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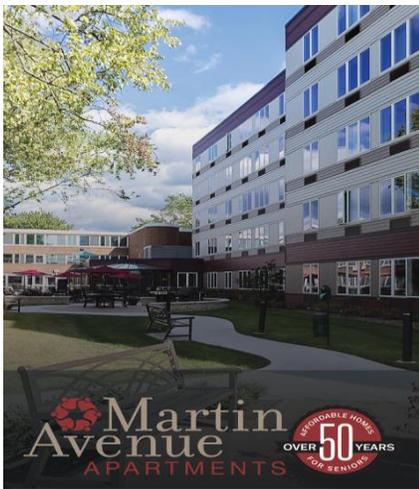
DuPage County Community
Development Commission

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Total Project Cost: \$39,824,441

HOME Funds: \$3,972,060

Additional Funding Used: Bank
Mortgage; 9% LIHTC; 4% LIHTC,
Seller Note; Deferred Developer
Fee



HOME Success Story

Martin Avenue Apartments

Naperville, Illinois

Problem or need addressed: The project is located in the City of Naperville, Illinois, population 149,540. Naperville is one of the more affluent communities in DuPage County. The median value of owner-occupied homes is \$433,400, while the median gross monthly rent is \$1,645. The city offers many amenities including popular retailers, restaurants, parks, close proximity to transportation, and a hospital in town and adjacent to Martin Avenue Apartments. Naperville is a highly desirable community to live in, and, as such, affordable housing is scarce, especially for low-income senior citizens. The existing 122-unit structure is 50 years old requiring substantial rehabilitation. Likewise, there is a two year wait list at Martin Avenue Apartments that portends the need for additional units.

Solution: The existing 122 units include 81 studio apartments and 41 one-bedroom units complimented with a common lounge area, laundry site, community room, fitness room and beauty shop. The project consisted of rehab work on all of the existing units and all common areas. Additionally, to address the need for additional affordable senior units, a five-story structure was newly constructed, adding 68 units. The project consists of 190 total units.

Several funding sources were leveraged to implement this project: Bank Mortgage - \$5,500,000; LIHTC - \$20,206,045; Deferred Developer Fee - \$807,928; County HOME Funds - \$3,972,060; Seller Note - \$8,813,059; Assumed Reserves \$525,149; General Partner Contribution \$200.

Results: The project was completed in 2021 with **all 190** units serving tenants \leq 60% MFI.

26 County HOME units were created at a cost of \$152,771 per unit, well within HOME subsidy limits. Effective HOME rent limits allowed rents up to \$818.00/month for an efficiency unit. In an effort to serve households with very limited income, the project provided 34 efficiency units at \$422.00/month. Likewise, HOME rent limits allowed one-bedroom units to rent for up to \$946.00/month, while the project provided 8 one-bedroom units at \$431/month; 24 one-bedroom units at \$471.00/month; 3 one-bedroom units at \$630 per month; & 45 one-bedroom units at \$770/month. While the lower rent limits the property's cash flow, underwriting resulted in an acceptable Debt Coverage Ratio ranging from 1.39 in year one to 1.11 in year twenty.

Additionally, the County imposed an extended use period. Upon expiration of the regulatory affordability period, all units must be occupied by households \leq 80% of the area median family income, identified by household size, in effect at that time, & pay no more than 30% of the household's income toward rent & utilities. This requirement ensures 30 years of affordability.