

DISTRICT SENIOR LIVING

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECT FUNDING

Site Prep for New Housing

- 1. Describe in detail the activity for which you are requesting funds. Please include detailed location information, where available, and photos and maps where applicable.**

District Senior Living will be a newly constructed mixed-use development within the downtown zoning district of the Village of Mundelein. This area represents the next stage of planned growth within the Village's unique downtown zoning district, complementing significant mixed-use development now underway just to the south around Mundelein Station. District Senior Living is a \$20 million development proposal which will include up to 76 apartments with parking for seniors on a fixed income, and approximately 5,000 square feet of ground-floor modern commercial space to complement and enhance adjacent commercial activity.

The building will front the high-profile intersection of E. Park Street, N. Chicago Avenue and N. Seymour Avenue. It will also include a hard-scaped plaza fronting this key confluence of streets, to better support new and existing public events such as Mundelein Community Days and Park-on-Park Cruise Night and a variety of public arts festivals.

The development site is adjacent to downtown retail and commercial buildings, and one-third mile from the Metra stop and Village Plaza – home to the new Village Hall. Mixed use developments of scale are also on the way at the Mundelein Metra Station TOD area.

Proposed New Construction Development Elevation, Aerial Site Map and Photos of Existing Structure included in Attachments

- 2. Why is this project needed today?**

District Senior Living will bring 76 units of new construction apartments for seniors, aged 55 and older. A preliminary market analysis for this project shows a strong demand for rental housing for seniors as renter households for adults aged 55 and older is expected to increase for the project site's Primary Market Area by 3.1% by 2020. The analysis determined that the marketability of the proposed development as well as the amenities offered will be well-received by the targeted senior tenant population, especially when considering the lack of available senior-only tax credit product in the market. The only other senior tax credit-financed development is outside of the primary market area, and has a waiting list of 250 seniors.

The project site is within the C-5-MU area of the Village's Downtown Zoning District. It is properly zoned for the intended use and meets the Village's vision for this area as outlined in Mundelein's Comprehensive Plan, the Village's official guide to development within Village limits. Specifically, the Comprehensive Plan calls for mixed use residential, standalone townhomes, or multi-family residential for these sites, provided it is complementary to the overall pedestrian-oriented, mixed use character in the area. Finally, District Senior Housing complements the goals outlined in the Village's Transportation and Mobility Plan and Transit Oriented Plan through the development's plan to further pedestrian-friendly access to the Metra.

- 3. Who will be served by this project?**

This project will serve independent seniors aged 55 and older who are living in the Mundelein area but who have no opportunity to live in a fixed-income, seniors only community.

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4. Why are CDBG Funds needed for this project? What other funding sources have been solicited?

This project will require the demolition of an existing, active recycling center. While the acquisition cost for the property is high, the additional cost to demolish a building and the site work that will be involved to prepare the site for new construction is also costly. This project will bring new investment to an area of downtown Mundelein.

In addition to CDBG, the applicant is working to secure the following sources for this \$20 million housing development:

- Affordable housing tax credits from the Illinois Housing Development Authority
- First mortgage from the Illinois Housing Development Authority
- Gap funding from the Illinois Housing Development Authority
- Tax Increment Financing funds from the Village of Mundelein

It is anticipated that the remaining sources will be committed by May 1, 2017. The project site on Seymour in downtown Mundelein is located in IHDA's Chicago Metro Non-AHPPA pool, and is expected to compete very favorably as is. Securing the CDBG funding this fall would make the proposal to IHDA even more competitive on the leveraging scale.

5. Any Construction contract over \$2,000 will be subject to federal Davis Bacon prevailing wage and Section 3 requirements. How do you plan to meet these requirements?

PIRHL is deeply experienced in Davis Bacon prevailing wage and federal Section 3 and local MBE / WBE requirements, and continuously develops projects meeting or exceeding the program goals.

Currently PIRHL is in construction on four projects in Maryland, Ohio, and Pennsylvania where Section 3 compliance is required. In the past PIRHL has completed construction projects in compliance with Section 3. Most notably in the City of Cleveland, PIRHL has completed projects with several layers of compliance requirements including Section 3, MBE and WBE. In those projects, compliance goals were met or exceeded to the satisfaction of the Community Development Department and the Mayor's Office of Equal Opportunity.

PIRHL will perform the following efforts to foster the participation of Section 3 individuals and Section 3 businesses:

- 1) General Contractor: As general contractor, PIRHL will develop a plan to use Section 3 individuals and Section 3 businesses in the course of constructing the project. This plan will include the identification of a target number of work hours that Section 3 residents would perform on the job, how those residents would be recruited, and identification of subcontractors and suppliers that are Section 3 Certified that the contractor would propose to use.
- 2) Eligible Section 3 Contractors: Potential Section 3 contractors for the project will be identified from other local databases of certified Section 3 businesses. PIRHL will work with

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- a local labor advocacy agency to identify and certify additional Section 3 contractors to supplement any local Section 3 business list.
- 3) Low- and Very Low Income Worker Employment Opportunities: PIRHL will identify and work with local agencies that assist local businesses in meeting workforce needs, including recruiting and training area residents to meet the job needs of employers. We will seek out an agency with particular focus on the recruitment of qualified Section 3 workers who may offer other benefits such as screening and training services, providing workers with needed transportation and child care, and providing hiring incentives for the employer, such as tax credits.
 - 4) General Contractor Compliance and Reporting: All contracts associated with a Section 3-covered project must include a current Section 3 Clause. PIRHL will hold a preconstruction meeting with those subcontractors holding a subcontract greater than \$100,000. During this meeting Section 3 requirements and compliance paperwork will be reviewed and explained. PIRHL will be responsible for collecting and forwarding quarterly Section 3 paperwork for all subcontractors to the designated project representative. Failure to provide the required paperwork and achieve Section 3 requirements may result in the holding of payments until compliance is demonstrated. PIRHL's contract will include the Section 3 clause, which will also require the use of the clause in contracts with subcontractors and suppliers:

Section 3 Compliance Goals

PIRHL will put forth its best efforts to meet or exceed the requirements outlined by Lake County, Illinois or below, whichever is greater:

- *Employment:* at least 25% of the aggregate number of new hires must be Section 3 residents.
- *Contracting:* at least 8% of the total dollar amount of all covered construction contracts and at least 3% of all other contracts must be awarded to certified Section 3 businesses.

Project Employment & Contracting Information

Should Section 3-covered assistance be awarded, the following information will be submitted by PIRHL.

- *Core Contractors List including all contracts of any size.*
- *Core Employees Lists for Developer and all Contractors/Subcontractors awarded \$100,000+.*
- *Documentation of Good Faith Efforts to utilize certified Section 3 businesses.*
- *Section 3 Employment Plan documenting project's estimated overall and Section 3 hiring opportunities.*

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6. Please indicate how this project will be completed by April 30, 2018, including a proposed schedule for this project.

PIRHL intends to apply for financing from the Illinois Housing Development Authority (IHDA) in February 2017 and an award is expected in April 2017. The development team expects to begin site work in February 2018. The demolition and site work is expected to be completed by April 30, 2018.

February 2017:	Apply for Financing from IHDA
April 2017:	IHDA Board Approval
Summer 2017:	Design/Development
Year End 2017:	Close on Land Acquisition / LP takes title to Property
February 2018:	Financial Closings / Site Work Commences
April 2018:	Site Work Complete
August 2018:	50% Construction Completion
February 2019:	Construction Completion, Certificate of Occupancy
August 2019:	100% Occupancy

7. Please attach proposed budget for this project. Leverage is helpful but not required.

Total Development Budget

Description	Amount
Source of Funds	
Treasury Risk Insured Loan via IHDA	\$ 2,486,376
Other: IL Affordable Housing Trust Funds	\$ -
Other: IHDA HOME Funds	\$ -
Tax Credit Equity	\$ 15,362,148
Tax Credit Equity - 3% Add'l Fee	\$ -
Village TIF	\$ 200,000
County CDBG	\$ 425,000
IHDA Maximum Financing Gap	\$ 1,000,000
Chicago FHLB - AHP Grant	\$ -
Min DDF per IHDA (75% Cash Yrs 1-12)	\$ 447,250
Additional Financing Gap, per IHDA Calc	\$ -
GP Capital Contribution	\$ -
	\$ 19,920,774
Use of Funds	
Construction Costs	\$ 13,653,120
Fees	\$ 777,788
Miscellaneous	\$ 1,202,400
Construction Financing & Charges	\$ 580,000
Permanent Financing	\$ 38,500
Land & Building Acquisition	\$ 1,350,000
Project Reserves	\$ 466,966
Developers Fee	\$ 1,789,000
Additional Dev Fee - Rent Reserve	\$ -
Syndication Fees and Expense	\$ 63,000
TC Compliance Fee / Other	\$ -
	\$ 19,920,774

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Total Hard Costs – Division 2 Site Work + GR, Overhead, Profit, Bond
**** Preliminary Estimate***

BREAKDOWN BY CONSTRUCTION TYPE		NEW - SITEWORK ONLY		
		Estimated Cost	\$/SF	\$/Unit
Base Construction Cost		\$ 370,424.43	\$ -	\$ -
Escalation	3%	\$ 11,112.73	\$ -	\$ -
Construction Cost + Escalation		\$ 381,537.17	\$ -	\$ -
General Conditions	6%	\$ 22,892.23	\$ -	\$ -
Overhead	2%	\$ 7,630.74	\$ -	\$ -
Profit	6%	\$ 22,892.23	\$ -	\$ -
Construction Cost Including GC's and OH&P		\$ 434,952.37	\$ -	\$ -
Bond Premium	1.0%	\$ 3,815.37	\$ -	\$ -
Permits	0.5%	\$ 1,907.69	\$ -	\$ -
TOTAL CONSTRUCTION COST		\$ 440,675.43	\$ -	\$ -

JOB COST SUMMARY - RAW, NO ESCALATION	BASE CONTRACT	CHANGE ORDERS	TOTAL
SITE CONSTRUCTION	\$ 307,924.43	\$ -	\$ 307,924.43
General Conditions & Unusual Site Conditions	\$ -	\$ -	\$ -
Site Demolition	\$ 171,830.37	\$ -	\$ 171,830.37
Erosion Control	\$ 33,492.50	\$ -	\$ 33,492.50
Earthwork	\$ 21,226.56	\$ -	\$ 21,226.56
Storm Sewer / Detention	\$ 52,500.00	\$ -	\$ 52,500.00
Sanitary Sewer	\$ -	\$ -	\$ -
Domestic Water & Fire	\$ -	\$ -	\$ -
Utilities - Electric & Gas	\$ -	\$ -	\$ -
Asphalt & Paving	\$ -	\$ -	\$ -
Site Improvements & Amenities	\$ 18,750.00	\$ -	\$ 18,750.00
Landscaping	\$ 10,125.00	\$ -	\$ 10,125.00
DEMOLITION	\$ 62,500.00	\$ -	\$ 62,500.00
Demolition	\$ 62,500.00	\$ -	\$ 62,500.00

8. If you are a developer or a non-profit agency, please attach:

See Attachments

- Agency Audit (most recently completed). *Sent under separate cover.*
Certification of non-profit status (copy of IRS letter) – if applicable. *Not applicable*
- Articles of Incorporation or LLC documentation. *See attached.*
- Copy/summary of non-discrimination policy covering recruitment/placement of staff, volunteers and clients. If the organization does practice discrimination in any of the above, please explain. *See attached.*
- Organizational Chart, limited to program impacted by this project. *See attached.*
- Proof of registration at www.sams.gov *See attached.*

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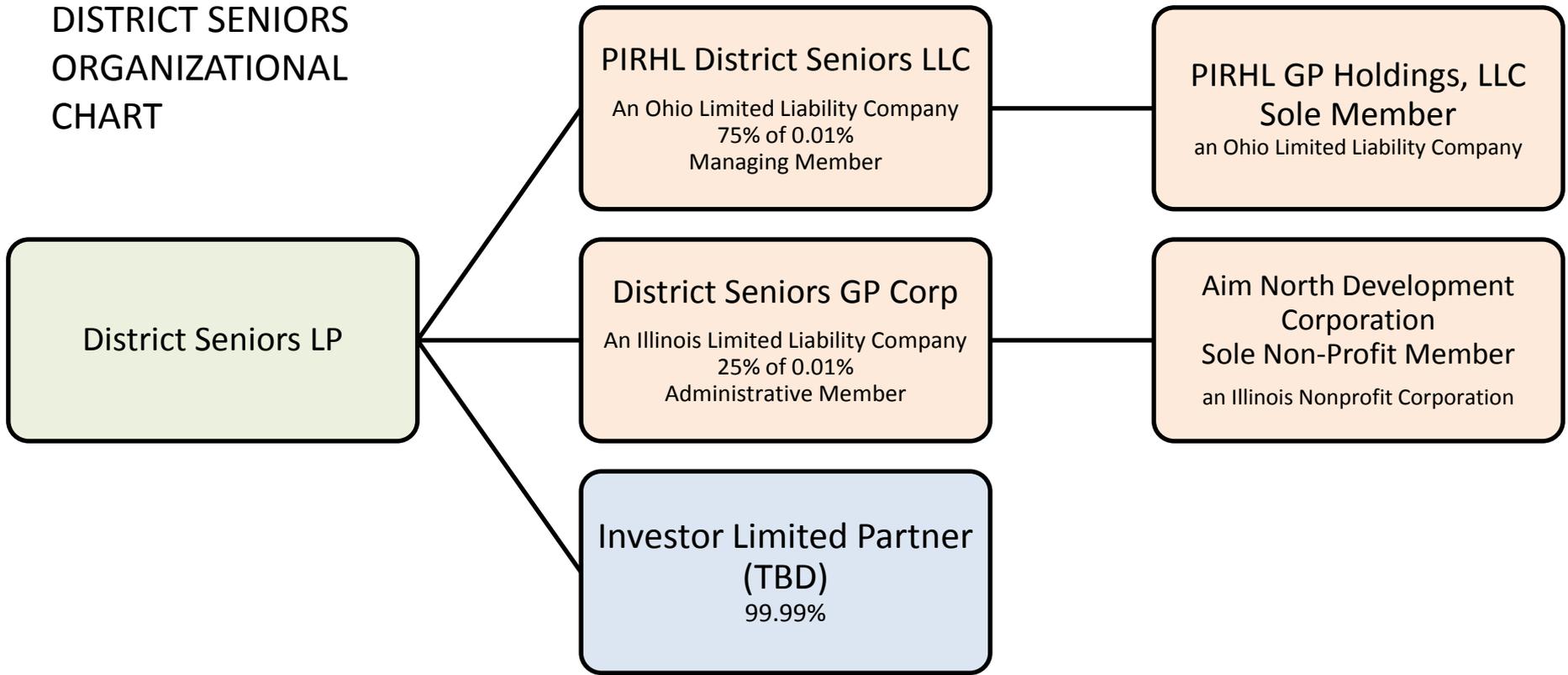
9. Please explain the extent to which your proposed activity will serve residents at or below the following CDBG-Eligible income level (based on household size)

District Senior Living will provide 76 units of affordable housing, serving residents earning at or below 60% of the Area Median Income for Lake County, Illinois.

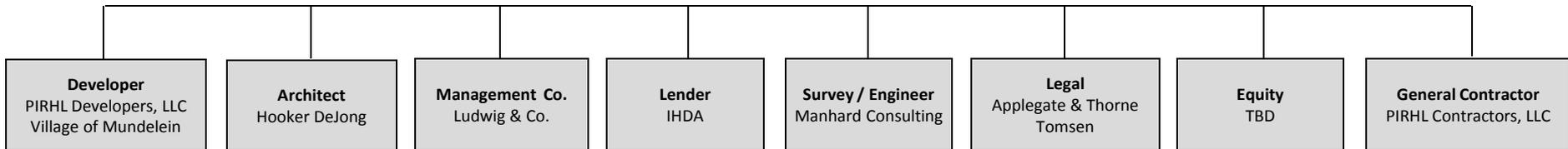
Unit Type	# of Units	AMI Income
1 Bedroom	10	30% AMI
1 Bedroom	8	50% AMI
1 Bedroom	30	60% AMI
2 Bedroom	6	30% AMI
2 Bedroom	3	50% AMI
2 Bedroom	19	60% AMI
TOTAL UNITS	76	

Income Limits		
% of Median	1 Person	2 Person
30% of Median	\$16,170	\$18,480
50% of Median	\$25,950	\$30,800
60% of Median	\$32,340	\$36,960

DISTRICT SENIORS ORGANIZATIONAL CHART



Development Team



PIRHL ORGANIZATIONAL CHART

David Burg Principal	David Uram Principal
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John Tarnowski
COO/CFO

DEVELOPMENT & PROJECT MANAGEMENT

Christine Robertson
Director of Development

Crawford J. Tyree VP of Development, Mid-Atlantic	Kevin Brown VP of Development, OH/PA
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Jason Carroll VP of Acquisition and Development	MaryEllen Melcher Project Manager
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Mike Bier Project Manager	Todd Robie Project Manager
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Greg Baron Project Manager	Misty Elek Originations Manager
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Karen Averell Development Coordinator	Stephen Davis Development Coordinator
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Breen Hagan Development Coordinator	Tammy Feaster-Price Development Admin Asst.
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Pete Scully
Development Intern

FINANCE, ACCOUNTING & ASSET MANAGEMENT

Richard Bradley Director of Development Accounting	Director of Asset Management Anthony Fazio
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Jennifer Becks Partnership Accountant	Financial Analyst Jim Yung
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Tim Wilber Development Accountant	Dennis Opstnik Controller
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Brenda Farmer
Accounts Payable Clerk

Felicia Mayes
AP/AR Associate

ADMINISTRATION

Carmen Hackworth Office Manager / EA to COO/CFO	Lisa Davis Executive Assistant
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Kathleen Griffin Human Resources Manager	Carl IT Support
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CONSTRUCTION

Rob Edmonds
President, PIRHL Contractors

Brian Siers Vice President of Construction	Tim Jankowski Schedule Manager
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Michael Pisanelli Senior Project Manager	Robert Wasluck Construction Estimator
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Bruce Noggle Project Manager	Bob Helbig Project Superintendent
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Don Canter, Jr. Assistant Construction PM	Ron Duplain Project Superintendent
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Mark Spronz Project Superintendent	Tim Kirby Project Superintendent
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Todd Deutscher Project Superintendent	Monesia Maxwell Compliance Administrator
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Franco Carusone Warranty Technician	Rebecca Nagy Administrative Assistant
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