City of Chicago
Department of Community Development

STAFF REPORT
TO THE
COMMUNITY DEVELOPMENT COMMISSION
REQUESTING DEVELOPER DESIGNATION
March 9, 2010

I. PROJECT IDENTIFICATION AND OVERVIEW

Project Name:	Randolph Tower City Apartments
Applicant Name:	*Randolph Tower City Apartments, LLC* The Applicant has assigned the Randolph Tower City Apartments, LLC as the entity representing the five co-applicant entities: 1) Randolph Tower City Apartments LLC; 2) Randolph Tower City Apartments, Inc.; 3) Randolph Tower Master Historic Tenant, LLC; 4) Randolph Tower Affordable City Apartments, LLC; and 5) Randolph Tower Master Affordable Historic Tenant, LLC. Each Applicant/Developer is controlled by the individuals who own Michigan-based Village Green.
Project Address:	188 W. Randolph Street, Chicago, IL 60601
Ward and Alderman:	42^{nd}, Alderman Brendan Reilly
Community Area:	Loop, 32
Redevelopment Project Area:	Randolph Wells
Requested Action:	TIF Developer Designation
Proposed Project:	Restoration and redevelopment of a vacant landmark building, built in 1929 located at 188 West Randolph. The redevelopment will include 310 rental residential units (20% affordable), 9,500 square feet of retail space on the ground floor including a full-service restaurant and coffee shop. Developer's Chicago Regional Management Office will take the entire second floor of the building. Leasing offices, conference rooms and amenities (e.g. fitness center, swimming pool, spas, and theater) are located on floors 24 through 27. A social club will be located on the 38^{th} and 39^{th} floor.
TIF Assistance:	$34,000,000

II. PROPERTY DESCRIPTION

Address:	188 W. Randolph
Location:	Northeast corner of Randolph and Wells
Tax Parcel Numbers:	17-09-433-001-000
Land Area:	14,698 Square Feet.
Current Use:	The existing building is a vacant 45-story, Class C office building containing 371,000 square feet of gross building area.
Current Zoning:	Planned Development No. 1030
Environmental Condition:	N/A. Building will be rehabbed.

III. BACKGROUND

The proposed redevelopment of the building (vacant since 2007), including the restoration of the historic terra cotta facade, has been a long-time goal of the Department of Community Development (DCD). The following is a brief building history and summary of previous legislative actions pertaining to its redevelopment.

Building History

The 188 W. Randolph Building (Randolph Tower) is located in the Loop on the western end of the Theater District. Karl M. Vitzthum of Vitzthum and Burns Architects designed the Randolph Tower in the Gothic Revival architectural style as an office/social club building, known for many years as the Steuben Club Building, taking its name from the private club located on the upper floors which catered to the City's elite businessmen of the day. While the building has been an office building since it was constructed in 1929, it became obsolete by contemporary office standards and was relegated to a Class C office designation. The building is listed on the National Register of Historic Places.

First TIF Request in 2006 - $8 million – Total Project Cost of $78.4 million

In 2006, City Council passed an ordinance authorizing $8 million in TIF funds to be used to aid in the renovation of the building. The building's renovation budget in 2006 was $78.4 million. Initial cost estimates prepared by 188 W. Randolph LLC for that request were derived from data taken from two prior historic rehabilitation projects in Chicago completed by Village Green affiliated companies, The Fisher Building on South Dearborn and The Medical and Dental Arts Building on East Lake Street. That data, along with budgeting exercises supplied by consultants and contractors, proved unreliable in the context of the unique challenges posed by the building.

Between the summer of 2006 and the fall of 2007 the development budget had grown to $97.5 million. In response, the City was considering an increase in its TIF commitment to the project to $10 million. 188 W. Randolph LLC's negotiations with contractors were unsuccessful when budgets could not be matched to contractors willing to commit to undertake the complicated interior and façade rehabilitations, and, as a result, the project was unable to close by December of 2007. The proposal did not reach CDC. Costs to carry the building continued to escalate while the building sits vacant.

Second TIF Request in 2008 - $20 million – Total Project Cost of $139 million
In January 2008, additional talent was added to the development team and new development entities were created. Project scope and budgets were further refined and new contractors and consultants were added. After further detailed engineering and cost estimating were completed, it was determined that the cost of the project had increased by some $60 million to $139 million. It was at that point in October of 2008 that the CDC, followed by the City Council (December 2008), agreed to increase the value of the TIF assistance to *$20 million.* However, by years end, the financial calamity caused two of the projects three lenders to back out of the deal, preventing it from closing before the Central Loop TIF expired.

Current TIF Request - $34 million – Total Project Cost of $145 million
With the collapse of the capital markets, the ability to raise debt diminished significantly. The project has turned to public sources of financing and has now secured financing from IHDA for the senior debt. The IHDA mortgage today stands at $40 million, significantly less than the $76 million underwritten in 2008 – prior to the economic collapse. The result is a need for additional gap financing of $36 million, $34 million of which would be filled by TIF. Combined with a $6,000,000 budget increase due to carrying costs and IHDA reserve requirements, the total gap is $42,000,000.

The additional $6 million in total project costs is the result of the mandated $3.2 million in IHDA reserves and the $2.8 million in carrying costs over the previous 18 month period. Construction and other costs have remained relatively stable.

The primary funding sources to close the project gap are:

1. TIF commitment of $34 million (previously $20 million)
2. Section 1602 Program Grant totaling $8 million (IHDA)
3. Credit enhancement from Bank of America for $9,000,000 in second mortgage bonds;
4. Developer equity increased by $9 million, including absorbing a $2.15 million reduction in historic and LIHTC equity due to unfavorable market conditions;
5. Development fee deferral totaling $3.3 million.

IV. PROPOSED DEVELOPMENT TEAM

Development Entity:
The ownership of the Project will be held in a two unit condominium utilizing a master lease structure. The five co-applicant entities are: 1) Randolph Tower City Apartments LLC; 2) Randolph Tower City Apartments, Inc.; 3) Randolph Tower Master Historic Tenant, LLC; 4) Randolph Tower Affordable City Apartments, LLC; and 5) Randolph Tower Master Affordable Historic Tenant, LLC. Each Applicant/Developer is controlled by the individuals who own Village Green. Jonathan Holtzman is the managing member of Holtzman Interests #24, LLC and is Chairman and CEO of Village Green Companies, the management agent and development company.

From the corporate office in Farmington Hills, Michigan, and through the regional offices in Chicago, Cincinnati, and Minneapolis, Village Green Companies operates and manages over 38,000 apartments throughout the United States. For the balance, Village Green Companies provides professional third-party management services on an ongoing client relationship basis. The National Multi-Housing Council (NMHC) as well as Multifamily Executive (MFE) lists Village Green Companies in the top 21 multi-family management companies. They are in the top 10 for privately-held companies. Their awards include: (1) Multi Family Executive of the Year- Chief Operating Officer, (2) Best In Real Estate Award- Crain's Finalist, (3) Best Development Firm of the Year- Pillars of the Industry, and (4) Grand Achievement Award for Management- Prestige Awards, among others.

Additional consultants for the 188 W. Randolph development include:

Architect:	Hartshorne and Plunkard Architects
Facade Architect:	Wiss, Janney, Elstner Associates
Landscape Architect:	Wolff Landscape
MEP Engineer:	Klaucens & Associates
Structural Engineer:	Larsen Engineering
T.I.F. Consultant:	Johnson Research Group, Inc.
Attorney:	Wildman, Harrold, Allen and Dixon, LLP
General Contractor:	Linn-Mathes Inc.
Façade Contractor:	Central Building and Preservation L.P.

Other similar historic adaptive re-use projects completed by Village Green include:

<u>The Fisher Building</u>
Chicago, Illinois

The Fisher Building, designated a Chicago historical landmark in 1978, was built in 1896 by Chicago architect Daniel Burnham for paper mogul Lucius Fisher. The *Fisher Building* is situated on the northeast corner of Dearborn and Van Buren, just one block north of Congress Parkway, in the heart of the active Chicago Loop.

The *Fisher Building* was originally built with 19 floors and in 1907 an addition was added creating a second wing with 21 floors. 343 South Dearborn IL, LLC (Village Green) purchased the *Fisher Building* in 1998 and renovated the historical building (which was originally an office building) and created 184 residential rental units with the first and second floors combining retail and office, respectively.

The Fisher Building received $6.6 million in TIF financing from the City. CDC approved the project in October 1998. The Redevelopment Agreement was executed in June 1999.

<u>Medical and Dental Arts Building</u>
Chicago, Illinois

In 2004, Village Green Companies completed the redevelopment of the historic *Medical and Dental Arts Building* (MDA) located in the heart of the Chicago Loop at 185 North Wabash. Built in 1926 by Daniel Burnham, Jr., the son of the famous architect of the same name, it is 23 stories tall and contains approximately 240,000 gross square feet.

MDA brings 190 penthouse, live/work, studio, alcove, 1 and 2 bedroom apartments and 6,275 square feet of ground floor retail to this excellent urban core location. Amenities for the project are a large Fitness Room with a full room historic skylight, and a Business Center and Media Room with multiple televisions and surround sound. The roof area (on the 23rd floor) provides a Clubroom and Sky Park with fantastic skyline views. This facility offers gathering space for the residents including a fireplace, wet bar, seating areas, pool table, and restroom facilities. The terrace is beautifully landscaped and provides an outdoor theater as well as an outdoor gourmet kitchen for entertaining.

Village Green Companies was one of the first property management and development companies to meet the aggressive environmental considerations of the U.S. Green Building Council's LEED certification and rating system for this project.

<u>V. PROPOSED PROJECT</u>

Project Overview:

Randolph Tower City Apartments is the name of the proposed redevelopment of the existing Randolph Tower building located at 188 West Randolph at the northeast corner of Randolph and Wells. Before becoming vacant in 2007, the building had been used as Class C office space with ground floor retail. The restoration of the historically significant building, built in 1929, will include extensive work on the terra cotta façade and a gut rehabilitation of the interior. The developer will also conform to all requirements under the Residential Business Planned Development #1030 (the "PD").

The project will include reconstruction of the historic base of the building and new storefronts. The renovation of the building components will include restoration of the terra cotta facade, including replacement or restoration of the Gothic Revival details that were removed for safety purposes, cleaning and tuckpointing, new architectural lighting at the top of the building, new windows, new lobby and entrance, new fire, electrical, plumbing and HVAC systems, and completely restored elevators. The facade restoration with contingency will cost approximately $22,880,000.

The proposed redevelopment is primarily residential in nature and will include 310 rental residential units comprised of studios, convertibles, 1 bedroom, 1 bedroom and den, 2 bedrooms, and penthouses. Twenty percent (20%) of the residential units will be rented at rates affordable to residents making up to 50% of the area median household income.

The project will include approximately 9,500 square feet of retail space on the ground floor, including a full-service restaurant and coffee shop. Village Green's Chicago Regional Management Office will take the entire second floor of the building, of approximately 11,400 square feet. Leasing offices, conference rooms and amenities such as the fitness center, swimming pool, spas, and theater are located on floors 24 through 27. The Steuben Club speakeasy will be located on the 38th and 39th floor featuring 360° views of the Chicago skyline and Lake Michigan.

As it is a landmarked building, no parking spaces are required under the municipal code, and this project does not include any proposed parking spaces. Many of the residents are likely to be employed in the Loop and will be able to walk to work. The project is centrally located with excellent access to the CTA elevated train system, the Metra train station and many bus lines. Additionally, within a 2-block radius there are eight parking garages with over 4000 parking spaces, which can offer parking for the Randolph Tower residents.

Construction is anticipated to begin in summer of 2010 with first occupancies in fall of 2011 and completion in early summer of 2012. A site plan, floor plan and elevations are provided as exhibits to this report.

Residential Unit Profile: The following tables provide detailed descriptions of the market-rate and affordable components of the proposed project. The project will provide up to 313 housing units, of which no less than 62 units or 20 percent will be affordable for households earning no more than 50 percent of the area median income. These units will satisfy the Chicago affordable housing ordinance, which requires 20 percent affordable units in projects receiving TIF assistance. DCD has reviewed and approved the pricing of the affordable units, which assumes the 50% AMI amount. The project has been underwritten using the HUD published rents for 50% AMI on the 62 affordable units (20% of total unit count). While the City's Affordable Housing Ordinance requires only 60% AMI rents, federal regulations for tax exempt municipal bond financing requires the use of 50% AMI rents.

The residential unit profile are summarized on the following page.

Unit Profile - Market Rate Rental Units

Table 1. Total Unit Count

Unit Type	**Number**	**Avg. Size-sf**	**Total Revenue**
Studio	61	529	$887,712
Convertible	107	616	$1,773,984
1 bdrm	49	704	$820,212
1 bdrm/den/1 bath	49	765	$1,136,328
2 Bed/1 ½ baths	7	891	$1,259,976*
2 Bed/ 2 baths	36	1044	*
2 Bed/den/den/2 ½ bath	1	1,960	$55,512
Total	**310**		**$5,933,724**

* 2 Bedrooms units combined.

Table 2. Market Rate Rental Units

Unit Type	**Number**	**Avg. Size-sf**	**Market Rent**	**Rent psf**	**Total Revenue**
Studio	47	529	$1,386	$2.62	$781,704
Convertible	84	616	$1,577	$2.56	$1,589,616
1 bdrm	31	704	$1,817	$2.58	$675,924
1 bdrm/den/1 bath	46	765	$2,015	$2.63	$1,112,280
2 Bed/1 ½ baths	4	891	$2,610	$2.93	$1,221,480*
2 Bed/ 2 baths	35	1044	$2,610	$2.50	*
2 Bed/den/den/2 ½ bath	1	1,960	$4,626	$2.36	$55,512
Total	**248**				**$5,436,516**

* 2 Bedrooms units combined.

Table 3. Affordable Rental Units- at or below 50% AMI

Unit Type	**Number**	**Avg. Sq Ft**	**Affordable Rent**	**Rent/Sq Ft**	**Total Revenue**
Studio	14	529	$631	$1.19	$106,008
Convertible	23	616	$668	$1.08	$184,368
1 bdrm	18	704	$668	$0.95	$144,288
1bdrm/den/1 bath	3	750	$668	$0.89	$24,048
2 Bed/1 ½ baths	3	891	$802	$0.90	$38,496*
2 Bed/ 2 baths	1	891	$802	$0.90	*
Total	**62**				**$497,208**

* 2 Bedrooms units combined.

Environmental Features: As a TIF-subsidized project, this project includes the required 50% green roof, with the remainder of the roof meeting the energy-star rating for reflectivity.

VI. FINANCIAL STRUCTURE

The Project has several financial challenges --- one of the greatest being the $22,800,000 in estimated facade repair costs associated with the deteriorated façade. Because of the unique challenges associated with the project, including the (1) historic elements, (2) the condition of the façade, and (3) the requirement that 20% of the units meet affordability guidelines, the project would not be able to move forward without TIF assistance for the renovation project as described here.

Tax Exempt Municipal bonds in the amount of $40 million will be underwritten, and sold by IHDA. US Bancorp Community Development Corporation and Bank of America Community Development Corporation will be providing $36.8 million in Historic Rehabilitation Tax Credit Equity and Low Income Housing Tax Credits.

Table 4. Sources & Uses of Funds

Sources	Total	% of Total
Construction Loan A Note (IDHA)	$40,000,000	28%
Construction Loan B Note (B of A)	$9,000,000	6%
IHDA Section 1602 Grant	$8,000,000	6%
Proposed Tax Increment Financing (TIF)	$34,000,000	23%
Historic Tax Credit (Bridge Financing)	$30,200,000	21%
Low Income Housing Tax Credits (Bridge Financing)	$6,650,000	5%
Development Fee Deferred	$3,296,465	2%
Developer Equity	$13,913,121	10%
Total Sources	**$145,059,586**	**100%**

Table 5. Uses of Funds *(Detailed Uses Table Attached)*

Uses	Amount	$/Sq. Ft.	% of Total
Land Acquisition	**$ 22,096,889**	$ 60	15%
Hard Costs			
Construction - Interior	$ 59,682,580	$ 161	41%
Other	$ 2,833,874	$ 8	2%
Facade Restoration	$ 21,572,500	$ 58	15%
Total Hard Costs	**$ 84,088,954**	**$ 227**	**58%**
Soft Cost			
Total Professional Fees	$ 9,769,907	$ 26	7%
Marketing, Title, Insurance, Travel, Other	$ 2,933,339	$ 8	2%
Total Financing Costs	$ 4,705,952	$ 13	3%
Total Interest Costs	$ 7,314,638	$ 20	5%
Total Reserves/ Escrows	$ 3,222,194	$ 9	2%
Total Soft Costs	**$ 27,946,030**	**$ 75**	**19%**
Contingency	**$ 7,631,250**	$ 21	5%
Development Fee	**$ 3,296,465**	$ 9	2%
Total Development Costs	**$145,059,588**	**$ 391**	**100%**

The City, through its Department of Community Development ("DCD") intends to negotiate the Redevelopment Agreement (the "RDA") with the Developer in connection with the Project. The City proposes to provide the Developer with TIF assistance in an amount not to exceed $34,000,000 subject to the actual amount of TIF-eligible costs incurred in completing the Project.

Proceeds from the TIF grant would arrive to the project in three ways:

> **Cash Payment #1 - $20,000,000** – Cash to be deposited with the Developer's construction escrow agent (Escrow) at the Closing of the Redevelopment Agreement. TIF eligible expenses incurred on or before the Closing will be funded by Payment #1 at the Closing. The balance of the funds will remain in the Escrow to fund monthly construction draws based on progress and as TIF eligible expenses are incurred. The TIF funds shall be solely used for Exterior Building Stabilization as defined in the RDA as certified by the Supervising Architect on a Quarterly basis
>
> **Cash Payment #2 - $9,000,000** – A forward commitment by the City for cash to be deposited into the Developer's Escrow within 12 months of the Closing. Draws from the Escrow shall continue to be made monthly based on construction progress and as TIF eligible expenses are incurred. The TIF funds shall be solely used for Exterior Building Stabilization as defined in the RDA as certified by the Supervising Architect on a Quarterly basis
>
> **TIF Note - $5,000,000** – A 20 year conditional, taxable note (Note) will be issued at the Closing and pledged by Developer as collateral for a bridge loan or its equivalent. Interest on the Note shall begin accruing when the Project reaches Substantial Completion (as certified by the project architect and reviewed and approved by DCD). The Note will be secured by a first lien position on all incremental tax revenues from the entire Randolph/Wells TIF District, an increment projection is attached.
>
> Upon the issuance of the Certificate of Completion by the City, the conditional Note will convert to an unconditional tax exempt Note. At conversion, the Note will be sold and the bridge loan retired.

VII. PUBLIC BENEFITS

The proposed project will provide the following public benefits:

Landmark Building: The national landmark building will be completed renovated.

Affordable Housing: The project will provide no less than 62 new affordable housing units.

Property Taxes: The project will expand the tax base because the investment in the property will result in an increase in its assessed value.

Environmental Features: The project will incorporate a 50% green roof, with the remainder of the roof meeting the energy-star rating for reflectivity.

Permanent Jobs: The project is estimated to generate 70 permanent jobs. The Mayor's Office for Workforce Development (MOWD) has been informed of the project and will work with the developer on job training and placement.

Construction Jobs: The project will produce 240 temporary construction jobs.

Affirmative Action: The developer will comply with the requirements of Chicago's affirmative action ordinance, which requires contract participation of 24% by minority-owned business enterprises (MBEs) and 4% by woman-owned business enterprises (WBEs). The developer has provided notification of the proposed project, by certified mail, to twenty associations of minority and women contractors. A sample version of the letter and copies of the post office receipts for the certified letters are presented as exhibits to this report.

City Residency: The developer will comply with the requirements of Chicago's city residency ordinance, which requires that at least half of all construction-worker hours be filled by Chicago residents. The developer will also comply with the requirement that all construction jobs are paid the prevailing wage.

VIII. COMMUNITY SUPPORT

Alderman Reilly endorses the project. A letter of support is attached to this report.

IX. CONFORMANCE WITH REDEVELOPMENT AREA PLAN

The proposed project is located in the Randolph Wells Tax Increment Financing Redevelopment Project Area. The proposed project will satisfy the following goals of the area's redevelopment plan:

- reuse and rehabilitation of architecturally and historically significant structures;
- environmentally sensitive development and rehabilitation;
- high-quality retail development promoting lively pedestrian environment;
- reduce / eliminate blighting conditions; and
- promoting mixed use area providing range of office, retail, and residential uses.

The implementation strategy for achieving the plan's goals envisions the need to provide TIF financial assistance for the renovation of historic buildings. The proposed project also conforms to the plan's land use map, which calls for mixed-use development at the subject site.

X. CONDITIONS OF ASSISTANCE

If the proposed resolution is approved by the CDC, DCD will negotiate a Redevelopment Agreement (RDA) with the Developer. The RDA will incorporate the parameters of the proposed project as described in this staff report.

It is DCD policy that no business will be conducted with a development entity whose any principal has outstanding municipal debts (such as unpaid parking tickets, unpaid water bills, unpaid business licenses, and others), is in arrears of child support payments, or who is a debtor in bankruptcy, a defendant in a legal action for deficient performance, a respondent in an administrative action for deficient performance, or a defendant in any criminal action. Before today's action is presented to the city council for approval, the department will conduct a thorough background check of all principals having an ownership interest of 7.5 percent or greater, and of the boards of directors and trustees of non-profit organizations. Similar background checks will be conducted on the development entity itself.

Closing of the redevelopment agreement will not occur before the City Council has approved the agreement, the developer has obtained all necessary City approvals including zoning and building permits, and the developer has presented proof of financing. The redevelopment agreement will include a development timetable.

XI. RECOMMENDATION

The Department of Community Development has thoroughly reviewed the proposed project, the qualifications of the development team, the financial structure of the project, its need for public assistance, its public benefits, and the project's conformance with the redevelopment area plan, and DCD recommends that the CDC recommend to the City Council the designation of Randolph Tower City Apartments LLC; 2) Randolph Tower City Apartments, Inc.; 3) Randolph Tower Master Historic Tenant, LLC; 4) Randolph Tower Affordable City Apartments, LLC; and 5) Randolph Tower Master Affordable Historic Tenant, LLC as the Developer for the development of a mixed-use residential project at 188 W. Randolph.

EXHIBITS

Redevelopment Area Map
Neighborhood Map or Aerial
Survey or Plat
Site Plan
Typical Floor Plan
Elevations
M/WBE Letter and Copies of M/WBE Certified Letter Receipts
Lender's Letter of Interest
Community Letters of Support
Alderman's Letter of Support
Organizational Chart
Detailed Financial Uses Table

188 W Randolph – Detailed Uses Table

Uses	Total	Percent of Total	Cost per Unit [1]	$ / sq ft [2]
Land				
Land Costs	$12,269,424	8.5%	$39,578.79	$33.07
Add'l Land Related / Acquisition Costs (incl. Façade Repair, Health Club buyout, pre construction operating costs)	$9,827,465	6.8%	$31,701.50	$26.49
Total Land Cost	**$22,096,889**	**15.2%**	**$71,280.29**	**$59.56**
HARD COSTS RESIDENTIAL :				
Interior Renovation	$57,800,000	39.8%	$186,451.61	$155.80
Façade Renovation	$21,572,500	14.9%	$69,588.71	$58.15
Environmental Remediation	$453,498	0.3%	$1,462.90	$1.22
Municipal Costs Incl Permits	$602,906	0.4%	$1,944.86	$1.63
Developer Provided Interior Scope	$979,210	0.7%	$3,158.74	$2.64
Commercial Tenant Improvements	$1,882,580	1.3%	$6,072.84	$5.07
Construction Management Fee	$798,260	0.6%	$2,575.03	$2.15
TOTAL HARD COSTS RESIDENTIAL :	**$84,088,954**	**58.0%**	**$271,254.69**	**$226.65**
SOFT COSTS:				
Professional Fees				
Arch Fee, Design and Supervision	$2,534,357	1.7%	$8,175.35	$6.83
Legal	$3,529,534	2.4%	$11,385.59	$9.51
Consultant Fees	$1,988,349	1.4%	$6,414.03	$5.36
Engineering / Survey	$820,715	0.6%	$2,647.47	$2.21
Other Fees	$896,952	0.6%	$2,893	$2.42
Total Professional Fees	**$9,769,907**	**$0**	**$31,516**	**$26**
Other Soft Costs				
Title / Recording	$245,067	0.2%	$790.54	$0.66
Marketing	$862,500	0.6%	$2,782.26	$2.32
Pre Closing Construction Services	$419,230	0.3%	$1,352.35	$1.13
Travel	$298,242	0.2%	$962.07	$0.80
Insurance	$312,500	0.2%	$1,008.06	$0.84
Construction Period Real Estate Taxes	$711,000	0.5%	$2,293.55	$1.92
Other Soft Costs	$84,800	0.1%	$273.55	$0.23
Total Other Soft Costs	**$2,933,339**	**2.0%**	**$9,462.38**	**$7.91**
Financing Costs				
IHDA - Total Fees / Costs	$2,222,655	1.5%	$7,169.85	$5.99

Land Loan Extension Fees	$698,500	0.5%	$2,253.23	$1.88
Misc Loan Costs/Fees	$82,115	0.1%	$264.89	$0.22
Equity/Bond Cap Costs/Fees	$450,566	0.3%	$1,453.44	$1.21
Audit Costs/Fees (tax Credit Accounting)	116800	0.1%	$376.77	$0.31
B-Piece Fees and Costs	$117,026	0.1%	$377.50	$0.32
Tax credit Bridge Loan Fees/Costs	$635,790	0.4%	$2,050.94	$1.71
TIF Bridge Fees/Costs	$382,500	0.3%	$1,233.87	$1.03
Total Financing Costs	**$4,705,952**	**3.2%**	**$15,180.49**	**$12.68**
Interest Costs				
A-Piece Bond Interest/Servicing Fees	**$3,901,824**	2.7%	$12,586.53	$10.52
B-Piece Bond Interest/Servicing Fees	$1,083,244	0.7%	$3,494.34	$2.92
Tax Credit Bridge Interest	$1,514,347	1.0%	$4,884.99	$4.08
TIF Bridge Loan Interest	$784,935	0.5%	$2,532.05	$2.12
Other Interest Costs/Fees	$30,288	0.0%	$97.70	$0.08
Total Interest Costs	**$7,314,638**	**5.0%**	**$23,595.61**	**$19.72**
Reserves/Escrows (Per IHDA)				
Real Estate Tax Escrow	$309,959	0.2%	$999.87	$0.84
Insurance Escrow	$139,360	0.1%	$449.55	$0.38
Rent Up Reserve	$1,200,000	0.8%	$3,870.97	$3.23
Operating Reserve	$1,262,308	0.9%	$4,071.96	$3.40
Replacement Reserve	$108,500	0.1%	$350.00	$0.29
Debt Service Reserve	$202,067	0.1%	$651.83	$0.54
Total Reserves/ Escrows	**$3,222,194**	2.2%	$10,394.17	$8.69
Total Soft Costs	**$27,946,030**	**19.3%**	**$90,148.48**	**$75.33**
Contingency				
Hard Cost Contingency	$6,781,250	4.7%	$21,875.00	$18.28
Soft Cost Contingency	$850,000	0.6%	$2,741.94	$2.29
Total Contingency	**$7,631,250**	**5.3%**	**$24,616.94**	**$20.57**
Deferred Development Fee	**$3,296,465**	**2.3%**	**$10,633.76**	**$8.89**
TOTAL DEVELOPMENT COST	**$145,059,588**	**100.0%**	**$467,934.15**	**$391.00**

[1] Total Number of Units 310

[2] Total Building Sq. Ft 371,000