>PMA</i>	<i>Aurora</i>	<i>Kane County</i>	<i>Chicago MSA</i>	<i>Illinois</i>
Population					
2019 Projection	141,042	203,897	543,701	9,686,565	13,050,332
2014 Estimate	140,214	200,696	526,521	9,545,986	12,914,651
2010 Census	139,135	197,899	515,269	9,461,105	12,830,632
Annual Growth 2014-2019	0.1%	0.3%	0.6%	0.3%	0.2%
Annual Growth 2010-2014	0.2%	0.4%	0.5%	0.2%	0.2%
Households					
2019 Projection	42,480	64,160	179,266	3,583,604	4,953,881
2014 Estimate	42,239	63,161	173,573	3,520,368	4,889,378
2010 Census	42,176	62,564	170,479	3,475,726	4,836,972
Annual Growth 2014-2019	0.1%	0.3%	0.7%	0.4%	0.3%
Annual Growth 2010-2014	0.0%	0.2%	0.4%	0.3%	0.3%
Average Household Size					
2019 Projection	3.27	3.14	3.00	3.14	2.57
2014 Estimate	3.27	3.14	2.99	3.14	2.58
2010 Census	3.25	3.12	2.98	3.12	2.59

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Approximately 18 percent of the population in the PMA is 55 years or older. This senior population is expected to grow much more quickly than the overall population through 2019. Annual growth in the PMA since 2010 has been approximately 1.6 percent, and is expected to continue at a similar rate over the next five years. This is slightly slower than projected growth of the senior population in Aurora (2.5 percent) Kane County (2.3 percent) over the same period (2.3 percent), but comparable to the state overall.

The following table summarizes senior (55+) population and household trends for the PMA, Aurora, Kane County, the St. Louis MSA, and Illinois.

Senior Demographic Trends (55+)

<i>Description</i>	<i>PMA</i>	<i>Aurora</i>	<i>Kane County</i>	<i>Chicago MSA</i>	<i>Illinois</i>
Population					
2019 Projection	27,168	36,114	131,351	2,603,318	3,701,311
2014 Estimate	25,026	32,078	117,641	2,368,142	3,390,307
2010 Census	23,194	28,148	103,619	2,131,131	3,082,420
Annual Growth 2014-2019	1.7%	2.5%	2.3%	2.0%	1.8%
Annual Growth 2010-2014	1.6%	2.8%	2.7%	2.2%	2.0%
Households					
2019 Projection	15,596	20,451	74,852	1,561,737	2,238,724
2014 Estimate	14,550	18,449	67,949	1,440,903	2,079,212
Growth 2014-2019	7%	11%	10%	8%	8%

© ESRI, 2015

The largest age cohort in the PMA is the *K-12* (ages 5 to 17) group, which comprises 22 percent of the total population. This is followed by the *Family Years* (ages 35 to 49) and *Early Workforce* (ages 25 to 34) cohorts, which make up roughly 20 percent and 16 percent of the PMA's total population, respectively. This age distribution is largely similar to the distribution within the city, county, MSA, and state, although both Aurora and the PMA have a smaller proportion of *Empty Nesters* (ages 50 to 64). The age distribution and the city and market area levels indicate a significant number of young families concentrated in the area. The state of Illinois has a median age of 37.2 years—the highest of the five study areas—followed by the MSA (36.4 years), county (35.1 years), Aurora (31.6 years), and PMA (30.8 years).

The age distribution within the PMA, Aurora, Kane County, the Chicago MSA, and Illinois is illustrated in the following chart.

Age Distribution Comparison

<i>Age Cohort</i>	<i>PMA</i>	<i>Aurora</i>	<i>Kane County</i>	<i>Chicago MSA</i>	<i>Illinois</i>
Total population:	140,214	200,696	526,521	9,545,986	12,914,651
0 - 4 (Pre-school)	9%	9%	7%	6%	6%
5 - 17 (K-12)	22%	22%	20%	18%	17%
18 - 24 (College Age)	11%	10%	9%	10%	10%
25 - 34 (Early Workforce)	16%	15%	13%	14%	14%
35 - 49 (Family Years)	20%	22%	21%	20%	19%
50 - 64 (Empty Nesters)	14%	15%	18%	19%	20%
65 - 74 (Seniors)	5%	5%	7%	7%	8%
75+ (Elderly)	4%	3%	4%	5%	6%
Median Age	30.8	31.6	35.1	36.4	37.2

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The median household income in the PMA is \$45,241—about 24 percent below Aurora (\$59,737) and 35 percent below Kane County (\$59,558). All five study areas were significantly impacted by the recession. Median household income in the PMA, city, MSA, and state each trended negatively over the past several years, while annual income growth in Kane County over the same period was less than one percent. In contrast, median household income in each of the five study areas is expected to reverse course through 2019, increasing between 2.1 and 3.5 percent annually. However, roughly 23 percent of all households in the PMA remain low-income, earning less than \$25,000 per year, and 13 percent are very low-income, with annual earnings below \$15,000.

The following table summarizes income characteristics for the PMA, city, county, MSA, and state.

Income Trend and Distribution Comparison

<i>Description</i>	<i>PMA</i>	<i>Aurora</i>	<i>Kane County</i>	<i>Chicago MSA</i>	<i>Illinois</i>
Median Household Income					
2019 Projection	\$50,118	\$69,330	\$81,162	\$70,748	\$63,920
2014 Estimate	\$45,241	\$59,737	\$69,967	\$59,558	\$55,527
2008-2012 ACS	\$48,196	\$62,589	\$68,674	\$61,175	\$56,853
Annual Growth 2014-2019	2.1%	3.0%	3.0%	3.5%	2.9%
Annual Growth 2010-2014	-1.6%	-1.2%	0.5%	-0.7%	-0.6%
2014 Income Distribution					
Total households:	42,239	63,161	173,573	3,520,368	4,889,378
<\$15,000	13%	9%	7%	12%	12%
\$15,000 - \$24,999	10%	7%	7%	8%	9%
\$25,000 - \$34,999	11%	9%	8%	9%	9%
\$35,000 - \$49,999	21%	16%	13%	13%	14%
\$50,000 - \$74,999	20%	19%	18%	17%	18%
\$75,000 - \$99,999	12%	13%	14%	13%	13%
\$100,000 - \$149,999	10%	14%	17%	15%	14%
\$150,000 - \$199,999	2%	7%	9%	6%	5%
\$200,000 +	2%	6%	7%	6%	5%

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The median income for senior households (55+) in the PMA is \$39,368—approximately 13 percent below households overall. Projected annual income growth through 2019 ranges from about from approximately two to four percent across the five study areas. However, nearly a third of all senior households in the PMA have incomes below \$25,000 per year. This is a greater proportion than comparable figures in Aurora (22 percent), Kane County (17 percent), the MSA (25 percent), and Illinois (both 26 percent). This concentration of low-income senior households in the PMA suggests a continued need for quality affordable housing.

Senior Income Trend and Distribution Comparison (55+)

<i>Description</i>	<i>PMA</i>	<i>Aurora</i>	<i>Kane County</i>	<i>Chicago MSA</i>	<i>Illinois</i>
Median Household Income					
2019 Projection	\$43,030	\$55,208	\$75,043	\$61,795	\$56,309
2014 Estimate	\$39,368	\$48,395	\$61,536	\$52,359	\$48,576
Annual Growth 2014-2019	1.8%	2.7%	4.0%	3.4%	3.0%
2014 Income Distribution					
Total households (estimates):	14,551	18,449	67,949	1,440,903	2,079,212
<\$15,000	15%	12%	8%	14%	14%
\$15,000 - \$24,999	14%	10%	9%	11%	12%
\$25,000 - \$34,999	13%	10%	9%	10%	11%
\$35,000 - \$49,999	22%	19%	14%	14%	15%
\$50,000 - \$74,999	16%	18%	18%	17%	17%
\$75,000 - \$99,999	10%	12%	13%	12%	11%
\$100,000 - \$149,999	7%	10%	15%	13%	12%
\$150,000 - \$199,999	2%	4%	7%	5%	4%
\$200,000+	2%	5%	7%	6%	5%

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III. F. EMPLOYMENT

The largest employers include sectors such as manufacturing, education, and health care. According to census data, 55,261 people work in Aurora each day, of whom 21.9 percent live in the City of Aurora. Other major employment destinations for Aurora residents include Chicago and Naperville. However, because the subject property targets senior tenants, it is unlikely that a significant portion of residents will be employed.

The top employers in Aurora are listed in the following chart.

Major Employers in Aurora

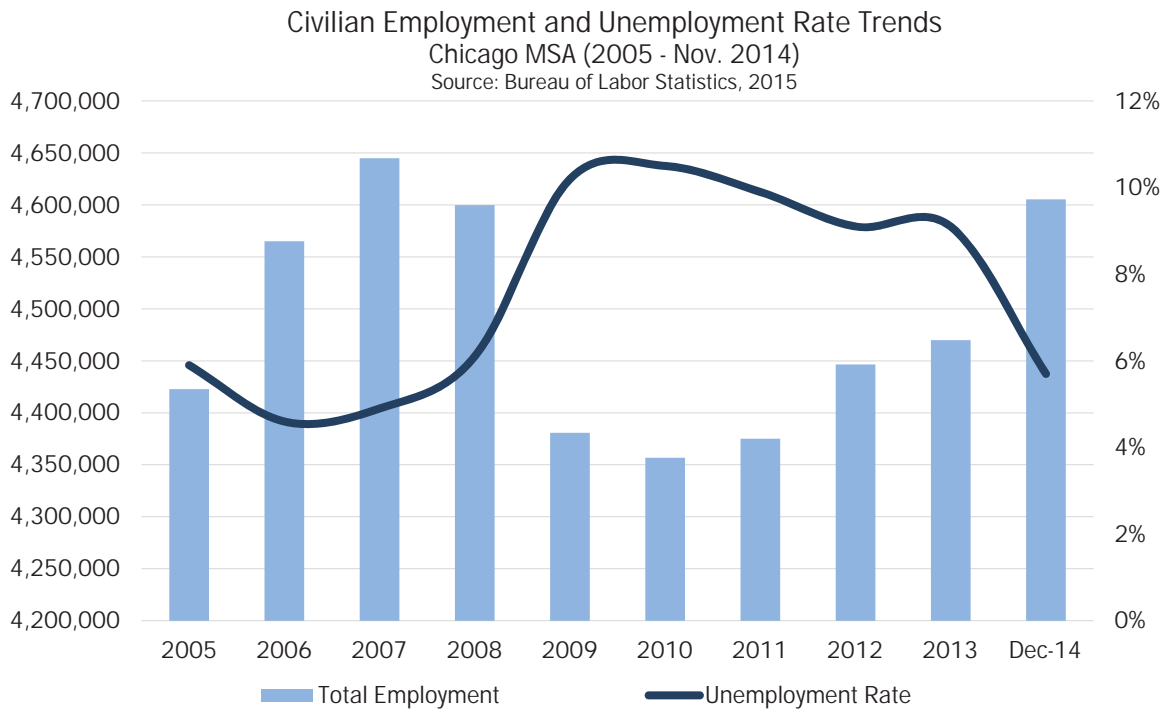
<i>Employer</i>	<i>Description</i>	<i>Employees</i>
Caterpillar, Inc	Manufacturing	2,300
Rush Copley Medical Center	Health Care Services	2,000
School District 129	Education	1,500
School District 131	Education	1,320
Provena Mercy Center	Health Care Services	1,300
City of Aurora	Government	1,280
Dreyer Medical Clinic	Health Care Services	1,200
School District 204	Education	1,200
Hollywood Casino	Recreation	1,000
MetLife, Inc.	Insurance	760

Source: City of Aurora, Illinois, 2013 Comprehensive Annual Financial Report

According to the Bureau of Labor Statistics, the unemployment rate in the Chicago MSA over the past decade has ranged from a low of 4.6 percent in 2006 to a high of 10.5 percent during the recession in 2010. Total

employment peaked in 2007 at 4,644,986 employees before three years of job losses between 2007 and 2010. The number of employed residents and unemployment rate are approaching pre-recession levels after three years of slow recovery between 2010 and 2013. The latest economic data shows that 4,605,422 people were employed in the MSA in December 2014.

Employment trends for the Chicago MSA between 2005 and December 2014 are summarized in the following graph.



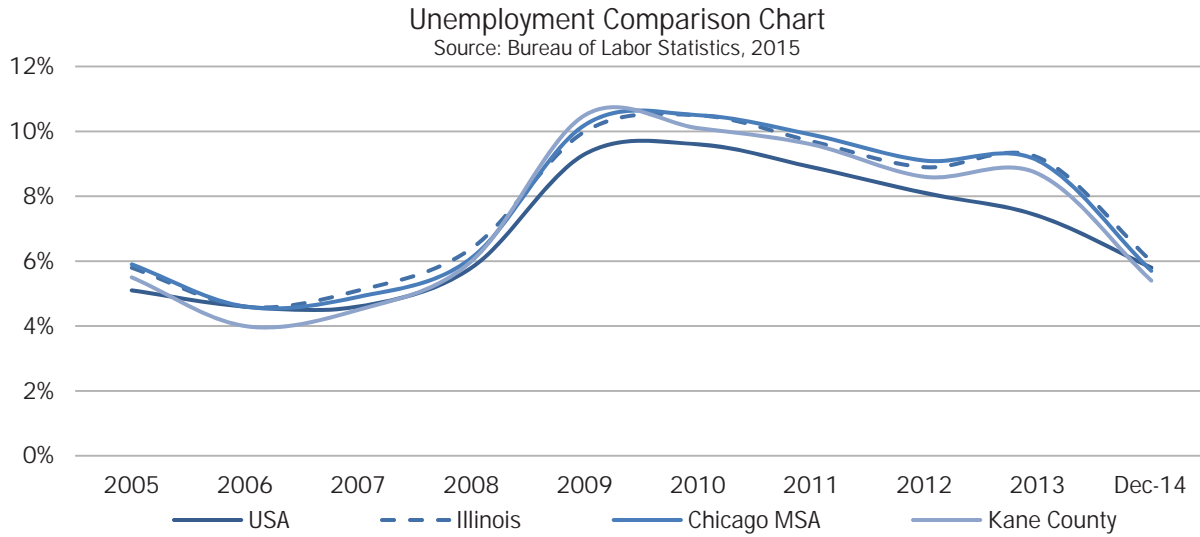
Employment Trends and Comparison - Aurora MSA

	2005	2006	2007	2008	2009	2010	2011	2012	2013	Dec-14
Employment	4,422,922	4,565,087	4,644,986	4,599,924	4,380,851	4,356,856	4,375,172	4,446,629	4,469,997	4,605,422
Unemployment Rate	5.9%	4.6%	4.9%	6.1%	10.2%	10.5%	9.9%	9.1%	9.1%	5.7%

Source: U.S. Department of Labor, Bureau of Labor Statistics, 2015

Throughout the past decade, the unemployment rates in Kane County, the Chicago MSA, and Illinois have generally followed national trends, though rates are typically between 0.1 and one percentage points higher. The unemployment rate in for all areas peaked in 2009 and 2010, with rates ranging from 9.3 to 10.5 percent in all areas. As of December 2014, the Chicago PMA's unemployment rate was comparable to the nation's, at 5.7 percent, and the rate in Kane County was slightly lower, at 5.4 percent.

The following graph summarizes historic unemployment rate trends for the Chicago MSA, Kane County, Illinois, and the United States.



Unemployment Comparison

	2005	2006	2007	2008	2009	2010	2011	2012	2013	Dec-14
Kane County	5.5%	4.0%	4.5%	6.0%	10.5%	10.1%	9.6%	8.6%	8.7%	5.4%
Chicago MSA	5.9%	4.6%	4.9%	6.1%	10.2%	10.5%	9.9%	9.1%	9.1%	5.7%
Illinois	5.8%	4.6%	5.1%	6.4%	10.0%	10.5%	9.7%	8.9%	9.2%	6.0%
USA	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	5.8%

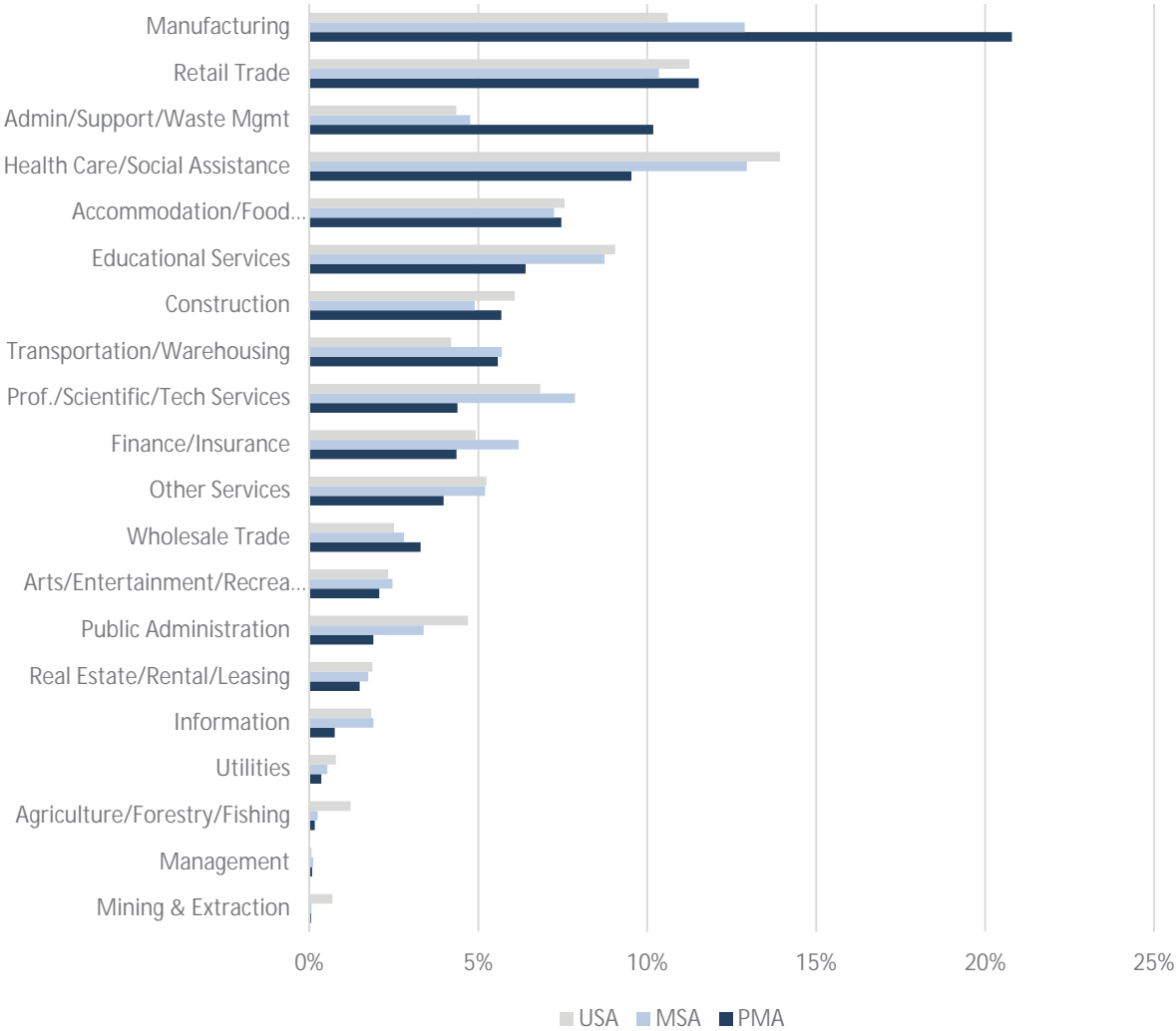
Source: Bureau of Labor Statistics, 2015

The largest employment sector in the PMA is manufacturing, which accounts for about 21 percent of total employment. Other major employment sectors include retail trade (16 percent), administration (ten percent), and health care (ten percent). The high reliance on manufacturing and administration distinguishes the PMA from the Chicago MSA and the nation, while employment in the health care, educational services, and professional services is less prominent than in the Chicago MSA or the nation.

The breakdown of employment by industry in the PMA, the Chicago MSA, and the United States is illustrated in the following table.

Employment by Industry

Source: Bureau of Economic Analysis (2015)



Note: Zero value may indicate data was withheld for confidentiality purposes.

Summary

Aurora’s location within the large and economically diverse Chicago MSA is beneficial for the city’s economy. Aurora residents commute within the MSA for work, and many work in the manufacturing, retail trade, and administration sectors. Though the MSA and Kane County were affected by the recession, unemployment was not as pronounced in these areas, tracking close to national averages. Additionally, December 2014 data about employment and unemployment rates in the MSA show that the Chicago MSA is approaching pre-recession levels of employment. Though many of the subject’s residents are no longer in the workforce, positive economic indicators are expected to lead to community stability and growth.

IV. HOUSING MARKET CHARACTERISTICS

IV. A. GENERAL MARKET CHARACTERISTICS

Of the 46,742 housing units in the PMA, 42,239 are occupied. This occupancy rate (90 percent) is the lowest of the five study areas. About 69 percent of housing units in the PMA are contained within attached or detached single-family homes, while remaining units are relatively evenly distributed across duplexes and small apartment buildings. Approximately 56 percent of housing units in the PMA are owner-occupied, and the median housing value is \$148,068—both the lowest of the selected geographies.

The housing characteristics for the PMA, Aurora, Kane County, the Chicago MSA, and Illinois are summarized in the following table.

Household Overview					
<i>Description</i>	<i>PMA</i>	<i>Aurora</i>	<i>Kane County</i>	<i>Chicago MSA</i>	<i>Illinois</i>
<i>Housing Units (2014)</i>	46,742	68,183	185,214	3,845,923	5,366,647
<i>Occupied Housing Units (2014)</i>	42,239	63,161	173,573	3,520,368	4,889,378
Occupancy Rate	90%	93%	94%	92%	91%
<i>Housing Units by Units in Structure (2008-2012)</i>					
1, Detached	63%	59%	68%	51%	58%
1, Attached	6%	14%	10%	7%	6%
2	8%	5%	4%	7%	6%
3 or 4	5%	5%	4%	8%	7%
5 to 9	5%	5%	4%	7%	6%
10 to 19	4%	5%	3%	5%	4%
20 to 49	4%	3%	2%	4%	4%
50+	5%	3%	3%	8%	6%
Mobile Home	1%	0%	1%	1%	3%
Other	0%	0%	0%	0%	0%
<i>Tenure of Occupied Housing Units (2014)</i>					
Percent of Owner Occupied Units	56%	63%	70%	59%	60%
Percent of Renter Occupied Units	44%	37%	30%	41%	40%
<i>Median Housing Value (2014)</i>	\$148,068	\$185,924	\$227,741	\$231,033	\$194,032

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IV. B. COMPARISON OF MARKET AREA RENTAL MARKET

As shown in the comparable property section, there several market rate and affordable rental properties in the PMA. Once completed, the subject will rank at the top of affordable market in terms of condition, quality, location, and amenities, and will be comparable to newer market rate properties in the PMA

The subject's units will near the top of both affordable and market rate units in terms of size. The subject's proposed studio units will average approximately 610 square feet—well above comparable studio units, which range from 500 to 525 square feet. One-bedroom layouts are expected to average 692 square feet, which compares favorably to other affordable one-bedroom units which range from 637 to 725 square feet, and market rate one-bedrooms that range from 425 to 730 square feet. The subject's proposed two-bedroom units will average 862 square feet, which is similar to affordable two-bedroom units ranging from 828 to 950 square feet, and in the upper range of market rate units ranging from approximately 600 to 1,000 square feet.

The amenities offered at the subject will be comparable to other rental properties in the market. Most LIHTC properties typically include laundry facilities, community rooms, off-street parking, and on-site management. The subject will offer additional amenities including a fitness room and library. Several market rate properties in the area include additional amenities typical of large developments including swimming pools and business centers or computer rooms. While the subject will lack these amenities, they are generally less attractive to the senior market. In-unit amenities are generally comparable across all of the properties surveyed and include standard kitchen and central air conditioning and heat.

The subject's unit mix of studio, one-, and two-bedroom units is somewhat unique. One-bedroom units are standard in the senior rental market, and the subject's proposed layouts are relatively spacious and will be able to accommodate both singles and couples. Similarly, two-bedroom senior units have performed well historically. These larger units provide additional space for those downsizing from a single-family homes, and are attractive in allow tenants to accommodate overnight guests—particularly grandchildren. Studio units are generally the least attractive option, and are often absorbed at a slower pace than one- or two-bedroom units. However, the subject's proposed apartments are much larger than typical senior studio layouts—the proposed floorplan containing 615 square feet is comparable to many one-bedroom units in the market—while numerous windows will provide ample natural light. Finally, these studio units comprise a very small portion of the total unit mix (five units in total). Based on senior household size data at the county level, we expect about 30 percent of all income-qualified senior households in the PMA to be single persons and therefore appropriate for studio units based on size.

Overall, the subject's units will be positioned at the top of the affordable market and comparable to many newer market rate rental properties in the PMA.

IV. C. FORECLOSED, VACANT, AND ABANDONED PROPERTIES

The total number of foreclosures from RealtyTrac and housing data from ESRI indicates that foreclosure rates for Aurora and Kane County are both above state and national averages. Between January 2014 and January 2015, Aurora averaged 109 monthly foreclosures—more than a third of the 296 average foreclosures in Kane County over the same span. This generates foreclosure rates of 0.16 for both the city and county—slightly above comparable figures for the state (0.15 percent) and nation (0.09 percent). The proportion of vacant and abandoned properties in Aurora (9.7 percent) is also higher than Illinois (8.9 percent) and Kane County overall (7.4 percent).

The following table shows the levels and rates of foreclosure and vacancy among properties in Aurora and Kane County.

Foreclosed and Vacant Properties, January 2015

<i>Area</i>	<i>Average Monthly Foreclosures (previous 12 mo.)</i>	<i>Total Housing</i>	<i>Single- Family</i>	<i>Multi- Family</i>	<i>Total Vacant</i>	<i>Percent Vacant and/or Abandoned</i>	<i>Percent Foreclosed</i>
Aurora	109	68,183	49,774	18,409	6,614	9.7%	0.16%
Kane County	296	185,214	144,467	40,747	13,706	7.4%	0.16%

Source: American Community Survey (2012), RealtyTrac (2015)

V. AFFORDABILITY/DEMAND

V. A. AFFORDABLE RENT ANALYSIS

The subject's units will be affordable to a range of senior households with units restricted at 30 percent, 50 percent, and 60 percent of AMI, as well as the inclusion of several market rate units. The following table summarizes the proposed rents and the maximum gross rents as defined by IHDA.

Aurora St. Charles Senior Living

PROPOSED UNIT MIX							
<i>Unit Type</i>	<i>Total Units</i>	<i>Proposed Unit Size</i>	<i>Proposed Rent</i>	<i>Proposed Rent/SF</i>	<i>Utility Allowance</i>	<i>Gross Rent</i>	<i>LIHTC Max Gross Rent</i>
30% AMI							
Studio	2	610 SF	\$359	\$0.59	\$20	\$379	\$399
1 BR/1 Ba	3	692 SF	\$380	\$0.55	\$26	\$406	\$427
2 BR/1 Ba	1	862 SF	\$453	\$0.53	\$34	\$487	\$513
Subtotal/Average	6	693 SF	\$385	\$0.56	\$25	\$411	\$432
50% AMI (Section 8) ¹							
Studio	1	610 SF	\$813	\$1.33	\$20	\$833	\$665
1 BR/1 Ba	34	692 SF	\$922	\$1.33	\$26	\$948	\$712
2 BR/1 Ba	9	862 SF	\$1,094	\$1.27	\$34	\$1,128	\$855
Subtotal/Average	44	725 SF	\$955	\$1.32	\$28	\$982	\$740
60% AMI							
Studio	1	610 SF	\$700	\$1.15	\$20	\$720	\$798
1 BR/1 Ba	3	692 SF	\$786	\$1.14	\$26	\$812	\$855
2 BR/1 Ba	2	862 SF	\$941	\$1.09	\$34	\$975	\$1,026
Subtotal/Average	6	735 SF	\$823	\$1.12	\$28	\$851	\$903
Market Rate							
Studio	1	610 SF	\$700	\$1.15	\$20	\$720	NA
1 BR/1 Ba	2	692 SF	\$925	\$1.34	\$26	\$951	NA
2 BR/1 Ba	1	862 SF	\$1,100	\$1.28	\$34	\$1,134	NA
Subtotal/Average	4	714 SF	\$714	\$1.00	\$28	\$939	-

¹ Contract rents may exceed LIHTC maximums

The proposed tax credit gross rents are below the maximum rents allowed by IHDA. The following table on the following page compares the low-income rents to the applicable income limits and shows the percent of income households will be paying for rent. IHDA's schedule of maximum annual income limits for the subject property is also provided in the table.

Income Limits for Kane County		
	1 Per. HH	2 Per. HH
Extremely Low Income Limits (30% AMI)		
Studio		
Gross Monthly Rent	\$379	\$379
Rent as % of Maximum Monthly Income	28.5%	24.9%
Minimum Income Needed for Affordability	\$10,107	\$10,107
Maximum Allowable Rent	\$399	\$399
One-Bedroom		
Gross Monthly Rent	\$406	\$406
Rent as % of Maximum Monthly Income	30.5%	26.7%
Minimum Income Needed for Affordability	\$10,827	\$10,827
Maximum Allowable Rent	\$427	\$427
Two-Bedroom		
Gross Monthly Rent	\$487	\$487
Rent as % of Maximum Monthly Income	36.6%	32.0%
Minimum Income Needed for Affordability	\$12,987	\$12,987
Maximum Allowable Rent	\$513	\$513
Low Income Limits (60% AMI)		
Studio		
Gross Monthly Rent	\$720	\$720
Rent as % of Maximum Monthly Income	27.1%	23.7%
Minimum Income Needed for Affordability	\$19,200	\$19,200
Maximum Allowable Rent	\$798	\$798
One-Bedroom		
Gross Monthly Rent	\$951	\$951
Rent as % of Maximum Monthly Income	35.8%	31.3%
Minimum Income Needed for Affordability	\$25,360	\$25,360
Maximum Allowable Rent	\$855	\$855
Two-Bedroom		
Gross Monthly Rent	\$1,134	\$1,134
Rent as % of Maximum Monthly Income	42.6%	37.3%
Minimum Income Needed for Affordability	\$30,240	\$30,240
Maximum Allowable Rent	\$1,026	\$1,026

**Market rate units and subsidized units restricted at 50 percent of AMI are excluded*

V. B. OVERALL MARKET DEMAND

Demographic indicators suggest continued and significant growth in the senior rental market over the next several years. Affordable and subsidized rental options in the PMA are generally older and in fair to average condition. Excluding properties that provide supportive services, there are currently 1,500 affordable units in the PMA. Of these, 602 units target senior households. All of these properties are well-occupied, and several maintain waiting lists. As such, it is likely that additional units will be necessary to keep pace with increasing demand.

The analysis below identifies 6,377 income-qualified senior households in the PMA. Assuming low-income seniors are able to reside at either family or senior properties, unmet market demand of approximately 4,877 households remains. Therefore, ample demand exists to support the project's proposed 60 units.

V. C. CAPTURE RATE

The **capture rate** is defined by IHDA as "the percentage of low income households needed to achieve stabilized occupancy" and is calculated by dividing the number of the proposed affordable units by the total number of income/age eligible households in the market area.¹ We have calculated the number of age and income-qualified households on the following pages.

Of the subject's 60 units, 44 will be subsidized by a project-based Section 8 contract, including 34 one-bedroom units, nine two-bedroom units, and one studio unit. Essentially all senior households earning less than the relevant LIHTC maximum incomes are eligible to live in these units. For the subject's non-subsidized and market rate units, we have assumed that senior households would pay no more than 45 percent of their income towards rent and utilities.

To establish the maximum household income for the LIHTC units, we have utilized IHDA income guidelines and an average household size of one person for studio and one-bedroom units, and two persons for two-bedroom units. We have estimated a maximum income for market rate units of \$50,000. Senior households with incomes above their level are likely to pursue alternate housing options.

¹ It should be noted that the definitions of the penetration rate and capture rate are often interchangeable and switched, depending on the agency involved. For instance, the National Council of Housing Market Analysts defines the capture rate as, "the percentage of age, size, and income qualified renter households in the primary market area that the property must capture to achieve the stabilized level of occupancy."

We have summarized the maximum allowable LIHTC rents, the proposed rents, and the income ranges by unit type in the following table.

Rent and Income Analysis

Unit Type	Average	2015		Maximum	Proposed	Proposed	2014		2019	
	Household Size	Max. Gross Rent	Utility Allowance	Affordable Rents (Net)	LIHTC Rents	Gross Rents	Minimum Income	Maximum Income	Minimum Income*	Maximum Income*
30% AMI										
Studio	1.0	\$399	\$20	\$379	\$359	\$379	\$10,107	\$15,960	\$11,047	\$17,445
1 BR	1.5	\$427	\$26	\$401	\$380	\$406	\$10,827	\$17,100	\$11,834	\$18,691
2 BR	2.0	\$513	\$34	\$479	\$453	\$487	\$12,987	\$18,240	\$14,195	\$19,937
50% AMI (Section 8)										
Studio	1.0	\$665	\$20	\$645	\$813	\$833	\$0	\$26,600	\$0	\$29,074
1 BR	1.5	\$712	\$26	\$686	\$922	\$948	\$0	\$28,500	\$0	\$31,151
2 BR	2.0	\$855	\$34	\$821	\$1,094	\$1,128	\$0	\$30,400	\$0	\$33,228
60% AMI										
Studio	1.0	\$798	\$20	\$778	\$700	\$720	\$19,200	\$31,920	\$20,986	\$34,889
1 BR	1.5	\$855	\$26	\$829	\$786	\$812	\$21,653	\$34,200	\$23,668	\$37,381
2 BR	2.0	\$1,026	\$34	\$992	\$941	\$975	\$26,000	\$36,480	\$28,419	\$39,873
Market Rate										
Studio	1.0	NA	\$20	NA	\$700	\$720	\$19,200	\$35,000	\$20,986	\$38,256
1 BR	1.5	NA	\$26	NA	\$925	\$951	\$25,360	\$45,000	\$27,719	\$49,186
2 BR	2.0	NA	\$34	NA	\$1,100	\$1,134	\$30,240	\$50,000	\$33,053	\$54,651

*2019 Incomes based on ESRI's projected annual increase for income in the PMA of 1.8 percent

Overall, the subject's tenants will have incomes less than \$36,480 for LIHTC units and \$50,000 for market rate units.

To determine the demand for the property, we must first determine the number of households that are qualified by income to live in the proposed development. ESRI has provided income estimates and projections for senior households in the primary market area, which are summarized in the table on the following page.

Primary Market Area - Households by Income (55+)

Household Income	2014 Estimate		2019 Projection	
Total households:	14,551		15,596	
Less than \$15,000	2,233	15%	2,306	15%
\$15,000-\$24,999	2,002	14%	1,604	10%
\$25,000-\$34,999	1,830	13%	1,698	11%
\$35,000-\$49,999	3,164	22%	3,474	22%
\$50,000-\$74,999	2,358	16%	2,488	16%
\$75,000-\$99,999	1,488	10%	1,882	12%
\$100,000-\$149,999	1,036	7%	1,399	9%
\$150,000-\$199,999	222	2%	391	3%
\$200,000+	217	1%	354	2%
Median HH Income	\$39,368		\$43,030	

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Using data from the previous table and the income ranges determined for each unit type, we have determined that there are 6,377 households in the primary market area that earn less than \$36,480, qualifying them to live at the in the subject’s LIHTC units. Of these, 1,456 are qualified for the subject’s 30 percent AMI units, 5,223 are qualified for the subject’s 50 percent AMI units, and 3,314 are qualified for the subject’s 60 percent AMI units. Approximately 6,155 senior households qualify for the subject’s market rate units.

We have summarized the capture rate calculation for each income strata in the following table.

IHDA Capture Rate Calculations - Primary Market Area

	<i>30% AMI Units</i>	<i>50% AMI Units</i>	<i>60% AMI Units</i>	<i>Total Affordable</i>	<i>Market Rate</i>	<i>Total Demand</i>
ESRI Estimate of 2014 Qualified Households	1,377	5,223	3,303	6,377	6,155	9,229
Total Units	6	44	6	56	4	60
Indicated Capture Rate (Units ÷ Qualified HHs)	0.4%	0.8%	0.2%	0.9%	0.1%	0.7%

The IHDA methodology results in a rate of 0.9 percent for affordable units and 0.7 percent for the project overall. The 30 percent AMI units generate a capture rate of 0.4 percent, the 50 percent AMI units generate a capture rate of 0.8 percent, and the 60 percent units generate a capture rate of 0.2 percent. According to IHDA guidelines, capture rates of up to seven percent are acceptable for senior projects. Thus, the low capture rates for the subject property suggest that there is considerable demand for affordable family rental housing.

To more accurately determine the capture rate for households that would be interested in renting units at the subject, we will eliminate homeowners from the field of potential renters. According to the 2014 ESRI estimates, 38 percent of senior households in the primary market area rent their housing. However, low income households in the market area are much more likely to rent. Further, a portion of senior households may be willing to downsize from single-family homes if an attractive rental product were available. Therefore, we have increased the renter household ratio to 65 percent for the 30 percent AMI units, 55 percent for the 50 percent AMI units, and 45 percent for the 60 percent AMI units. The subject will offer studio, one-, and two-bedroom units, which will accommodate the large majority of senior households in the PMA. Only a very small portion of these households consist of more than three people; therefore, we have utilized a renter household ratio of 95 percent. We have estimated that 75 percent of the demand for the subject property will come from the primary market area, with the remaining 25 percent coming from other parts of Kane and DuPage counties. Therefore, the capture rate calculations for the primary market area are based on 75 percent, or 45 of the subject’s 60 units.

Our capture rate calculations for the PMA are summarized in the following table.

Summary of Demand from Income-Qualified Households

	30% AMI Units	50% AMI Units	60% AMI Units	Total Affordable	Market Rate	Total Demand
ESRI Estimate of 2014 Qualified Households	1,377	5,223	3,303	6,377	6,155	9,229
Renter Household Demand	65%	55%	45%	55%	38%	55%
Household Size Ratio	95%	95%	95%	95%	95%	95%
Qualified Renter Households	850	2,729	1,412	3,332	2,222	4,822
Units Serving Income Group	6	44	6	56	4	60
Demand from Primary Market Area	75%	75%	75%	75%	75%	75%
Units Serving Primary Market Area	5	33	5	42	3	45
Indicated Capture Rate (Units ÷ Qualified HHs)	0.5%	1.2%	0.3%	1.3%	0.1%	0.9%

The capture rate for the subject's affordable units is 1.3 percent, with capture rates for individual income levels ranging from 0.3 to 1.2 percent. These rates remain well below acceptable levels and further indicate significant demand for affordable senior rental housing in the market area.

V. D. PENETRATION RATE

We have calculated the overall penetration rate for the primary market area based on the number of competitive affordable housing units currently in the PMA. Including the 56 proposed affordable units of subject property, there will be 1,556 affordable housing units in the PMA, which are contained within a variety of different LIHTC, Section 8, and other deeply subsidized properties. The maximum income for a 60 percent AMI unit for an average two-person household according to IHDA guidelines is \$36,480, and we estimate that all senior households earning less than this are eligible for affordable. This translates into 6,377 senior households eligible for affordable units in the PMA.

Using IHDA's method for penetration rate calculation, the penetration rate for all affordable units will be roughly 24.4 percent ($1,556 \div 6,377$), which approaches the limit of IHDA's acceptable penetration rate of 25 percent. However, most of the existing affordable properties are in older subsidized properties with lengthy waitlists of more than a year, including several family-oriented public housing projects. While seniors can rent at both age restricted and non-age restricted properties, only 602 of the affordable units in the market area are contained in senior-specific properties, each of which is well-occupied. Using these figures, the penetration rate among seniors is much more favorable at 9.4 percent ($602 \div 6,377$).

V. E. ABSORPTION RATE

None of the selected rental properties were recently constructed, and therefore do not offer reliable absorption data. However, LIHTC and subsidized properties throughout the market area maintain high occupancy rates and lengthy waiting lists. The subject's low overall capture rate suggests substantial unmet demand for new affordable rental housing for seniors in the PMA. Further, only one senior LIHTC property—North Island Apartments—shares a similar location as the subject near the amenities of Downtown Aurora. The subject's 60 percent LIHTC

rents offer a discount of approximately 15 percent from market rate properties, while 30 percent LIHTC rents offer a much steeper discount of about 60 percent. The proposed market rate rents for the subject are competitive with other market rate properties in the area.

Given the subject's low capture rate, the large income-qualified renter pool, and the local significance and visibility of the site we expect the subject to be absorbed at a rate of roughly ten units per month, reaching stabilized occupancy (95 percent) within six months. Extensive pre-leasing would shorten this period.

V. F. HOUSING NEED

The site and market study guidelines only require this analysis for projects that target supportive housing populations. The project will not provide additional services or amenities that typical supportive housing populations require. Therefore, it is not applicable to subject property.

VI. IMPACT ON OTHER AFFORDABLE HOUSING AND MARKET RATE HOUSING

VI. A. IMPACT ON OTHER IHDA PROPERTIES

There are twelve IHDA properties in the PMA. Of these, five target senior tenants, containing a total of 602 units. Occupancy at these properties ranges from 94 to 100 percent, while waiting lists at these properties range in length from 40 to 150 households. The subject will add 56 affordable units to the market, while the overall market demand calculations above identified unmet demand of more than 4,000 households. As the second largest city in the state containing a relatively dense core, demand for affordable rental units in Aurora will remain persistent well into the future. Therefore, the subject will have little to no impact on existing IHDA properties.

VI. B. IMPACT ON OTHER ASSISTED/AFFORDABLE HOUSING (NON-IHDA PROPERTIES)

For the same reasons listed above, the subject will not have a significant impact on other affordable properties in the area. The Aurora Housing manages approximately 800 Section 8 housing vouchers and a lengthy waiting list that has been closed since the summer of 2014. Given the strong occupancy rate at area affordable properties and favorable capture and penetration rates, the subject will begin to address pent up demand for affordable units in Kane County.

VI. C. IMPACT ON MARKET RATE HOUSING

The subject will only add four market rate units to the Aurora rental market, while the proposed LIHTC rents offer a significant discount from area market rents. Therefore, the subject will have no impact on existing market rate housing.

VII. CONCLUSIONS AND RECOMMENDATIONS

VII. A. CONCLUSIONS

The proposed St. Charles Senior Living will include 60 new studio, one- and two-bedroom rental units in a rehabbed historic hospital building. The subject's units will serve low- and moderate-income senior households, while the proposed unit mix will be appropriate for both singles and couples. The property's overall design is appropriate for the market area, and the subject will offer attractive amenities that appeal to active senior households, including excellent access to nearby amenities in Downtown Aurora.

Using IHDA's methodology for calculating demand, 6,377 households qualify for the subject's affordable units, resulting in a capture rate of 0.9 percent—well below IHDA's acceptable figure of seven percent for senior properties.

Based on our analysis of the market and the plans for the proposed project, we anticipate that the subject will reach a stabilized occupancy of 95 percent within six months after construction is completed.

Given the low capture rates and the fact that existing affordable properties in or near the PMA are well-occupied with waiting lists, the proposed project would not burden the market with an oversupply of units. The proposed units will improve the quality of housing in the neighborhood and we do not expect the project to have a negative impact on the affordable and market rate properties in the primary market area. Further, the rehabilitation of the former St. Charles Hospital building will be a key contribution to the continued redevelopment of Aurora's East Side. Overall, the subject will be a very desirable product in the market, and we expect it to be successful.

VII. B. RECOMMENDATIONS

Based on the findings of our market study, we have no suggestions for modification and we recommend that IHDA accept the project as proposed.

The basis for our reasoning is due to the following findings:

- The primary market area is in constant need of quality affordable housing options;
- There is a significant number of qualified low- and moderate-income senior households in the primary market area, which results in reasonable capture rates;
- The subject property is located within a short distance from a wide variety of amenities and has no adjacent land uses that would reduce its marketability;
- The subject property has a projected stabilized occupancy of 95 percent;
- Occupancy rates at nearby affordable and market rate properties generally exceed 95 percent; and
- The proposed development will improve the quality of housing available to senior households and help maintain the aging affordable housing stock in the market area.

The proposed development conforms to market expectations and no changes to the plan are necessary.

VIII. APPENDIX

1. SUMMARY FORM
2. AFFORDABLE HOUSING TABLE
3. PHOTOGRAPHS OF SUBJECT SITE
4. ASSUMPTIONS AND LIMITING CONDITIONS
5. CERTIFICATION
6. QUALIFICATIONS

2015 Site and Market Study Summary Form

(Please complete all highlighted (in yellow) sections of this form. Failure to do so will be grounds for automatic denial of your application)

Required Information:	Information Requested on this form:	Mark appropriate box / Include required information:	Other information / Page Number Where information can be found in Site and Market Study:
Name of Development:	Aurora St. Charles Senior Living		
Location of the Proposed (City/County):	Aurora/Kane		
Targeted Tenant Type:	Family Elderly Other	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	If Other please indicate targeted population:
Other affordable units that target the same tenant type in the PMA: (should include IHDA, HUD, Rural Housing, Chicago Tax Credits, etc.)	Number of Units	602	Page number: 23, 42
Total Number of other affordable units in the PMA: (should include IHDA, HUD, Rural Housing, Chicago Tax Credits, etc.)	Number of Units	1,500	Page number: 39
Rent Schedule (including unit sizes) for Proposed Development:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: 5
Occupancy levels for existing affordable properties in PMA:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: Appendix
Rent Schedule for Comparable Properties:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: 23
Evaluation of the proposed rents to comparable properties in the PMA:	Lower Comparable Higher	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Evaluation and Explanation found on page: 35
Demographic (population) trending for PMA and for targeted tenant population:	Increase Stable Decrease	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Evaluation and Explanation found on page: 27-28
Demographic (households) trending for PMA and for targeted tenant population:	Increase Stable Decrease	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Evaluation and Explanation found on page: 27-28
Evaluation of the proposed unit mix to the PMA standard:	Superior Meets Inferior	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Evaluation found on page: 35
Evaluation of the proposed unit sizes (sq. ft.) to the PMA standard:	Superior Meets Inferior	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Evaluation found on page: 35
List of Proposed Development Amenities:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: 7
Evaluation of proposed amenities to PMA standard:	Superior Equal Inferior	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Evaluation and Explanation found on page: 35

Estimated absorption period:	Units per month	10	Explanation of absorption estimate found on page:
	Number of months	6	
Marketability/Visibility of the Site:	Good	x	Explanation found on page:
	Average		
	Poor		
Affordable units market penetration including the proposed in the PMA (use ALL income qualified households for PMA ONLY):	Rate	24.40%	Page number:
			42
Proposed projects' required rate of capture within the PMA (use ALL income qualified households for PMA ONLY):	Rate	0.90%	Page number:
			42
Overall Market Demand (the additional number of units needed within the market area to meet demand from targeted populations. The analysis should determine if there is sufficient demand to support the proposed project):	Units needed	4,434	Page number:
	Sufficient Demand (y/n)?	y	39
Public Safety Issues (Provide an analysis of public safety issues including information or statistics on crime in the PMA. Address any local perceptions of crime or safety issues in the PMA):	Included	x	Page number:
	Not Included		11
List of major employers in PMA (not required of some projects, see requirements):	Included	x	Page number:
	Not Included		30
Economic Stability Analysis / Evaluation of PMA employment (not required of some projects, see requirements):	Growth		Analysis found on page:
	Stability	x	
	Decline		

Summary of Competitive Affordable Housing Options in the PMA

#	Development Name	County	Phone	Address	City	Tenant Type	Bedroom Types	Affordable Program	Total Units	Low-Income Units	Occupancy	Development Condition
1	Constitution House	Kane	630-896-2100	401 Constitution Dr.	Aurora	E	1	Section 8	232	232	97%	Average
2	North Island Apartments	Kane	630-859-0877	21 N Stolp Ave.	Aurora	E	1	LIHTC	56	56	100%	Average
3	Anderson Farms Senior	Kane	630-801-9850	1500 Briarcliff Rd.	Montgomery	E	1, 2	LIHTC	120	120	97%	Above Average
4	Silver Oaks at Waterford	Kane	630-585-6040	1819 Silver Oaks Cir.	Aurora	E	1	LIHTC	96	96	100%	Above Average
5	Alden Horizon Senior	Kane	630-499-1890	2000 Randi Dr.	Aurora	E	1, 2	LIHTC	98	98	100%	Average

View of the front entrance of the subject building from the intersection of East New York and North 4th streets



View of the subject from North 4th Street; the chapel is visible to the left



View the subject from the surface parking lot to the east



View looking north across the existing surface parking lot towards the sports fields



View looking southeast along East New York Street from the subject property



View of typical single-family homes in the surrounding neighborhood



View of strip retail southeast of the subject



View of the grocery store south of the subject along East New York Street



View of the Family Dollar discount store south of the subject along East New York Street



ASSUMPTIONS AND LIMITING CONDITIONS

This economic analysis and study of housing needs is subject to the following limiting conditions and assumptions:

1. Information provided by various secondary sources is assumed to be accurate. However, this information cannot be guaranteed or construed to represent judgments by the consultant. Such information and the results of its application by the consultant are subject to change without notice.
2. The future course of the Kane County regional economy is based on our current understanding of the market and representations made to us. The future course of residential development is difficult to predict and our forecast is subject to change, although we deem our projections as reasonable given current information available.
3. We have analyzed the current economic conditions in the primary market area and have taken them into consideration in making our projections. However, should the local, regional, or national economies suffer a major recession or depression, this will have a material effect on our projections.
4. Our analyses, opinions, and conclusions were prepared in conformance with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, of which Brad Beggs is a member.

CERTIFICATION

Development Strategies understands that this market study is to be submitted to the Illinois Housing Development Authority (IHDA) and we certify that IHDA may rely on the data included in this document in its review of competing tax credit and financing applications. We agree to answer any questions regarding this market study and our knowledge of the development proposal from IHDA staff and commissioners.

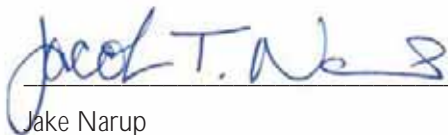
Development Strategies certifies that, to our knowledge and understanding:

- This market study has been prepared in accordance with IHDA guidelines.
- All information and procedures used to establish the study were from factual data and prepared in a professional manor.
- Development Strategies meets IHDA's requirements for professional services firms, including registration with the Illinois Department of Revenue to conduct business in Illinois, adequate insurance coverage, business tenure, and knowledge and experience in preparation of market studies for affordable housing projects using federal, state, and local funding.
- Development Strategies is a member of the National Council of Housing Market Analysts.
- Neither Development Strategies nor any of its employees has any direct or indirect identity of interest with any member of the sponsor's development team.
- Neither Development Strategies nor any of its employees has any direct or indirect ownership interest in the project.
- Our fee for preparation of this study does not rely in any way on the recommendations contained herein.
- No undue pressure or collusion with our client or its representatives exists in the findings and determination of the market study.
- We have personally inspected the market area of the proposed development, including the site of the proposed development and each of the competitive properties.

Development Strategies, Inc.



Brad Beggs, MAI



Jake Narup



EDUCATION

Master of Business Administration
Washington University's
Olin School of Business, 1991

All coursework completed and
examinations passed for Master of
Construction Management
Washington University's Sever Institute
of Engineering

Bachelor of Arts
Washington University's
School of Architecture, 1990

REGISTRATIONS

State Certified General
Real Estate Appraiser:

Illinois	153001237
Indiana	CG40500281
Kentucky	4879
Michigan	1201074684
Missouri	RA2973
Ohio	2014004574
Tennessee	4616
Wisconsin	1928-10

Temporary license status in several
states

PROFESSIONAL ASSOCIATIONS

Member of the Appraisal Institute (MAI)

Habitat for Humanity of St. Louis
Board of Directors
Project Development Committee

The Urban Land Institute (ULI)

CAREER SUMMARY AND BACKGROUND

Brad is principal-in-charge of Development Strategies' real estate consulting division and also leads the firm's appraisal practice. With education in architecture, business, and construction management—in addition to over 20 years' tenure with Development Strategies—he brings a high level of expertise and credibility to each project.

He is a recognized expert in real estate valuation and has provided testimony in a variety of cases where the accurate value of property has been an issue. The valuations provided for these cases are easy to defend, as Brad uses his experience and the resources of Development Strategies to build a strong case for his conclusions.

His knowledge of the national real estate market has been a valuable asset that the firm has used in many consulting assignments. Brad has conducted or lent his experience to a wide variety of appraisals, market analyses, feasibility studies, highest and best use analyses and other projects requiring economic research and data analysis. He is an approved appraiser and market analyst for many lending institutions, state and local housing agencies, and the United States Department of Housing and Urban Development (HUD).

Brad acknowledges the great value and efficiency technology affords our industry and he is responsible for ensuring Development Strategies' computer network and information systems assist our professionals in making the best use of their time and resources. He was instrumental in creating a full time staff position for a Geographic Information Systems (GIS) professional who now assists with nearly every project handled by the firm.

EXPERIENCE AND REPRESENTATIVE ASSIGNMENTS

Brad has been involved with various market and investment value appraisal assignments of multifamily residential, commercial, industrial, and institutional properties, including vacant land as well as mixed-use projects, primarily in the Midwestern United States. He is recognized as an expert in the field of affordable, mixed-income, mixed-use, and market rate housing and has completed work on projects throughout the United States.

He is actively involved in the following types of projects:

- Expert testimony given in federal court, circuit court, and numerous depositions and condemnation hearings regarding issues of value. Non-testimony assistance provided in a number of additional court cases.
- Valuations involving low-income housing and historic tax credits, grants, and favorable financing.
- Valuation and commentary on value methodology provided for real estate tax appeal cases.
- Market studies, rent comparability studies, and repositioning analyses for Section 8 and other deeply subsidized housing projects.
- Market and feasibility analyses, including focus group discussions and surveys, for various single-family and multiple-family housing developments in urban, suburban, and small town settings.
- Market and investment value appraisals of HOPE VI public housing redevelopment projects in many cities.
- Market analysis and redevelopment plans for numerous mixed-use districts including retail, office, hotel, and residential uses.
- Hotel market studies and appraisals.
- Valuation of special use properties, including schools, museums, sports facilities, concert halls, theatres, churches, etc.
- Highest and best use analysis for a wide variety of properties in all types of locations.



EDUCATION

Master of Urban Affairs,
Saint Louis University,
St. Louis, MO, 2013

Bachelor of Arts, Sociology and Political
Science, University of Illinois,
Champaign, IL 2011

CAREER SUMMARY AND BACKGROUND

Jake's experience is based in neighborhood development and outreach, where his work has focused on creating cohesive communities through resident empowerment. He works with the research team on various projects that include demographic and economic analyses, market research, and other research assignments.

Jake has been involved in a variety of projects including market studies, economic impact analyses, corridor studies, feasibility analyses, and various other projects. Prior to joining Development Strategies, Jake worked as a university research assistant in public policy, contributing to various neighborhood development initiatives in the city of St. Louis. Previously, he was a staffer in a community organizing office performing research and community outreach duties to assess the health impacts of environmental pollution in low-income neighborhoods.

REPRESENTATIVE PROJECTS

Market Studies

- Examine the feasibility of various proposed Low Income Housing Tax Credit (LIHTC) developments and/or rehabs in many states throughout the country including Missouri, Illinois, Pennsylvania, California, Michigan, the District of Columbia, and others.
- Compile demographic and housing data for market reports, including the creation and organization a database for affordable housing complexes in the St. Louis region.
- Examining the feasibility for potential residential and mixed-use development by gathering and analyzing data for sites in the St. Louis, Chicago, and Kansas City regions.
- Assessing market support for the reuse of the historic National Maritime Building in Manhattan, New York as a mixed-use medical facility.

Economic Impact Analysis

Data collection and research modeling economic impacts for the remediation and redevelopment of the River City Business Park, a brownfield site located in St. Louis, Missouri.

Neighborhood Plans

Provide market analysis and strategies, as well as economic strategies to help revitalize neighborhoods and districts.

Corridor Plans

Data collection and analysis for the future development of several nodes and neighborhoods in Kansas City, Missouri and Kansas, City, Kansas. Analysis of demographic and income projections, rental housing , for-sale housing, office space and retail demand.

Appraisals

Contributed to appraisals of newly built or rehabilitated multi-family and mixed-use properties in many cities including St. Louis, Chicago, Pittsburgh, Detroit, Kansas City, Los Angeles, Milwaukee, and others.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/20/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Commercial Lines - 314-875-2750 Wells Fargo Insurance Services USA, Inc. 1 N Jefferson, Bldg C, 3rd Floor St. Louis, MO 63103	CONTACT NAME: Jennifer Harris PHONE (A/C, No, Ext): 314-875-2767 FAX (A/C, No): 877-403-3224 E-MAIL ADDRESS: jennifer.harris@wellsfargo.com														
INSURED Development Strategies, Inc. 10 South Broadway, Ste #1500 St. Louis, MO 63102-1743	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A: Hartford Casualty Insurance Company</td> <td style="text-align: center;">29424</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Hartford Casualty Insurance Company	29424	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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COVERAGES
CERTIFICATE NUMBER: 8868337
REVISION NUMBER: See below

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DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER
CANCELLATION

Insurance Verification . .	<p style="text-align: center;">SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p style="text-align: center;">AUTHORIZED REPRESENTATIVE</p> <div style="text-align: center;"> </div>
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ACORD 25 (2014/01)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
03/23/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Pamela E. Goessling C.J. Thomas Company, Inc. 800 Market Street, 18th Floor St. Louis, MO 63101 Pamela E. Goessling	CONTACT NAME: PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____	
	INSURER(S) AFFORDING COVERAGE	
INSURED Development Strategies, Inc. 10 S. Broadway, Ste 1500 St. Louis, MO 63102	INSURER A: Travelers	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

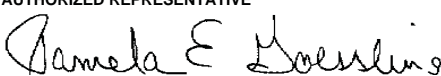
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A	Professional Liab.			105746646	05/01/2014	05/01/2015	Per Claim 1,000,000 Aggregate 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

CANCELLATION

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	AUTHORIZED REPRESENTATIVE 

Certificate of Membership

Development Strategies

Is a Member Firm in Good Standing of



Formerly known as
National Council of Affordable
Housing Market Analysts

National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
03/1/2015 to 03/31/2016

Thomas Amdur
Executive Director, NH&RA



City of Aurora

Mayor's Office • 44 E. Downer Place • Aurora, Illinois 60507-2067
Phone (630) 256-3010 • Fax (630) 256-3019

Thomas J. Weisner
Mayor

Ms. Mary Kenney, Executive Director
Illinois Housing Development Authority
401 N. Michigan Avenue, Suite 700
Chicago, IL 60611

March 25, 2015

Dear Ms. Kenney:

I am pleased to convey my strong and unreserved support for the redevelopment of the former St. Charles Hospital building at 400 E New York in Aurora. The "Aurora St. Charles Senior Living" center will create 60-units of high quality, mixed-income senior housing through the adaptive reuse of a historic building at a highly visible location near Aurora's downtown. The project will meet the needs that we have previously discussed for housing at both the lower (30% AMI) and more low-moderate (50 and 60% AMI) income levels as well as offer some market rate units. Moreover the high visibility of this currently vacant property will contribute greatly to Aurora's targeted HUD approved Neighborhood Revitalization Strategy Area (NRSA) plan, and so its completion is a top priority for the City.

Contingent on project financing and readiness, the City of Aurora will support the project through the contribution of up to \$500,000 in the form of a loan from a to-be-determined City source such as HOME, CDBG, and/or a local fee deferrals. This loan will accrue interest at a 1% rate with a 30 year term. It will be a non-amortizing loan with no current debt service payments. There will be no financing fees associated with the loan.

The Aurora St. Charles Senior Living development will contribute to the ongoing revitalization of Aurora's near-East Side. The project is directly across the street from McCarty Park, which received a major facelift in 2008 and is a neighborhood focal point for seniors, families and children. The site is also included in the newly expanded River Edge Redevelopment Zone and the Aurora's Neighborhood Revitalization Strategy Area and is within easy walking distance of the Downtown Aurora METRA station.

The restoration and reuse of this important Aurora landmark will convey optimism about the strength of Aurora's local real estate market, and transform a beautiful but currently vacant building on one of the City's most important regional thoroughfares into a local point of pride. For the approximately 12,000 seniors in Aurora who will have the opportunity to receive safe, comfortable and affordable housing, for the McCarty neighborhood, and for the entire City of Aurora, the redevelopment of the St. Charles Hospital represents a major step forward.

Thank you for your support.

A handwritten signature in black ink, appearing to read "Thomas J. Weisner".

Thomas J. Weisner, Mayor
City of Aurora

H – References

Christine H. Moran

Managing Director, Multifamily Finance
Illinois Housing Development Authority
401 N. Michigan Avenue, Suite 700
Chicago, Illinois 60611
Direct: 312-836-5273
cmoran@ihda.org

Charles Anderson

Executive Vice President, Acquisitions
City Real Estate Advisors, Inc.
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Indianapolis, Indiana 46204
Direct: 317-808-7365
canderson@cityrealestateadvisors.com

Michael Peterlich

Private Capital Manager
Metropolitan Capital Bank & Trust
Nine East Ontario
Chicago, Illinois 60611
Direct: 312-640-2366
mpeterlich@metcapbank.com

I – Project Management

VeriGreen Development, LLC will serve as the project manager for the development of Aurora St. Charles Senior Living. Resumes and examples of work are included as Exhibit 6 to the Rental Housing Production Application.

The members of VeriGreen Development, LLC are also the managers of Aurora St. Charles Senior Living GP LLC, general partner of the applicant, Aurora St. Charles Senior Living L.P.

The applicant does not and will have any employees. Work will be completed by employees of VeriGreen Development, LLC.