

RENTAL HOUSING DEVELOPMENT PROGRAM



2009 Application Packet



**Kane County/City of Elgin Consortium
Kane County Development and
Resource Management Department
719 Batavia Avenue
Geneva, Illinois 60134**

KANE COUNTY/CITY OF ELGIN HOME CONSORTIUM

Rental Housing Development Program

Application Instructions

Before You Begin

This packet contains information necessary to apply for project financing under the Kane County/City of Elgin Consortium's Rental Housing Development Program. The program seeks to increase the availability of affordable rental housing in the consortium area. Before completing this application, you should become familiar with the consortium's Rental Housing Development Program Guidelines and the federal regulations that govern the HOME Program, which are found at 24 CFR Part 92. Please contact the Kane County Development Department if you have any questions regarding this application, the program guidelines, or the HOME Program in general.

Available Funding

Pending federal approval, the consortium expects to make up to \$500,000 available under the Rental Housing Development Program. The program provides gap financing with flexible terms to non-profit and for-profit developers for the acquisition, rehabilitation, or new construction of rental housing projects that would otherwise be financially infeasible. Projects must create units that will be affordable to low- and moderate-income households, or units that will meet the needs of low-income special-needs populations.

Application Overview

The application is organized in several sections, as follows:

- **Section 1 – Application Summary:** Please provide general information about the applicant, the type of project, and the overall funding requested. The additional material requested in the checklist should be submitted with the completed application.
- **Section 2 – Certifications:** 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 that the project will comply with all current HOME regulations.
- **Section 3 – Project Narrative:** This section describes the information that should be provided in narrative format and submitted with the application. Be as complete as possible in describing your project and its attributes. Your answers to these questions will give the consortium a better understanding of your proposal and how it addresses the need for affordable housing and the selection criteria identified in the Rental Housing Development Program Guidelines.
- **Section 4 – Project Sponsor and Development Team:** Use this space to list all project sponsors and participants in the development, construction and management of your project.

- **Section 5 – Site/Building Information:** All projects must comply with environmental review regulations. The consortium cannot disburse RHDP funds until all environmental requirements are met. Answer all of these questions using the sources listed as necessary. Provide thorough descriptions as requested and include requested documentation.
- **Section 6 – Project Design and Financing**
 - Part A – Development Specifications
 - Part B – Development Financial Information
 - Part C – Unit Mix & Project Income
 - Part D – Project Expenses
 - Part E – Project Pro-Forma – All applications must be accompanied by a project pro-forma covering at least the period of affordability applicable to the project.

Submission Requirements

Applications for Rental Housing Development Program financing are due on Friday, December 4, 2009. All applications must be received by 4:30 pm, on the due date, at the office of the Kane County Development Department, 719 Batavia Avenue, Geneva IL 60134. Each applicant is required to submit one original and ten copies of the application. Application materials should not be bound. The consortium reserves the right to request additional information regarding any application submitted under the Rental Housing Development Program.

For Further Assistance

Please contact the Kane County Development Department, Building and Community Services Division, at 630-208-5351 or 630-444-3027, if you have questions regarding this application packet, or the Rental Housing Development Program in general.

**KANE COUNTY/CITY OF ELGIN HOME CONSORTIUM
Rental Housing Development Program**

Application

SECTION 1 – APPLICATION SUMMARY

Project Name: _____

Project Address: _____

Sponsor/Developer Name: _____

Sponsor/Developer Address: _____

Contact Name: _____

Phone: _____ Fax: _____ E-mail: _____

TOTAL DEVELOPMENT COST (TDC) \$ _____

SPONSOR/DEVELOPER LEVERAGE \$ _____ (% of TDC ____ %)

RHDP FUNDING REQUEST \$ _____ (% of TDC ____ %)

Grant Request \$ _____

Loan Request \$ _____ Rate: ____ % Term: ____ years

PROPOSAL TYPE

Acquisition Rehabilitation New Construction

UNIT MIX/COST

Total Number of Units _____

Number of Low HOME Rent Units _____

Number of High HOME Rent Units _____

Total Development Cost/Units \$ _____

RHDP Subsidy/Units \$ _____

SPONSOR/DEVELOPER INFORMATION CHECKLIST

Please indicate the type of organization and provide all listed information with this application:

- Community Housing Development Organization
 - Application for CHDO Certification (available from the Kane County Development Department)

- Other Not-For-Profit Organization
 - Evidence of 501(c)(3) or 501(c)(4) status
 - Copies of articles of incorporation and by-laws
 - Certified financial statement (or recent certified audit)

- Private For-Profit Organizations
 - If a corporation, Articles of Incorporation and by-laws;
 - If a partnership, Partnership Agreement and, if applicable, Certificate of Limited Partnership

- Certified financial statement
- Nature of ownership entity:
 - partnership - evidence of current ownership percentages of partners
 - sole proprietorship
 - corporation

SECTION 2 – CERTIFICATIONS

The Applicant certifies that all information furnished in/with this application is provided for the purpose of obtaining financial assistance under the Consortium's Rental Housing Development Program and is true and complete to the best of the Applicant's knowledge and belief. If any information provided herein changes following submission of this application, the Applicant agrees to notify the Consortium immediately. The Applicant understands and agrees that if false information is provided in/with this application, which has the effect of increasing the Applicant's competitive advantage, the Consortium may disqualify the application and deem the applicant ineligible to receive any funds in the future.

Verification of any of the information contained in/with this application may be obtained from any source named herein. Submission of this application shall constitute the Applicant's authorization for the Consortium to undertake such investigations as it deems necessary to determine the accuracy of this application and its suitability for funding from the Consortium. The Consortium reserves the right to require audited financial statements of each development team member as part of its underwriting process.

The Applicant will at all times indemnify and hold harmless the Consortium and its partners (Kane County and the City of Elgin) against all losses, costs, damages, expenses and liabilities of any nature directly or indirectly resulting from, arising out of or relating to the Consortium's acceptance, consideration, approval, or disapproval of this request and the issuance or non-issuance of funds herewith.

The Consortium retains the right to reject any and all proposals, and, in its sole determination, to waive minor irregularities. Further, the Applicant acknowledges by execution of this certification that the Consortium will review applications and reach its determination with the fullest discretion allowable by law.

The Applicant further certifies that he/she nor its principals is presently debarred, suspended, proposed for disbarment, declared ineligible or voluntarily excluded from HUD programs.

IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this document to be executed in its name on the _____ day of _____, _____.

Legal Name of Applicant: _____

Signature: _____

Name: *(please type)* _____

Title: _____

Date: _____

SECTION 3 – PROJECT NARRATIVE

Provide a written statement containing the following information regarding the project:

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, small/large families, etc.)
 - Process for selecting tenants, including any special eligibility criteria
 - Supportive services to be provided, if any
2. Provide a schedule for completion of the project. Include target completion dates for critical steps such as obtaining financing, closing on property acquisition, beginning and completing construction/rehabilitation work, lease-up, etc.
3. Describe the project sponsor's development experience. Also describe the relevant experience of the members of the development team.
4. Document the need for the project
 - Include evidence of need obtained from market studies, rent surveys, vacancy information, etc.
5. Explain how the project responds to the evaluation criteria stated in the Rental Housing Development Program Guidelines (See Section XVIII).

SECTION 4 – PROJECT SPONSOR AND DEVELOPMENT TEAM

Complete the following information for each proposed development:

- 1. Sponsor Organization:** _____
Contact: _____
Address: _____
Phone: _____ Fax: _____ E-mail: _____

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:

- 1a. Co-Partner:** _____
Contact: _____
Address: _____
Phone: _____ Fax: _____ E-mail: _____

- 1b. Owner:** _____
Contact: _____
Address: _____
Phone: _____ Fax: _____ E-mail: _____

- 2. Architect:** _____
Contact: _____
Address: _____
Phone: _____ Fax: _____ E-mail: _____

- 3. Contractor:** _____
Contact: _____
Address: _____
Phone: _____ Fax: _____ E-mail: _____

- 4. Attorney:** _____
Contact: _____
Address: _____
Phone: _____ Fax: _____ E-mail: _____

- 5. Management Agent:** _____
Contact: _____
Address: _____
Phone: _____ Fax: _____ E-mail: _____

- 6. Supportive Service Provider:** _____
Contact: _____
Address: _____
Phone: _____ Fax: _____ E-mail: _____

Attach this information for any other key entities involved in the project.

**Indicate by asterisk any identity of interest among the development team members.*

SECTION 5 – SITE/BUILDING INFORMATION

PART A – GENERAL SITE INFORMATION

Provide the following information regarding the project site(s). Provide a sketch plan and two color photographs of each property, and copies of appraisals or current market evaluations with comparables.

Property Address	City	Size (acres or ft ²)	Acquisition Cost	Number of Units	Year Built	Style of Construction *
			\$			
			\$			
			\$			
			\$			

*Style of Construction Codes (list all that apply):

- 1) Townhouse 3) Garden Apartment 5) Crawl Space 7) Full Basement
2) Detached Units 4) Slab on Grade 6) Partial Basement 8) Elevator

PART B – SITE CONTROL

1. Do you have site control? Yes No
 If yes, form of control: Deed Date acquired: _____
 Contract Expiration Date of Contract: _____
 Option to Purchase Expiration Date of Option: _____

Provide documentation of the form of control.

If no, describe the plan for attaining site control: _____

Total Cost of Property: \$ _____ Size of Site: _____ acres or sq. ft.
 Seller's Name: _____
 Address: _____
 City, State, Zip: _____
 Phone: _____ Fax: _____ E-mail: _____

2. Is the seller related to the project sponsor? Yes No

PART C – ZONING AND UTILITIES

1. Is the site properly subdivided and zoned? Yes No
 If yes, provide written documentation to that effect.
 If no, when is approval expected? _____
 Explain: _____

2. Are utilities presently available to the site? Yes No
 If no, which utilities need to be brought to the site:
 Electric Water Phone Gas Sewer Other: _____

PART D – TENANT RELOCATION

Are any of the buildings occupied? Yes No

If yes, will current tenants be displaced? Yes No

If yes, indicate the number of current tenants in each property, the number to be displaced, the estimated cost of to do so.

Property Address	# Current Tenants	Households to be Displaced	Estimated Cost
			\$
			\$
			\$
			\$

Describe any plans you have made to minimize the extent and/or cost of relocating tenants as part of your project.

PART E – ENVIRONMENTAL REVIEW

In order to assist the county in determining the effects on the environment of your proposal, please submit with your application a site map indicating the location of your project in relation to any existing or proposed buildings, infrastructure and facilities, roadways, railroads, any significant noise sources (e.g. industrial/manufacturing facilities, power generating stations) rivers, streams, wetlands and industrial facility storage or processing tanks.

Please answer the following questions regarding your proposal and attach additional sheets of description and documentation as necessary.

1. Is the project/surrounding area listed in the National/State/Local Registers of Historic Places? Yes No

If yes, list address(es) : _____

2. Is the project located in a designated wetland area? (The county can assist you with this determination.) Yes No

If yes, list address(es): _____

3. Has your prime lender for this project (or your lender at the time you acquired the property) required you to conduct a Phase I Environmental Audit for due diligence purposes under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended? Yes No

If yes, a copy must be submitted with this Application.

4. Have you been required to conduct a Phase II Audit in relation to the property? Yes No
If yes, a copy must be submitted with this Application.

5. If the answer to either #3 or #4 is no, explain in narrative.

6. Is the project located in the vicinity of a monitoring station where air quality violations have been registered? (Contact the Illinois EPA.) Yes No

7. Will the existing solid waste disposal system adequately service the proposed development? Yes No
If no, describe your solution.

8. Does the property have any underground storage tanks (USTs)? Yes No
If yes, describe the type, use, and age.

9. Will the project be located on or directly adjacent to land that is categorized as prime, unique, or of State or local importance? (Contact the USDA Soil Conservation Service.) Yes No

10. Is your property located in a floodplain? (The county can assist you with this determination.) Yes No
If yes, a FEMA flood map must be submitted with this Application.

A certificate of flood insurance will be required at the time of closing or the consortium will be unable to close on the project.

SECTION 6 – PROJECT DESIGN AND FINANCING

PART A – DEVELOPMENT SPECIFICATIONS

If available, please provide a copy of plans and specifications for the proposed development.

Type of Development (*check all that apply*):

- | | | |
|---|---|--|
| <input type="checkbox"/> Acquisition only | <input type="checkbox"/> New Construction | <input type="checkbox"/> Rehab |
| <input type="checkbox"/> Single Family | <input type="checkbox"/> Multi-Family | <input type="checkbox"/> Congregate Facility |
| <input type="checkbox"/> Masonry | <input type="checkbox"/> Wood Frame | <input type="checkbox"/> Metal Frame |

Equipment to be Included in Each Unit

- | | | |
|--|--|--|
| <input type="checkbox"/> Range | <input type="checkbox"/> Refrigerator | <input type="checkbox"/> Disposal |
| <input type="checkbox"/> Air Conditioning | <input type="checkbox"/> Microwave | <input type="checkbox"/> Dishwasher |
| <input type="checkbox"/> Washer/Dryer (<u>in unit</u>) | <input type="checkbox"/> Washer/Dryer (<u>on site</u>) | <input type="checkbox"/> Window Treatments |
| <input type="checkbox"/> Other: _____ | | |

Energy Efficiency

Describe any steps being taken to make the property more energy efficient and reduce the overall energy costs of the building(s).

Accessibility and Adaptability

Describe any design and construction considerations to make the project more accessible or adaptable for physically disabled individuals.

Project Amenities

1. Does the project have on-site parking? Yes No
If yes, # of spaces: _____ Current _____ Proposed

2. On-site recreational/common facilities: Yes No

If yes, explain: _____

Commercial Space

1. Does the project include commercial space? Yes No

If yes, describe: _____

PART B – DEVELOPMENT FINANCIAL INFORMATION

Development Budget

ACQUISITION COSTS	TOTAL COST	RHDP FUNDING
Land Acquisition Costs	\$	\$
Land Acquisition Closing Costs (title, recording, etc.)	\$	\$
Building Acquisition Costs	\$	\$
Building Acquisition Closing Costs (title, recording, etc.)	\$	\$
Other:	\$	\$
Acquisition Total	\$	\$
CONSTRUCTION/REHAB COSTS		
Site Work	\$	\$
Demolition	\$	\$
Rehabilitation/Construction	\$	\$
Equipment	\$	\$
General Requirements	\$	\$
Contractor's Overhead	\$	\$
Contractor's Profit	\$	\$
Bonding Fee	\$	\$
Builder's Risk Insurance	\$	\$
Other:	\$	\$
Subtotal	\$	\$
Construction Contingency	\$	\$
Construction/Rehab Total	\$	\$
DEVELOPMENT COSTS		
Real Estate Matters		
Partnership Formation	\$	\$
Subdivision	\$	\$
Other:	\$	\$
Project Design		
Architectural (Design)	\$	\$
Architectural (Supervision)	\$	\$
Cost Estimate	\$	\$
Engineering	\$	\$
Value Engineering	\$	\$
Site Investigation	\$	\$
Other:	\$	\$
Project Planning		
All Fees	\$	\$
Permits	\$	\$
Appraisal	\$	\$
Environmental Study	\$	\$
Market Study	\$	\$
Survey	\$	\$
Utility Fees	\$	\$
Other:	\$	\$
Marketing/Leasing		
Marketing	\$	\$
Operating Reserve	\$	\$
Other:	\$	\$
Development Total	\$	\$

	TOTAL COST	RHDP FUNDING
Developer's Fee	\$	\$

FINANCING COSTS

Tax Credits

Tax Credit Fee	\$	\$
Tax Credit Counsel	\$	\$
Cost Certification	\$	\$
Other:	\$	\$
Other:	\$	\$

Tax-Exempt Bond Financing

Bond Counsel	\$	\$
Underwriter's Fee	\$	\$
Reimbursables	\$	\$
Other:	\$	\$
Other:	\$	\$

Conventional Loans

Construction Loan Origination Fees	\$	\$
Construction Loan Legal Fees	\$	\$
Permanent Loan Origination Fees	\$	\$
Permanent Loan Legal Fees	\$	\$
Loan Recordation Taxes/Fees	\$	\$
Other:	\$	\$
Other:	\$	\$

Other Loans

Legal Fees	\$	\$
Loan Recordation Taxes/Fees	\$	\$
Other:	\$	\$
Other:	\$	\$

Construction Period Interest	\$	\$
Financing Total	\$	\$

OTHER COSTS

	\$	\$
	\$	\$
Other Total	\$	\$

TOTAL DEVELOPMENT COST	\$	\$
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Sources of Construction Financing

Submit documentation for each source, i.e. commitment letter, etc.

Source of Financing	Amount	Contact Name and Phone Number
	\$	
	\$	

Sources of Permanent Financing

Submit documentation for each source, i.e. commitment letter, etc.

Source 1:				
Contact Name:			Phone:	
Amount \$	Interest Rate %	Amortization Period ____ years	Loan Term ____ years	Annual Debt Service \$
Date of Application:			Status: <input type="checkbox"/> Under Review <input type="checkbox"/> Cond. Commitment <input type="checkbox"/> Firm Commitment	

Source 2:				
Contact Name:			Phone:	
Amount \$	Interest Rate %	Amortization Period ____ years	Loan Term ____ years	Annual Debt Service \$
Date of Application:			Status: <input type="checkbox"/> Under Review <input type="checkbox"/> Cond. Commitment <input type="checkbox"/> Firm Commitment	

Source 3:				
Contact Name:			Phone:	
Amount \$	Interest Rate %	Amortization Period ____ years	Loan Term ____ years	Annual Debt Service \$
Date of Application:			Status: <input type="checkbox"/> Under Review <input type="checkbox"/> Cond. Commitment <input type="checkbox"/> Firm Commitment	

Source 4:				
Contact Name:			Phone:	
Amount \$	Interest Rate %	Amortization Period ____ years	Loan Term ____ years	Annual Debt Service \$
Date of Application:			Status: <input type="checkbox"/> Under Review <input type="checkbox"/> Cond. Commitment <input type="checkbox"/> Firm Commitment	

Uses of Permanent Financing

	Source 1	Source 2	Source 3	Source 4	Total
Acquisition Costs	\$	\$	\$	\$	\$
Construction/Rehab	\$	\$	\$	\$	\$
Development Costs	\$	\$	\$	\$	\$
Financing Costs	\$	\$	\$	\$	\$
Other Costs	\$	\$	\$	\$	\$
Totals	\$	\$	\$	\$	\$

LIHTC Information

Allocation Status: _____ Reservation Date: _____

Annual Tax Credit: \$ _____

Type of Credit: 4% (or) 9%

Equity to be Raised: \$ _____

Owner's Equity \$ _____

Tax Credit Syndicator: _____

Address: _____

Phone: _____ Fax: _____ E-mail: _____

Have you received a commitment from the tax credit syndicator? Yes No

PART C – UNIT MIX AND PROJECT INCOME

Income limits, rent limits, and monthly utility allowances can be found in Appendix A of the Rental Housing Development Program Guidelines.

All Units

# of Bedrooms	# of Units
0	
1	
2	
3	
4	
Total	

Tenant-Paid Utilities

Utility	Tenant-paid?		Indicate Type (gas or electric)
Heating	<input type="checkbox"/> yes	<input type="checkbox"/> no	
Cooking	<input type="checkbox"/> yes	<input type="checkbox"/> no	
Water Heating	<input type="checkbox"/> yes	<input type="checkbox"/> no	
Lighting	<input type="checkbox"/> yes	<input type="checkbox"/> no	
Water	<input type="checkbox"/> yes	<input type="checkbox"/> no	
Sewer	<input type="checkbox"/> yes	<input type="checkbox"/> no	
Trash Collection	<input type="checkbox"/> yes	<input type="checkbox"/> no	

Low HOME Rent Units

In projects with five or more HOME-assisted units, at least 20% of the HOME-assisted units must be rented to tenants at or below 50% of median income for no more than the Low HOME Rent.

# of Bedrooms	# of Units	Average Square Feet	Gross Monthly Rent/Unit (cannot exceed Low HOME Rent Limits)	Allowance for Tenant-Paid Utilities	Net Monthly Rent/Unit
0			\$ -	\$ =	\$
1			\$ -	\$ =	\$
2			\$ -	\$ =	\$
3			\$ -	\$ =	\$
4			\$ -	\$ =	\$

High HOME Rent Units

# of Bedrooms	# of Units	Average Square Feet	Gross Monthly Rent/Unit (cannot exceed High HOME Rent Limits)	Allowance for Tenant-Paid Utilities	Net Monthly Rent/Unit
0			\$ -	\$ =	\$
1			\$ -	\$ =	\$
2			\$ -	\$ =	\$
3			\$ -	\$ =	\$
4			\$ -	\$ =	\$

Market Rate Units

# of Bedrooms	# of Units	Average Square Feet	Gross Monthly Rent/Unit	Allowance for Tenant-Paid Utilities	Net Monthly Rent/Unit
0			\$ -	\$ =	\$
1			\$ -	\$ =	\$
2			\$ -	\$ =	\$
3			\$ -	\$ =	\$
4			\$ -	\$ =	\$

Other Annual Income

Income Source	Amount
	\$
	\$
	\$

PART D – PROJECT EXPENSES

Provide the following information regarding project expenses for the first year of operation following construction/rehabilitation.

Annual Administrative Expenses

Expense Item	Amount
Management Fee	\$
Legal/Accounting	\$
Administrative	\$
Advertising	\$
Other:	\$
Total Administrative	\$

Annual Operating Expenses

Expense Item	Amount
Natural Gas (& other fuel)	\$
Electricity	\$
Water/Sewer	\$
Trash Removal	\$
Janitorial	\$
Exterminating	\$
Other:	\$
Total Operating	\$

Annual Maintenance Expenses

Expense Item	Amount
Building Maintenance	\$
Ground Maintenance	\$
Security	\$
Decorating	\$
Replacement Reserve	\$
Other:	\$
Total Maintenance	\$

Annual Taxes and Insurance

Expense Item	Amount
Real Estate Taxes	\$
Insurance	\$
Other:	\$
Total Taxes and Insurance	\$

Annual Resident Services Expenses

Expense Item	Amount
Cost of Supportive Services (for this project only)	\$
Other:	\$
Total Resident Services	\$

Total Annual Project Expenses

\$ _____

PART E – PROJECT PRO-FORMA

All applications must be accompanied by a project pro-forma, which must cover the period of affordability (determined by the amount of HOME investment per unit) applicable to the project. HOME-assisted rental units must remain affordable for at least the following terms based on the average per-unit HOME subsidy provided for the project:

<i>Rehabilitation (less than \$15,000)</i>	<i>5 years</i>
<i>Rehabilitation (\$15,000 - \$40,000)</i>	<i>10 years</i>
<i>Rehabilitation (over \$40,000)</i>	<i>15 years</i>
<i>New Construction (any amount)</i>	<i>20 years</i>

When preparing the pro-forma, applicants must keep factors relevant to project feasibility (i.e., owner rate of return, vacancy rate, per-unit development costs, etc.) reasonable in order to minimize the amount of Rental Housing Development Program funds requested. In evaluating applications for funding, a “Layering Analysis” will be conducted to certify that the consortium is not investing any more HOME funds in combination with other governmental and/or non-governmental assistance than is necessary to make projects feasible.

Indicate below the assumptions used in the preparation of this project’s pro-forma.

Vacancy Rate	_____ %
Collection Loss	_____ %
Growth Rate (Rent)	_____ %
Growth Rate (Other Income)	_____ %
Growth Rate (General Expenses)	_____ %
Growth Rate (Real Estate Taxes)	_____ %
Growth Rate (Payroll Taxes)	_____ %
Growth Rate (Replacement Reserves)	_____ %