

**Site Inspection
And Market Analysis**

310 Arlington Heights
Arlington Heights, Illinois

Prepared for:

Housing Trust Group
3225 Aviation Ave 6th floor
Miami, FL 33133

By:

American Marketing Services, Inc.
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STATEMENT OF ASSUMPTIONS AND CERTIFICATIONS

1. The findings contained in this report are based solely on research and interviews conducted prior to the date of the report.
2. All information and procedures used to establish the market study were from factual data and prepared in a professional manner. Direct and indirect information obtained concerning the subject property is assumed to be true and accurate. Information supplied by published documents, government agencies, private business entities and other parties is believed to be reliable and accurate.
3. AMS assumes no obligation to provide updates to this report after its submission.
4. AMS has fulfilled all insurance requirements as discussed in the Illinois Housing Development Authority (IHDA) Standards for Market Study Reviews and Professionals. IHDA is named as an additional insured.
5. AMS is a member in good standing of the National Council of Housing Market Analysts (NCHMA).
6. The demand methodology used in this report incorporate "Authority Standard Calculations."
7. This report was prepared during the nationwide Covid-19 epidemic, which has the potential to impact multiple facets of the rental housing market. It is possible that there may be significant changes in the future demographic characteristics and trends, neighborhood amenities, property rents and occupancy rates, and other factors examined herein. This report does not account for any impacts of Covid 19 that may occur after the date of this report.

ANALYST CERTIFICATION

There is no identity of interest between American Marketing Services and the developer or ownership, or their principals. No undue pressure or collusion with the client or representatives exists in the determinations of the market study. Compensation for this report is not contingent upon the development receiving an allocation of tax credits or other IHDA financing.



Market Analyst

INTRODUCTION

At the request of Housing Trust Group, American Marketing Services, Inc. (AMS) has prepared a site inspection and market analysis in relation to the proposed 310 Arlington Heights, an affordable rental development in Arlington Heights, Illinois targeted to low-income families. The purpose of this evaluation was to determine the marketability of the newly constructed rental units and gauge potential demand.

In carrying out this study, AMS examined demographic trends in the Primary Market Area, as well as Cook County. In addition, AMS has evaluated the subject property's location and proximity to area services, and assessed current rental market conditions, including competitive product, rents, and amenities.

The intended users of this report are the development team and potential lenders, including the Illinois Housing Development Authority (IHDA).

I. PROPOSED DEVELOPMENT

A. Developer: Housing Trust Group
3225 Aviation Ave 6th floor
Miami, FL 33133

B. Project Description: 310 Arlington Heights will provide 40 much-needed units of affordable housing targeted to families in a new four-story elevator building. The development will offer units with one or two bedrooms and will serve households earning up to 30% or 60% of Area Median Income (AMI). The developer's application to the Illinois Housing Development Authority (IHDA) is for 9% Low Income Housing Tax Credits and other funding sources.

C. Location: 310 Arlington Heights will be located at 310 Rand Road, in the city of Arlington Heights, Illinois, a northwest suburb of Chicago. The site is approximately 25 miles northwest of downtown Chicago and nine miles northwest of O'Hare International Airport.

D. Site Description: The 2.2-acre site is currently unimproved and grassy. The site has an irregular shape, and like the surrounding area, it is flat. The site is within an urban and fully developed area, with mainly residential and commercial land uses. The site is appropriate for the neighborhood and the target market.

E. Buildings: The development will consist of one four-story building. The design is appropriate for the community, the surrounding land uses, and the intended tenant base.

F. Apartment Details/

Rent Schedule: 310 Arlington Heights will consist of 40 housing units targeted to households earning up to 30% or 60% of AMI. The development will offer 20 one-bedroom apartments with 684 square feet of space, and 20 two-bedroom/two-bath apartments with 897 square feet.

The proposed net rent for the 30% AMI one-bedroom units will be \$384. The 60% AMI net rents will be \$871 for the one-bedrooms and \$1,047 for the two-bedrooms. In terms of utilities, residents will pay for electricity, cooking gas, and gas heat, with water/sewer and trash removal covered by the development. The utility allowance will be \$101 for one-bedrooms and \$120 for two-bedrooms.

Overall, the proposed income mix, unit sizes, and rents, as shown in the following table, are appropriate for the target market.

<u>Proposed Rent Schedule - 310 Arlington Heights</u>								
	<u>No.</u>	<u>BR</u>	<u>BA</u>	<u>SF</u>	<u>Net Rent</u>	<u>PSF Net Rent</u>	<u>Util. Allow.</u>	<u>Gross Rent</u>
Tax credit (30% AMI)	8	1	1	684	\$384	\$0.56	\$101	\$485
Tax credit (60% AMI)	12	1	1	684	\$871	\$1.27	\$101	\$972
	20	2	2	897	\$1,047	\$1.17	\$120	\$1,167
	40							

G. In-Unit Amenities: Amenities for 310 Arlington Heights will include air conditioning, wiring for cable TV and internet service, mini blinds, refrigerators, ranges, and dishwashers. Two-bedroom units will have two full baths. The in-unit amenities package is appropriate and desirable for the target market. The amenities proposed will be essentially equal to the amenity standard for affordable properties in the market.

H. Development

Amenities: The development will offer an on-site management office, off-street parking, a community/media room, fitness center, bike rack, and a common laundry room. The development amenities are appropriate for the market and the tenant base. They are essentially equal to the affordable standard for affordable properties in the PMA.

I. Construction: The building will have a wood frame construction and a flat roof, which is appropriate for the target population and the market.

J. Parking: The development will provide 80 parking spaces on site, of which eight will be handicapped accessible. The parking ratio of two spaces per unit is expected to be sufficient for the target population and very marketable.

K. Density: Overall, the development site covers an area of 2.2 acres, which equates to a density of 18 units per acre. This density is quite low and is appropriate for the market.

M. Other: A retention pond is also planned for the development.

II. FIELD OBSERVATIONS

All distances are measured in a straight line.

A. Access to Site

The site is located on the east side of Rand Road (U.S. Route 12), which is a busy multilane arterial. Only 0.3 mile east is Arlington Heights Road, which provides access to downtown Arlington Heights 2.5 miles to the south. In addition, 0.6 mile south is Palatine Road, which provides access to I-290 (and the Interstate Expressway System) just one mile to the southwest. Access to the development's parking lot will be by way of Chestnut Avenue, along the northern border of the site. AMS finds the site accessibility to be very good.

B. Visibility & Marketability

The subject development will have good visibility for marketing purposes. The proposed four-story building will be highly visible to traffic on busy Rand Road. The neighboring land uses are also very well maintained, and the housing in the area is mainly higher-end. Overall, AMS expects the development to have strong marketability. The development will not require any additional signage to improve marketability.

C. Adjacent Land

North: Immediately north of the site is Stonebridge of Arlington Heights, a 586-unit rental development consisting of multiple four-story elevator buildings. The development, which occupies several blocks along the east side of Rand Road, is in good condition. To the northeast is a grassy power-line corridor that runs parallel to Rand Road. North of the powerlines is a residential neighborhood of detached single-family homes in good to excellent condition.

West: Northwest of the site is Waverly Inn Memory Care Community, which is an Assisted Living property targeted to the frail elderly population. Farther northwest, along the west side of Rand Road, is Fountains of Arlington, a condominium development with two mid-rise elevator buildings. To the southwest of the site is a townhome development in good condition and located in a residential neighborhood of detached single-family homes, most of which are in excellent condition.

South: Southeast of the site, along Rand Road, are shopping centers and other commercial land uses, including two grocery stores, a fitness center, clothing stores, and numerous restaurants. South of the commercial strip are residential land-uses—a mix of attached townhomes and detached single-family homes.

East: Immediately east of the site is an electric substation and the afore-mentioned power-line corridor. Farther east is a residential neighborhood of detached single-family homes mainly in excellent condition.

The electric substation and high-tension power lines to the east and north of the site are within a quarter-mile of the site. However, AMS does not believe the lines will impact marketability. A higher-end apartment complex and a neighborhood of large single-family homes also abut the very same power line corridor.

D. Neighborhood Description

The development site is located on the border between a major concentration of retail shopping and a quiet, residential neighborhood of mainly higher-end housing. Along Rand Road, north of the site, there are large-scale apartment and condominium developments, including mid-rise product, and small commercial strips. The areas on either side of Rand Road are almost exclusively neighborhood of detached single-family homes or small clusters of townhomes. The neighborhood is appropriate for affordable housing targeted to families.

E. Public Safety Issues

In order to assess crime in the PMA, AMS examined crime data per 100,000 residents as reported by the State of Illinois in their *Crime in Illinois 2019* report. The data, from 2019 and 2018, is the most recent available, and pertain to the Village of Arlington Heights, Cook County, and Illinois as a whole. As shown in the table below, crime rates have decreased year-over-year by 2% in the Village. During the same period, crime rates have also fallen by 4% in both Cook County and the State of Illinois. In addition, the 2019 crime rate in the community is far less than half the Cook County rate. Overall, crime and the perception of crime are not expected to be a relevant factor for marketability at the subject development.

Crimes per 100,000 Population – 2018-2019

	2019 Crime	2018 Crime	% Change
Des Plaines	1,218	1,317	-8%
Mount Prospect	915	1,180	-22%
Arlington Heights	852	869	-2%
Cook County	2,971	3,091	-4%
Illinois	2,155	2,256	-4%

Source: State of Illinois- Index of Crime Offense and Crime Rate Data

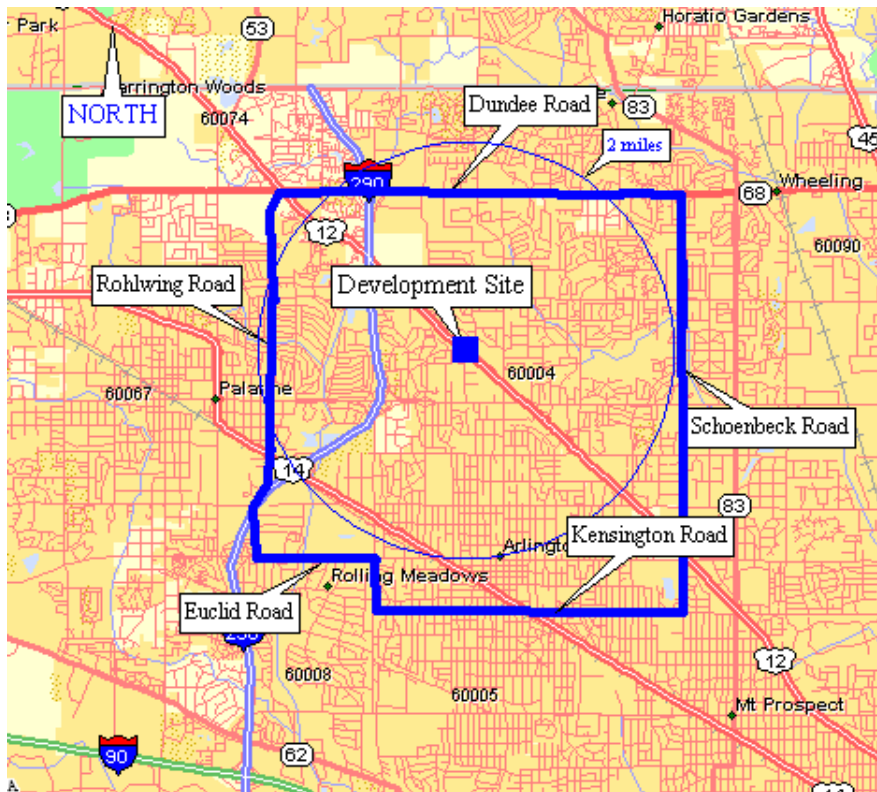
F. Lead Exposure

The subject development is not located in a zip code identified by the Illinois Department Public Health as a “high risk area” for lead exposure.

III. MARKET AREA CHARACTERISTICS

A. Market Area

AMS has defined the Primary Market Area (PMA) for the subject development as the area bounded by Euclid and Kensington Road on the south, Rohlwing Road on the west, Dundee Road on the north, and Schoenbeck Road on the east. The PMA includes the central and northern areas of Arlington Heights, as well as small portions of the neighboring municipalities of Palatine, Wheeling, and Prospect Heights. A map of the boundaries follows.



The PMA was designed to include the central and northern areas of Arlington Heights, including downtown. Because I-290 is less than one mile west of the site, AMS also included portions of Palatine that are west of I-290. The northern and western borders are major arterials, while the southern and eastern borders are small, but still signalized thoroughfares.

The FIPS Code for Cook County is 17031. The census tracts comprising the PMA are: 8025.03, 8029, 8930.05, 8030.07, 8030.08, 8030.15, 8030.16, 8030.17, 8031, 8032, 8033, and 8036.07, and parts of 8026.08, 8028.01, 8030.15, 8036.05, 8036.06, 8039.01, and 8039.02. The development is located in tract 8030.16.

For the demand analysis of this report, AMS assumed that 100% of residents will come from the PMA.

B. Comparable Properties

The affordable housing supply in this northwest suburban market is very modest. Importantly, 310 Arlington Heights will be the first tax credit development in the PMA that exclusively serves low-income families and does not have Section 8 or public housing rent assistance.

For this report, AMS examined the four closest comparable affordable properties that target families. Two of the four are located within the PMA, while the other two are located in Palatine, west of the PMA. Three of the properties have Section 8 rent assistance for all units, though two of these three comparable properties are mixed-income, with market rate components. The remaining property, Parkview Apartments, is a newer tax credit development in the PMA that targets a mix of populations, but includes a small number of 60% AMI family units (without rent assistance) that can be compared to the subject development.

Descriptions of the comparable properties follow. Additional property details and photographs can be found in the attachments to this report.

1. Comparable Affordable Family Housing in PMA

Parkview Apartments

212 N. Dunton – Arlington Heights, IL 60004

Parkview Apartments is a 45-unit mixed-income development in a seven-story elevator building. Built in 2018, the development is in excellent condition and is located 2.5 miles south of the subject site. The development has IHDA tax credit funding and rent assistance from the Housing Authority of Cook County (HACC) for approximately 30% of its units. Residents of the HACC units pay 30% of income for rent and utilities. According to management, the current occupancy rate is 98%, and there is a waiting list for the HACC units.

Parkview Apartments offers 15 one-bedroom units with 835 square feet, 20 two-bedroom/one-bath units with 983 square feet, five two-bedroom/two-bath units with 1,069 square feet, and five three-bedroom/two-bath units with 1,392 square feet. There are approximately 12 60% AMI units that do not have rent assistance. Current rents for the one- and two-bedroom units at 60% AMI are \$891 and \$1,080, respectively.

Tenants pay for electricity, gas heat, and cooking gas, with all other utilities covered by the building. Development amenities include elevators, a community room, heated garage parking, extra storage, a fitness center, and bike storage. Units are air-conditioned and pre-wired for cable, and include carpeting, window treatments, and in-unit washer/dryers.

Williams Reserve

1245 Prairie Brook Drive – Palatine, IL 60074

Williams Reserve is a 320-unit mixed-income development that has IHDA funding and rent subsidies for 85 units. According to the manager, the HUD rent assistance contract was scheduled to expire in 2017. In order to preserve affordable options, ownership entered into an agreement with the Housing Authority of Cook County (HACC) to keep approximately 25% to 30% of the development affordable. Residents of the affordable component, however, must have Housing Choice Vouchers from the HACC.

Williams Reserve consists of multiple three-story walk-up buildings and is located 1.8 miles northwest of the development site. Originally constructed in 1975, it has undertaken a major rehabilitation project and is currently in good condition. The development is currently 90% leased.

The development offers studio, one-, two-, and three-bedroom units, though all of the studio units are market rate. In terms of amenities, the development offers on-site mgmt., 24-hour maintenance, a large and impressively updated clubhouse, pool with sundeck, grills, free wifi, picnic area, gazebo, lounge with TV business center, fitness center, conference room, dog run, playground, and laundry rooms. Units have carpeting, dishwashers, mini-blinds, and air conditioning.

2. Comparable Affordable Family Housing Outside of PMA***Rand Grove Village***

773 E. Rand Grove Lane – Palatine, IL 60074

Rand Grove Village is a 320-unit mixed-income development that has IHDA funding and HUD rent subsidies for 128 units. It consists of multiple three-story walk-up buildings with brick exteriors, and is located 2.8 miles northwest of the development site. The development opened in 1976 but was substantially rehabilitated in 2017, and is currently in average condition. Occupancy information was not available.

The development offers one-, two-, three-, and four-bedroom units. Amenities include on-site management, community garden, business center, basketball court, clubhouse/meeting room, and laundry rooms.

Arrowhead Apartments

1950 Cambridge Court – Palatine, IL 60074

Located two miles northwest of the site, Arrowhead Apartment is a 200-unit mixed income development with IHDA funding and HUD rent subsidies for 40 units. It consists of multiple two-story walk-up buildings. Originally constructed in 1976, it recently completed a major rehabilitation project, including an expanded clubhouse, and is currently in good condition. According to on-site staff, the development is currently 95% occupied, and all of the vacancies are market rate units.

Arrowhead Apartments offers studio, one-, two-, and three-bedroom units. Amenities include on-site management, 24-hr maintenance, pool with sundeck, ponds, dog run, business center, upgraded clubhouse, fitness center, and laundry rooms. Units have AC, carpeting, mini blinds, and a patio/balcony.

3. Planned Affordable Development in the PMA

AMS found no evidence of any other affordable family housing developments under construction or planned within the PMA. AMS spoke with Arlington Heights municipal staff Nora Boyer, Housing Planner, who was unaware of any other affordable housing projects in the village.

4. Comparable Market Rate Rental Housing

In order to better understand the PMA rental market in general, AMS also examined six developments with market rate family units, with a total of 1,904 units. This sample consists of the market rate components of two of the mixed-income properties in the affordable sample, as well as four purely market rate developments, including Stonebridge, which is located immediately north of the subject site.

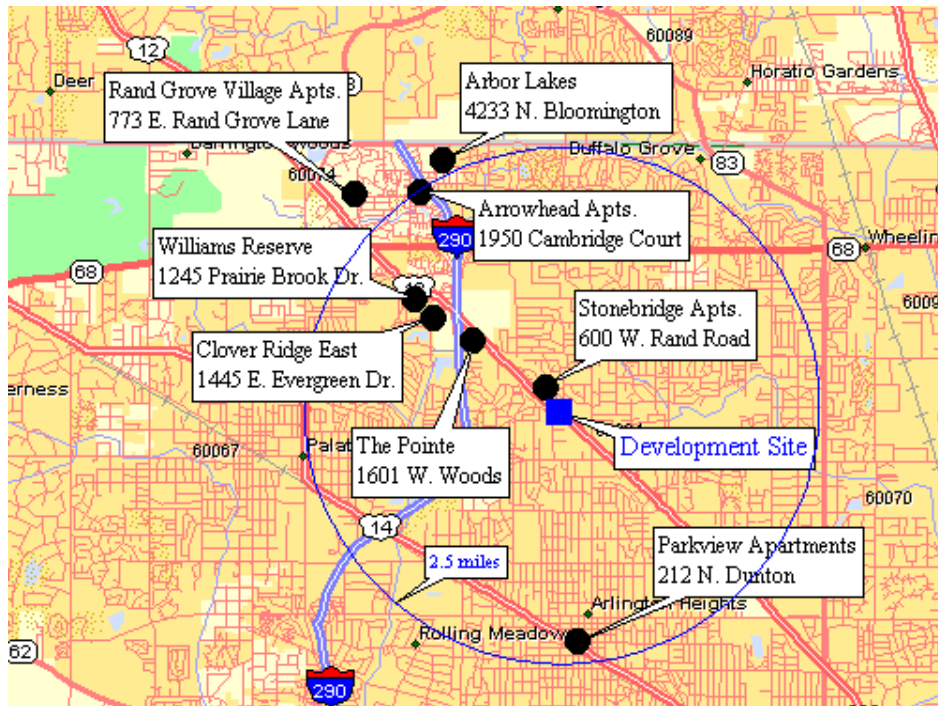
A summary of the sample is provided in the table below. All five market rate properties are located within four miles of the site and were built between 1967 and 1989, though four of the properties have completed major rehabilitation projects during the past three years or have a rehabilitation project underway. Five of the six properties are in good condition.

Market Rate Property Sample

Property	Address	Distance	Built	Cond.	No. Units
Williams Reserve	1245 Prairie Brook Dr., P	1.8 miles	1967	Good	235
Arrowhead Apartments	1950 Cambridge Court, P	2.5 miles	1976	Good	160
Stonebridge of Arlington Heights	600 W. Rand Rd., AH	Adjacent	1982	Good	586
Arbor Lakes	4233 N. Bloomington, AH	2.7 miles	1986	Good	378
Clover Ridge East	1445 E. Evergreen Dr., P	1.7 miles	1987	Average	276
The Pointe	1601 W. Woods Dr., AH	1.1 miles	1989	Good	312

AH=Arlington Heights, P=Palatine,

A map of the comparable affordable and market rate properties can be found below.



C. Affordable Properties within the PMA

AMS identified five affordable properties located within the PMA, with 438 total affordable units. In addition to Parkview Apartments and Williams Reserve, with 126 total family units, there are two independent senior developments with 294 total units and a 18-unit permanent supportive housing development. Conditions of the properties ranged from average to excellent. The two properties that provided AMS with vacancy information were 100% occupied. The affordable housing supply in the PMA is summarized in the table below, and additional property details can be found in the attachments.

Affordable Properties in the PMA

Property	IHDA Y/N	Prop. Type	Subsidy Program	Aff. Units	Unit Types	Cond.	Occup.
Williams Reserve	Y	F	S-8	85	0-3	Good	na
Parkview Apartments	Y	F/S	TC/PH	41	1,2,3	Exc.	98%
Cedar Village	N	E	S-202	80	0,1	Avg.	100%
Albert Goedke House	Y	E	PH	214	1	Avg.	na
Heart's Place	Y	D	TC/PH	18	1,2	Exc.	na
			Totals:	438			

Housing units for families total 126 of the 438 affordable units in the PMA. The supply for families comprises 28.8% of the PMA affordable housing supply.

D. Area Services

1. Shopping and Related Services: The development site has an excellent location for shopping, services and dining. Immediately south of the site, along either side of Rand Road, are shopping centers that offer a full-service grocery store (Harvest Fresh Market at 100 E. Rand Road) and a Trader Joe's grocery store at 17 W. Rand Road. There is also a Burlington clothing store, a Dollar Tree store, and two banks—Village Bank & Trust at 150 E. Rand, and Chase Bank at 300 E. Rand. The nearest pharmacy to the site is a Jewel-Osco at 440 E. Rand, 0.7 mile southeast.
2. Transportation: The Arlington Park Metra rail station is located 1.9 miles southwest of the site, at 2121 W. Northwest Highway. For vehicular travel, the nearest junction with I-290 is located one mile southwest, by way of Palatine Road. I-290 connects with I-90 within five miles of the site.
3. Recreation: Among the nearest recreational amenities is the busy Frontier Park, located 0.4 mile west, at 1933 N Kennicott Drive. Administered by the Arlington Heights Park District, the park offers a community center, outdoor pool, wooded areas, community gardens (for rent), a playground, shelter, tennis courts, basketball courts, and athletic fields. The park also hosts a variety of classes, activities, and programs for all ages. In addition, Camelot Park and community center is located 0.8 mile northeast, at 1005 E. Suffield Drive. The Arlington Heights Public Library can be found at 500 N. Dunton Ave, 2.1 miles south.

Residents will enjoy an excellent selection of dining options. Within just a half-mile of the site are Sun Shui, Arby's, Panera, Barnaby's Family Inn, and McDonald's, though there are also many more options in Arlington Heights.

4. Healthcare: The nearest major hospital is Northwest Community Healthcare, located at 800 W. Central Road, 3.5 miles south of the development site. It is a 489-bed acute care hospital with an Ann & Robert H. Lurie Children's Hospital of Chicago Outpatient Center. Closer to the site, within 0.5 mile, is a Northwest Community Health Care at 1051, a smaller clinic associated with the aforementioned hospital.
5. Education/daycare: The nearest daycare center is Little University Child Care Center, located at 2501 N Chestnut Ave, just 0.3 mile from the site. Another daycare option is Little Learners, at 1060 W. Rand Road 0.6 mile northwest.

School-age children at the property will attend District 25 for grades K-8 and HS District 214 for high school. The neighborhood elementary school for grades K-5 is Ivy Hill Elementary, located at 2211 N. Burke Drive. The school is within 0.75 mile of the development site. The neighborhood school for grades 6-8 is Thomas Jr. High School, located at 1430 N Belmont Avenue, 1.2 miles from the site. Lastly, high-school students will attend Buffalo Grove High School, located at 500 W. Elk Grove Boulevard, in Elk Grove, 1.6 miles north.

School Performance

AMS examined the performance of the neighborhood schools using the most recent data from the Illinoisreportcard.com website. The website provides Illinois Assessment of Readiness (IAR) data, which aggregates student performance on tests in mathematics and English language arts (ELA). Students are categorized into five performance brackets, with the top two being “met expectations” and “exceeded expectations”. The data examined are from the 2018-2019 school year. Data from the 2019-2020 school year are unavailable due to the Covid 19 pandemic.

The following table shows IAR data for the subject development's neighborhood grade K-8 schools (in bold). As a point of comparison, the rates for three neighboring schools, and the average rates for District 59 and the State of Illinois, are provided. At Ivy Hill School, the proportion of students that met or exceeded expectations was 66% for ELA and 64% for math. One of the nearby schools had similar performance ratings, while two had lower ratings. In District 59 as a whole, 21% (math) to 31% (ELA) of elementary students met or exceeded expectations. Statewide, the ratings were 32% (math) and 38% (ELA).

Elementary School	Met or Exceeded Expectations - ELA	Met or Exceeded Expectations - Math
Ivy Hill Elementary	66%	64%
J W Riley Elementary	47%	49%
Edgar A. Poe Elementary	27%	45%
Olive-Mary Stitt Elementary	61%	57%
Thomas Junior High	62%	53%
District 59	31%	21%
State of Illinois	38%	32%

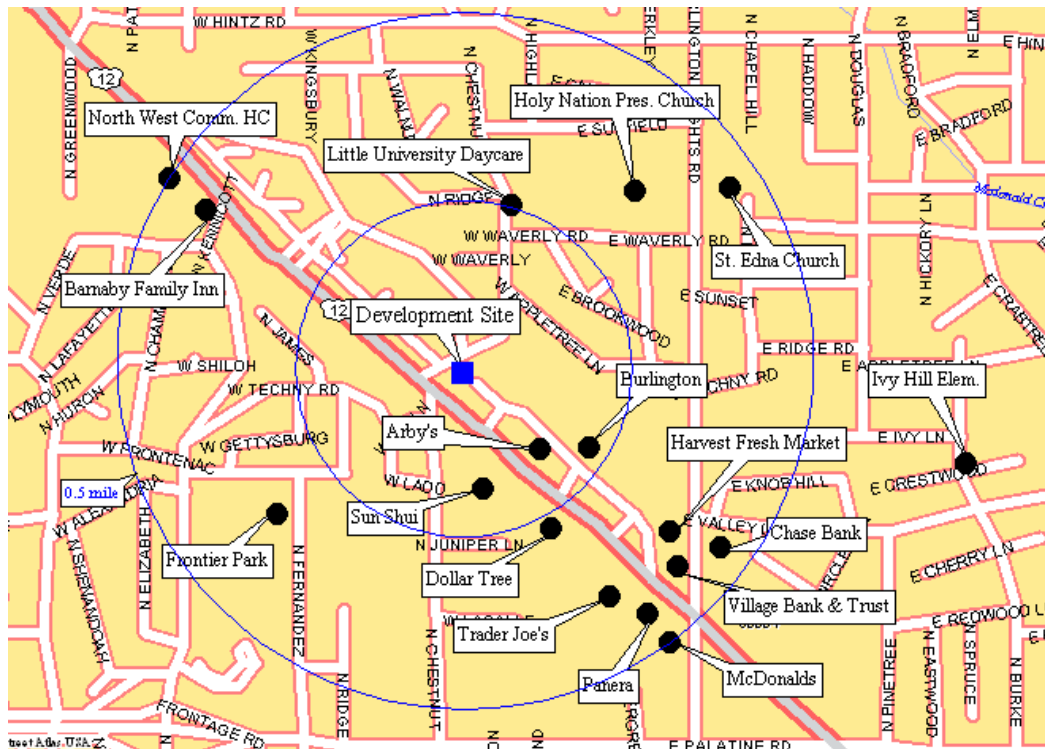
2019 IAR data were not available for high schools, so AMS examined SAT exam data, which is measured in the same way as IAR data. Elk Grove High School performed at a similar level to the District, but slightly underperformed two neighboring schools. However, Buffalo Grove High School has a better rating than the State of Illinois averages in terms of SAT scores.

School	Met or Exceeded Expectations- ELA	Met or Exceeded Expectations - Math
Buffalo Grove High School	48%	61%
John Hersey High School	65%	67%
Prospect High School	66%	71%
HS District 214	49%	53%
State of Illinois	37%	35%

6. Other: Two religious institutions within a half-mile of the site include Holy Name Presbyterian Church, and St. Edna Catholic Church, at 2525 N. Arlington Heights Road. The nearest post office is located 1.75 miles from the site, at 1300 E. Northwest Highway, in Palatine. In terms of government services, there is a Wheeling Township Highway

Department facility located 0.8 miles away, at 1616 N. Arlington Heights Road.

A map of the major neighborhood amenities is provided below.



E. Population/Demographic Characteristics

AMS analyzed the demographic characteristics and trends for the PMA, as defined above in Section III-A, and for comparative purposes, Cook County. Unless otherwise noted, all data have been obtained from Environic Analytics (formerly Nielson Claritas).

Population and Households

The estimated population of PMA in 2021 is 73,876. As shown in the table below, there has been a decline of 1.8% in the PMA population since 2010. The number of households in the PMA has decreased 0.5% during the past eleven years, to a 2021 total of 30,353. During the next five years, the population and household counts in the PMA are projected to decrease by 1.0% and 0.6%, respectively.

In Cook County, the population has also decreased, by 1.4% between 2010 and 2021. However, the number of households increased by a slight 0.5% during the same period. By 2026, the population and number of households are both projected to decrease slightly, by 0.8% and 0.3%, respectively.

Population & Households

	<i>2010</i>	<i>2021 (E)</i>	<i>Change '10-'21</i>	<i>2026 (P)</i>	<i>Change '21-'26</i>
<i>PMA</i>					
Population	75,247	73,876	-1.8%	73,145	-1.0%
Households	30,492	30,353	-0.5%	30,169	-0.6%
<i>Cook County</i>					
Population	5,194,675	5,121,057	-1.4%	5,080,149	-0.8%
Households	1,966,356	1,975,686	0.5%	1,970,509	-0.3%

Population by Age

The population of the PMA is older than that of Cook County. In 2021, 27.5% of the PMA population is under age 25, compared to 30.3% countywide. One in four persons (25.0%) in the PMA, compared to 29.5% in the county, are in the 25 to 44 age cohort.

In 2021, the proportion of PMA residents age 55 or older is 34.8%, compared to 27.8% in Cook County. Some 20.4% of the PMA population is age 65+, compared to 15.6% countywide.

The populations of both areas are projected to trend older during the next five years. In 2021, the median age is 43.0 years in the PMA, and 39.7 years in the county. In 2026, the median age in the PMA is expected to rise to 43.6 years, while the Cook County median age is projected to be 39.5 years.

Population by Age – PMA

<i>Age Group</i>	<i>2010</i>	<i>% of Total</i>	<i>2021 (E)</i>	<i>% of Total</i>	<i>2026 (P)</i>	<i>% of Total</i>
Under 10	8,932	11.9%	8,026	10.9%	7,974	10.9%
10 to 17	7,639	10.2%	6,575	8.9%	6,415	8.8%
18 to 20	2,010	2.7%	2,383	3.2%	2,279	3.1%
21 to 24	3,170	4.2%	3,305	4.5%	3,246	4.4%
25 to 34	9,710	12.9%	9,389	12.7%	8,708	11.9%
35 to 44	10,134	13.5%	9,068	12.3%	9,204	12.6%
45 to 54	12,080	16.1%	9,431	12.8%	8,776	12.0%
55 to 64	9,569	12.7%	10,624	14.4%	9,817	13.4%
65 to 74	5,852	7.8%	8,179	11.1%	9,560	13.1%
75 to 84	4,181	5.6%	4,658	6.3%	4,931	6.7%
85 or Older	1,970	2.6%	2,240	3.0%	2,236	3.1%
Median Age	41.2		43.0		43.6	

Population by Age – Cook County

<i>Age Group</i>	<i>2010</i>	<i>% of Total</i>	<i>2021 (E)</i>	<i>% of Total</i>	<i>2026 (P)</i>	<i>% of Total</i>
Under 10	674,330	13.0%	616,544	12.0%	597,761	11.8%
10 to 17	557,950	10.7%	494,373	9.7%	489,396	9.6%
18 to 20	212,011	4.1%	190,007	3.7%	188,268	3.7%
21 to 24	302,308	5.8%	250,507	4.9%	242,174	4.8%
25 to 34	831,563	16.0%	791,583	15.5%	684,779	13.5%
35 to 44	709,795	13.7%	720,222	14.1%	751,464	14.8%
45 to 54	717,063	13.8%	636,460	12.4%	640,475	12.6%
55 to 64	569,326	11.0%	622,021	12.1%	596,074	11.7%
65 to 74	324,521	6.2%	463,759	9.1%	529,410	10.4%
75 to 84	204,431	3.9%	234,065	4.6%	260,231	5.1%
85 or Older	91,377	1.8%	101,516	2.0%	100,117	2.0%
Median Age	35.3		37.9		39.5	

Population by Race

In 2021, the majority of the PMA population (72.3%) is White, while Latinos are 14.2%, Asians 10.4% and African Americans 1.5%. During the next five years, the proportion of Latinos is projected to increase to 15.5%, and the proportion of Asians is expected to rise to 11.4%, while the percentage of White residents is expected to decline to 69.8%.

In Cook County, Whites represent 41.1% of the 2021 population, Latinos account for 26.5%, African Americans 22.4% and Asians 8.0%. By 2026, it is projected that the White and African American proportions will decline slightly, while the Latino and Asian proportions will increase modestly.

Population by Race

<i>Area/Racial Group</i>	<i>2010</i>	<i>% of Total</i>	<i>2021 (E)</i>	<i>% of Total</i>	<i>2026 (P)</i>	<i>% of Total</i>
PMA						
White	58,602	77.9%	53,391	72.3%	51,082	69.8%
African American	1,147	1.5%	1,121	1.5%	1,085	1.5%
Latino	8,261	11.0%	10,462	14.2%	11,369	15.5%
Am. Ind./Eskimo/Aleut	49	0.1%	38	0.1%	34	0.0%
Asian	6,244	8.3%	7,715	10.4%	8,351	11.4%
Native Hawaiian/Pacific Isl.	10	0.0%	8	0.0%	5	0.0%
Other	934	1.2%	1,141	1.5%	1,219	1.7%
Cook County						
White	2,278,358	43.9%	2,104,139	41.1%	2,021,839	39.8%
African American	1,265,778	24.4%	1,146,719	22.4%	1,090,899	21.5%
Latino	1,244,762	24.0%	1,358,446	26.5%	1,408,195	27.7%
Am. Ind./Eskimo/Aleut	6,682	0.1%	5,485	0.1%	4,932	0.1%
Asian	318,869	6.1%	407,842	8.0%	447,718	8.8%
Native Hawaiian/Pacific Isl.	1,043	0.0%	865	0.0%	782	0.0%
Other	79,183	1.5%	97,561	1.9%	105,784	2.1%

Household Size Distribution

In 2021, 62.3% of households consist of one or two persons, a proportion that is higher than the county's rate of 58.4%. Some 29.6% of PMA households, and 27.4% countywide, are comprised of three or four persons. Households with five or more persons comprise 8.3% of the PMA, compared to 12.2% countywide.

Household Size Distribution (2021)

<i>Household Size</i>	<i>PMA</i>	<i>% of Area Total</i>	<i>Cook County</i>	<i>% of Area Total</i>
1 person	9,230	30.4%	634,449	32.1%
2 persons	9,625	31.7%	559,114	28.3%
3 persons	4,860	16.0%	301,401	15.3%
4 persons	4,128	13.6%	239,459	12.1%
5 persons	1,688	5.6%	130,211	6.6%
6 persons	585	1.9%	62,403	3.2%
7+ persons	238	0.8%	48,649	2.5%

Householder Age Distribution

The age distribution of householders in the PMA skews older than in Cook County. In 2021, 14.3% of PMA householders, compared to 19.4% countywide, are under the age of 35. Householders age 35 to 54 comprise 33.4% and 36.8% of total households in the two areas, respectively. Those age 65+ comprise 32.0%, compared to 25.7% in the county.

During the next five years, the proportion of older households is projected to increase in both the PMA and Cook County. A projected 35.3% of householders in the PMA, and 36.5% of those in the county, will be age 65 or older in 2026.

Householder Age Distribution – PMA

<i>Age Group</i>	<i>2010</i>	<i>% of Total</i>	<i>2021 (E)</i>	<i>% of Total</i>	<i>2026 (P)</i>	<i>% of Total</i>
Under 25	549	1.8%	604	2.0%	627	2.1%
25 to 34	4,288	14.1%	3,740	12.3%	3,384	11.2%
35 to 44	5,408	17.7%	4,892	16.1%	4,881	16.2%
45 to 54	6,758	22.2%	5,255	17.3%	4,935	16.4%
55 to 64	5,636	18.5%	6,162	20.3%	5,670	18.8%
65 to 74	3,583	11.8%	4,934	16.3%	5,745	19.0%
75 and Older	4,269	14.0%	4,767	15.7%	4,928	16.3%

Householder Age Distribution – Cook County

<i>Age Group</i>	<i>2010</i>	<i>% of Total</i>	<i>2021 (E)</i>	<i>% of Total</i>	<i>2026 (P)</i>	<i>% of Total</i>
Under 25	78,017	4.0%	59,514	3.0%	60,362	3.1%
25 to 34	368,995	18.8%	323,647	16.4%	271,524	13.8%
35 to 44	375,112	19.1%	377,719	19.1%	388,022	19.7%
45 to 54	399,055	20.3%	349,077	17.7%	351,525	17.8%
55 to 64	336,757	17.1%	357,128	18.1%	339,870	17.2%
65 to 74	206,776	10.5%	285,855	14.5%	322,820	16.4%
75 and Older	201,644	10.3%	222,746	11.3%	236,386	12.0%

Tenure

There are 30,353 occupied housing units in the PMA in 2021, which is 93.0% of total housing units. The PMA occupancy rate is higher than the overall housing occupancy rate of 88.8% in Cook County. Of the occupied units in the PMA, some 74.8% are owner-occupied and 25.2% are renter-occupied. In Cook County, the rate of owner-occupancy is only 57.8%, while the rate of renter-occupancy is 42.2%.

Tenure 2021

	<i>PMA</i>	<i>% of Area Total</i>	<i>Cook County</i>	<i>% of Area Total</i>
Total Units	32,628		2,223,937	
Occupied Housing	30,353	93.0%	1,975,686	88.8%
Owner-occupied	22,708	74.8%	1,141,580	57.8%
Renter-occupied	7,645	25.2%	834,106	42.2%

Median Household Income

At \$95,613, the estimated 2021 median household income in the PMA is a full 37.8% higher than the Cook County median of \$69,363. Since 2000, the median incomes in the two areas have increased by similar proportions—43.5% in the PMA and 50.2% in the county. During the next five years, the PMA median is projected to grow by 11.3%, which is, again, close to the projected countywide increase of 11.5%.

Median Household Income

<i>Area</i>	<i>2000</i>	<i>2021 (E)</i>	<i>Change '00-'21</i>	<i>2026 (P)</i>	<i>Change '20-'26</i>
PMA	\$66,625	\$95,613	43.5%	\$106,457	11.3%
Cook County	\$46,170	\$69,363	50.2%	\$77,337	11.5%

2021 Household Income Distribution

In the PMA, 10.6% of households in the PMA earn less than \$25,000, compared to 18.6% of households in Cook County. The proportion of households in the \$25,000 to

\$49,999 range is 14.6% in the PMA, compared to 19.1% countywide. A total of 4,430 PMA households earn \$25,000 to \$49,999 in 2021.

In 2021, some 26.9% of PMA households, and 27.2% of those countywide, earn between \$50,000 and \$99,999. Households earning over \$100,000 comprise nearly half of PMA households (47.9%), compared to 35.1% in Cook County.

2021 Household Income Distribution

<i>Range</i>	<i>PMA</i>	<i>% of Area Total</i>	<i>Cook County</i>	<i>% of Area Total</i>
Less than \$15,000	1,559	5.1%	207,355	10.5%
\$15,000 to \$24,999	1,669	5.5%	160,748	8.1%
\$25,000 to \$34,999	1,551	5.1%	158,979	8.0%
\$35,000 to \$49,999	2,879	9.5%	218,400	11.1%
\$50,000 to \$74,999	4,332	14.3%	304,720	15.4%
\$75,000 to \$99,999	3,820	12.6%	232,531	11.8%
\$100,000 to \$149,999	5,997	19.8%	314,315	15.9%
\$150,000 to \$199,999	3,456	11.4%	151,524	7.7%
\$200,000 or more	5,090	16.8%	227,114	11.5%

Point In Time Homeless Data

AMS examined 2019 point-in-time (PIT) count data for suburban Cook County, the most recent annual survey available. According to the dataset, there were 897 homeless persons in the county, which is a 3% increase compared to 2018. Of the 2019 total, 12%, or 105 persons, were unsheltered (living in the streets or areas not fit for habitation). Compared to 2018, there was 14% decrease in veteran homelessness, but a 6% increase in chronic homelessness and a 14% increase in unsheltered homeless persons.

Within the communities of north suburban Cook County, there were 353 sheltered persons and 48 unsheltered persons in 2019. The 2019 PIT data also indicates that new units for 30% AMI households are much needed in the north suburban Cook County market.

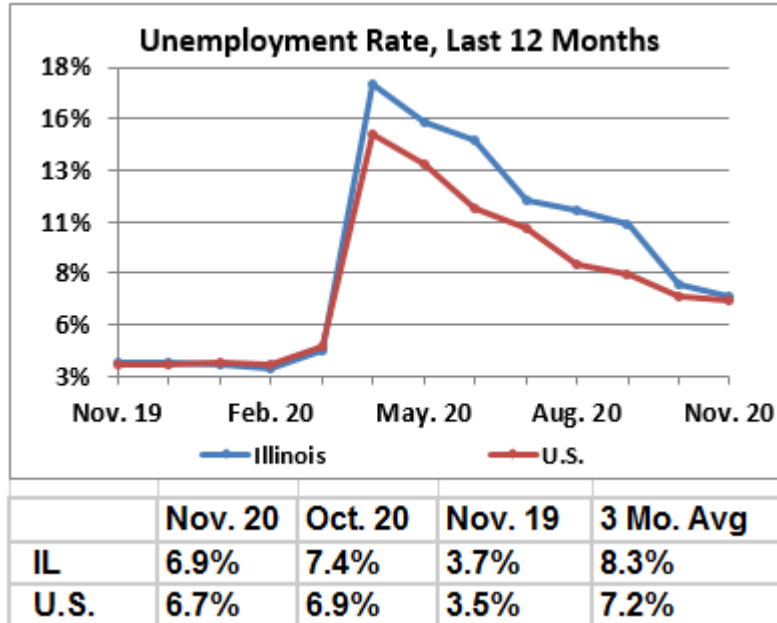
F. Employment

In order to gauge employment opportunities for residents of the subject development, AMS identified large employers in Arlington Heights and examined employment data. The northwest suburban area is well located for access to jobs. In addition to many shopping centers the community is adjacent to one of the region's largest job centers, O'Hare International Airport.

Unemployment Rates

The following table shows the impact of the Covid 19 pandemic, which, in the US, began in or just before March 2020. Unemployment in Illinois, which followed the national trend, spiked to over 17% in May 2020, and has been declining gradually from May to November.

Unemployment Rate: Seasonally Adjusted



Source: Illinois Department of Employment Security statistics (accessed Jan. 17, 2021)

In November 2020, the most recent period for which data were available, the unemployment rate (not seasonally adjusted) in the Village of Arlington Heights was 5.9%. Monthly unemployment in September 2020 was 6.1%, while unemployment in November 2019 (pre-Covid) was considerably lower at 2.2%.

Unemployment in the Village was lower compared to the Chicago MSA and the State of Illinois, though all three areas posted improvements over the previous month. For the full Chicago MSA, unemployment in November 2020 was 7.0%, down from 8.0% one month prior. The statewide unemployment rate was 6.5% last November, down from 7.2% in September 2020. The following table provides recent unemployment rates for each of the aforementioned areas.

Unemployment Rate*

<i>Period</i>	<i>Arlington Hts.</i>	<i>Chicago MSA</i>	<i>Illinois</i>
November 2020	5.9%	7.0%	6.5%
September 2020	6.1%	8.0%	7.2%
November 2019	2.2%	3.2%	3.4%

* Not seasonally adjusted.

Source: Illinois Department of Employment Security statistics

Local Employers

The following table lists the top ten employers in Arlington Heights. There are four employers with over 1,000 employees within the village.

Employer	Employees
Arlington Intl' Racecourse (seasonal)	4,500
Northwest Community Healthcare	3,600
High School District #214	1,700
HSBC	1,500
Lutheran Home	800
Paddock Publications	500
Alexian Brothers Health System (AMITA)	500
Clearbrook	450
Kroeschell Inc.	450
Village of Arlington Heights	450

Source: Arlington Heights 2019 Annual Financial Comprehensive Report

In order to gauge employment trends in close proximity to the site, AMS also examined at-place employment data from the Illinois Department of Employment Security's (IDES) *Where Workers Work* survey. The annual study tracks total private sector employment at the zip code, municipal, and regional levels.

For this report, AMS examined employment trends for the Village of Arlington Heights and for the Northwest Suburban area of Cook County as a whole, as defined by IDES. As shown in the table below, the number of employees in Arlington Heights has decreased since 2010, overall, with most of the decline occurring between 2016 and 2017. The number of jobs in 2019 was 2,359 lower compared to 2010, which equates to a decline of 5.3%. However, in the Northwest Suburban Cook County area, the number of jobs has increased during the same period, by 18,350, or 4.6%.

Local Employment Trends – Arlington Heights

	Arlington Heights	% Chg.	NW Suburban Cook County	% Chg.
2019	42,282	-2.4%	413,349	-1.4%
2018	43,304	5.2%	419,394	1.2%
2017	41,165	-17.8%	414,361	-0.7%
2016	50,079	0.9%	417,439	0.6%
2015	49,635	3.3%	414,808	2.2%
2014	48,028	5.2%	405,859	3.2%
2013	45,651	0.6%	393,460	0.1%
2012	45,386	3.1%	393,170	-0.2%
2011	44,007	-1.4%	393,906	-0.3%
2010	44,641		394,999	

Source: Illinois Department of Employment Security

Employment Summary

The proposed development is well placed for employment opportunities, and employment is stable, overall. There are large employers within the PMA and local employment has been increasing in the northwest suburban area during the past nine years.

IV. HOUSING MARKET CHARACTERISTICS

A. General Housing Characteristics

AMS compared the housing characteristics of the Village of Arlington Heights to Cook County. The data utilized was provided by the Chicago Metropolitan Agency for Planning (CMAP) MetroPulse program and was based on the U.S. Census Bureau's 2014-2018 American Community Survey.

Tenure

The occupancy rate in Arlington Heights in 2018 was 95.4%, which was considerably higher than the occupancy rate of 89.7% for Cook County as a whole. The community's housing supply was comprised mainly of owner-occupied units; some 71.0% of units were owner-occupied, compared to only 51.0% in Cook County. Renter-occupied units comprise 24.4% of Arlington Heights, compared to 38.7% of units countywide.

Tenure

<i>Housing Supply</i>	<i>Arlington Heights</i>	<i>Cook County</i>
Occupied Housing	95.4 %	89.7%
Owner-occupied	71.0%	51.0%
Renter-occupied	24.4%	38.7%
Vacant Housing	4.6%	10.3%

Housing Type

Over half of the housing units in Arlington Heights, 55.4%, were detached single-family homes, and another 7.1% were attached single-family homes (such as condominiums and townhomes). Buildings with five or more units accounted for 33.7% of the housing stock.

In Cook County, 40.3% of units were detached single-family homes, while 5.4% were attached single-family homes. A full 21.6% of units were in buildings with 2-4 units, and 33.2% of units in the county were in buildings with five or more units.

Housing Type

<i>Unit Type</i>	<i>Arlington Heights</i>	<i>Cook County</i>
Single Family Detached	55.4%	40.3%
Single Family Attached	7.1%	5.2%
2 Units	0.7%	9.7%
3-4 Units	3.0%	10.7%
5 or more Units	33.7%	33.3%

Housing Age

The housing stock in Arlington Heights tends to be newer than the housing stock for Cook County. The median year built was 1971 in the Village, compared to 1958 countywide. Only 4.0% of homes in the community were built before 1940, but the proportion constructed from 1940 to 1969 was 42.7%, while 46.7% were built from 1970 to 1999. In contrast, in Cook County, a full 29.6% were built before 1940 and 35.8% were built from 1940 to 1969. Approximately 6.6% of Arlington Heights housing units were built after 2000, compared to 9.1% in the county as a whole.

Housing Age

<i>Unit Type</i>	<i>Arlington Heights</i>	<i>Cook County</i>
2000 or later	6.6%	9.1%
1970 to 1999	46.7%	25.4%
1940 to 1969	42.7%	35.8%
Before 1940	4.0%	29.6%
Median Year Built	1971	1958

Number of Bedrooms

In Arlington Heights, only 16.4% of the housing supply were studios or one-bedrooms. In contrast, countywide, that proportion was 20.1%. Two-bedrooms comprised 25.2% of Arlington Heights units, while three-bedrooms comprised 30.5%. Countywide, two-bedroom units were 31.7%, while three-bedroom units were 31.8%.

Number of Bedrooms

<i>No. of Bedrooms</i>	<i>Arlington Heights</i>	<i>Cook County</i>
0 to 1 bedrooms	16.4%	20.1%
2 bedrooms	25.2%	31.7%
3 bedrooms	30.5%	31.8%
4 bedrooms	22.5%	12.4%
5+ bedrooms	5.5%	4.1%

B. Comparison of Rental Market

As noted in Section III-B, for this report, AMS surveyed four affordable developments and six market rate developments for this report. Below is a comparison of the proposed development's unit mix, unit sizes, rents, and amenities, to the most relevant comparable properties or samples. Detailed rent and square footage comparison tables have been included in the attachments.

Unit Mix

310 Arlington Heights will be comprised of 50% one-bedroom units and 50% two-bedroom units. The four affordable developments surveyed were comprised of approximately 34% one-bedrooms, 43% two-bedrooms, 18% three-bedrooms, and 5% four-bedrooms. The developer's unit mix does not include three-bedrooms, but is very appropriate for the affordable family market in the PMA. As noted in Section III-E, well over half of PMA households, a full 62.3%, are comprised of one or two persons.

The six market rate developments surveyed have an estimated unit mix of 1% studios, 52% one-bedrooms, 43% two-bedrooms, and 3% three-bedrooms. The proposed unit mix is very similar to the market rate sample, which is comprised of 94% one- and two-bedroom units.

AMS expects the proposed one- and two-bedroom units to be well received by the PMA rental market. 310 Arlington Heights will essentially match the PMA standard in terms of unit mix.

Square Footage

The comparable affordable sample has weighted-average unit sizes of 730 for one-bedroom units and 842 square feet for two-bedrooms. With 684 square feet, the proposed units will be 6.3% smaller than the affordable sample average. However, the two-bedrooms at 310 Arlington Heights, with 897 square feet, will be 6.5% larger than the affordable sample average.

Unit sizes at the six market rate properties were considerably more spacious, overall. At Stonebridge, the largest property in the sample with 586 units, one- and two-bedrooms average 1,020 and 1,200 square feet, respectively, which is uncharacteristically large. The market rate sample had weighted-average unit sizes of 852 square feet for one-bedrooms and 1,045 square feet for two-bedrooms. Compared to this group, the developer's one-bedrooms will be 19.7% smaller, while the two-bedrooms will be 14.2% smaller.

It should be noted, however, that if the oversized units at Stonebridge were removed from the sample, the proposed units are much closer to market. The average unit sizes for this amended sample are 783 square feet for one-bedrooms and 964 square feet for two-bedrooms. The units at 310 Arlington would be within 12.6% of the revised one-bedroom average and 6.9% of the two-bedroom average.

Overall, the developer's unit sizes will be smaller than the market standard, but will still be marketable within the PMA.

60% AMI Rent Comparison to Parkview Apartments

Because three of the affordable comparable properties have rent assistance for all affordable units, it was not possible to complete a rent analysis for the affordable sample as a whole. AMS has compared the 60% AMI rents at 310 Arlington to the small number of units at Parkview Apartments that are not subsidized, which target the same 60% AMI market. The Parkview 60% AMI rents are \$891 for one-bedrooms and \$1,080 for two-bedrooms. The one-bedroom rent of \$871 at 310 Arlington Heights is 2.2% lower than Parkview, while the proposed two-bedroom rent of \$1,047 is 3.1% lower. This analysis indicates that the proposed rents are achievable and provide a value compared to an existing IHDA tax credit property in the PMA.

It should be noted that because of the small 60% AMI sample size, AMS has also examined other sources of rental market data in order to better understand the development's position in the market.

60% AMI Rent Comparison to U.S. Census Median Gross Rents

Because there is very little unsubsidized tax credit product for families in the PMA, AMS compared the proposed gross rents to the U.S. Census Bureau's median gross rents in the subject property's census tract (8030.16). AMS also included an analysis of median gross rents in Arlington Heights, which comprises nearly the entirety of the PMA. Rent analyses of this type are approved by IHDA for markets when there is not a reliable sample size in terms of affordable tax credit product. The data is from the 2015-2019 American Community Survey (ACS) database. The gross rents in each area, and the rent comparisons, are summarized in the following table.

U.S. Census Rent Analysis

	Proposed	Tract 8030.16	<i>Subject</i>	Arlington Hts.	<i>Subject</i>
	Gross Rent	Median GR	<i>Versus</i>	Median GR	<i>Versus</i>
1 BR	\$972	\$1,474	-34.1%	\$1,196	-18.7%
2 BR	\$1,167	\$1,708	-31.7%	\$1,485	-21.4%

Source: data.census.gov

The developer's rents are substantially lower than the most recent median rents in census tract 8030.16. The one-bedroom gross rent of \$972 is 34.1% lower than the census tract median for one-bedrooms, while the two-bedroom gross rent of \$1,167 is 31.7% lower.

When compared to the median gross rents in Arlington Heights as a whole, the proposed one-bedroom gross rent is 18.7% lower, while the two-bedroom rent is 21.4% lower. The subject property will clearly have below-market rents based on the most recent census data.

60% AMI Rent Comparison to Market Rate Sample

In addition to the gross rent analysis above, AMS compared the proposed net rents to the weighted-average net rents at the six market rate properties examined. Because the tenant-paid utility mixes of the properties differed, the comparable rents were adjusted upward for all tenant-paid water/sewer and trash removal costs, based on the utility allowance schedule of the Housing Authority of Cook County.

The weighted-average net rents for the sample, adjusted for utilities, were \$1,261 for one-bedrooms and \$1,630 for two-bedrooms. The developer's proposed one-bedroom net rent of \$871 is a full 30.9% lower than the sample average. For two-bedroom units, the 310 Arlington Heights rent of \$1,047 is 35.8% lower than the sample average. Thus, the tax credit rents proposed are significantly lower than the market rate rental averages, which is more than appropriate pricing for affordable 60% AMI product, and indicative of a strong value.

Position in the Market

Overall, AMS finds the proposed units to be competitive and appropriate for the market. The rents are at least 30% lower than average market rate rents the immediate area, and also lower than the rents at the only unsubsidized tax credit property in the PMA.

C. Foreclosed, Vacant and Abandoned Properties

Foreclosure information is no longer available for market analysis purposes because foreclosures have been restricted by the State of Illinois in response to the Covid 19 pandemic. AMS also completed a windshield survey of the blocks surrounding the development site and found the area to be high-end, with no signs of abandoned and foreclosure.

V. AFFORDABILITY/DEMAND

A. Affordable Rent Analysis

AMS compared the proposed gross rents to IHDA's current maximum rents (issued April 2020). As shown in the table below, rents at 310 Arlington Heights are set at 95% of the applicable IHDA rent limits.

<i>IHDA Tax Credit Limits</i>	<i>30% AMI</i>	<i>60% AMI</i>
Proposed 1-BR Rent	\$485	\$972
Maximum Rent (2020)	\$511	\$1,023
Proposed Rent vs. Maximum	59%	95%
Proposed 2-BR Rent	-	\$1,167
Maximum Rent (2020)	-	\$1,228
Proposed Rent vs. Maximum	-	95%

B. Overall Market Demand

In the PMA, no household growth is projected during the next five years. However, for demand calculations of this type, market demand is derived from both new households and existing households experiencing housing challenges. U.S. Census data show that less than 1% of occupied units in Arlington Heights lack full kitchens or lack complete plumbing. Due to this very low proportion, AMS has assumed that no significant demand should be expected from residents of substandard housing. Overcrowding is also not a significant issue in the community.

However, there are many households in the area with a rent cost burden. The U.S. Census Bureau's American Community Survey (ACS) provides rent burden data for renter households by income level. Because such data are not available for customized areas like the PMA, AMS examined 2014-2018 5-year ACS data for the Village of Arlington Heights. Based on this report, some 30.2% of renter households in the city earned up to \$50,000 annually, and paid more than 30% of income for rent and utilities. The table below shows the relevant fields in bold.

Rent Burden Data (Renters Only)

Housing Costs as a Percentage of Household Income	Arlington Heights
Less than \$20,000	
Less than 20 percent	0.0%
20 to 29 percent	1.7%
30 percent or more	16.5%
\$20,000 to \$34,999	
Less than 20 percent	0.8%
20 to 29 percent	0.5%
30 percent or more	1.8%
\$35,000 to \$49,999	
Less than 20 percent	0.0%
20 to 29 percent	2.3%
30 percent or more	11.9%

Source: *Data.census.gov*

Applying the proportion of housing cost-burdened households (30.2%) to the number of renter households in the PMA as a whole (7,645), results in an estimated 2,309 cost-burdened renter households.

In terms of supply, there are 126 units of affordable family housing in the PMA. Adding 18 units located in the PMA targeted to special needs populations, and the 40 units the subject property, results in a total housing supply for this calculation of 184 units.

Both family developments surveyed for this report that reported occupancy were 98% to 100% occupied. Due to the lack of vacancies in the market, no adjustment to demand was made for market vacancies. In addition, unit replacement needs were not considered to be a factor in this market, which is a conservative assumption.

The market demand calculation is summarized in the table below. Overall demand in 2022 for affordable housing is expected to outweigh supply by an estimated 2,082 units. This demand analysis indicates that there will be ample demand for new affordable units for in the PMA.

Market Demand Calculation

	Market Demand
New Households	NA
+ Housing cost-burdened	2,309
+ Substandard Housing	<u>0</u>
Total Demand	2,309
+ Vacancies	<u>NA</u>
- Supply	184
Net Demand	2,125

C. Capture Rates

AMS has estimated potential demand from income-qualified households within the PMA, using IHDA's approved calculations. Demographic data described in Section III-E, as well as IHDA's current income limits (issued April 2020), have been utilized. AMS also made the following assumptions:

- 8 units will be affordable to households earning up to 30% of AMI;
- 32 units will be affordable to households earning up to 60% of AMI;
- Demand will come from both renter and owner households;
- Residents will pay no more than 35% of household income on gross rents;
- Capture rates of up to 5% are considered achievable; and
- Penetration rates of up to 25% are considered achievable.

The applicable 2020 income limits for the tax credit program are provided in the table below.

	1 Person	2 Person	3 Person	4 Person
30% AMI	\$19,110	\$21,840		
60% AMI	\$38,220	\$43,680	\$49,140	\$54,600

Demand estimates are based on the PMA household income distribution, a portion of which is reproduced below.

PMA 2021 Household Income Distribution

<i>Income Range</i>	<i>PMA HHs</i>
Less than \$15,000	1,559
\$15,000 to \$24,999	1,669
\$25,000 to \$34,999	1,551
\$35,000 to \$49,999	2,879
\$50,000 to \$74,999	4,332

Gross Potential Market – 30% AMI Units

Based on the assumptions outlined above, AMS determined that prospective renters of the 30% AMI one-bedroom units would need an income of no greater than \$21,840 to qualify. The maximum income is IHDA's current income limit for a two-person, 30% AMI household in Cook County. The minimum income would be \$16,629, which is the income needed to afford the proposed one-bedroom gross rent of \$485, without spending more than 35% of income on housing.

Because census income data are generally provided in increments of \$10,000 or greater, it was not possible to determine exactly how many households in the PMA earned between exactly \$16,629 and \$21,840 this year. Therefore, AMS used interpolation to

estimate the number of households with incomes between \$17,000 and \$22,000, which resulted in an estimate of 668 PMA households.

	30% AMI Units
Minimum Income Needed	\$16,629
Maximum Income Allowed (2-person HH)	\$21,840
Income Range Utilized	\$17,000 to \$22,000
Gross Potential Market (Households)	668

Gross Potential Market – 60% AMI Units

Prospective renters for the 60% AMI units would need an income no greater than \$54,600 to qualify, which is the current four-person limit in Cook County. The minimum income would be \$33,326, which is the income needed to afford the proposed one-bedroom gross rent of \$972. For this calculation, AMS utilized a qualifying income range of \$34,000 to \$54,000 to estimate demand. In 2021, there is an estimated gross potential market of 3,727 households for the 60% AMI units.

	60% AMI Units
Minimum Income Needed	\$33,326
Maximum Income Allowed (4-person HH)	\$54,600
Income Range Utilized	\$34,000 to \$54,000
Gross Potential Market (Households)	3,727

Capture Rates

Based on the gross potential market numbers calculated above, the estimated capture rates are 1.2% for the 30% AMI units and 0.9% for the 60% AMI units. Both capture rates are low and considered highly achievable.

	30% AMI	60% AMI
Proposed Units	8	32
Gross Potential Market (households)	668	3,727
Capture Rate	1.2%	0.9%

AMS has also calculated the capture rate using a single gross potential market for all 40 units. For this analysis, it was assumed that demand would consist of the estimated 9,187 households in the PMA with 2021 incomes in the \$17,000 to \$54,000 range. The result is a capture rate of 0.6%, which is also highly achievable.

	All Units
Total Number of Units	40
Gross Potential Market (\$17,000-\$54,000)	6,458
Capture Rate	0.6%

D. Penetration Rate

To help determine if the PMA was overbuilt with affordable housing, AMS calculated the penetration rate required to lease all 184 affordable housing units located within the PMA boundaries, that are not age-restricted. The affordable housing total includes the 126 units of family housing, the 18 units targeting special needs populations, and the 40 units planned in the proposed development.

For demand, AMS assumed that eligible residents of affordable housing in the PMA earn up to 60% of AMI. The current 60% AMI income limit for a six-person household is \$63,360; AMS has utilized the number of PMA households with incomes below \$63,000 to estimate potential demand. In 2021, estimated demand is 9,911 households. As shown in the table below, the penetration rate for all affordable units (not age restricted) in the market is 1.9%, which is exceptionally low, and indicative of a very large pool of low-income potential residents for family housing, and a significantly underserved market. For calculations of this type, penetration rates of up to 25% are typically considered achievable.

Penetration Rate

Total Number of Affordable Units	184
Gross Potential Market (\$63,000 or less)	9,911
Penetration Rate	1.9%

E. Absorption Rate

The proposed development will be the first in the PMA exclusively serving low-income families. The capture rates for the subject units are very low, and the penetration rate is exceptionally low. Lastly, the development will have a solid market position and is well located and highly visible for marketing purposes.

Based on the factors above, for the 40 proposed tax credit units at 310 Arlington Heights, AMS expects the developer to lease an average of eight to ten units per month, assuming a professional marketing campaign would be utilized. This leasing rate would equate to a leasing period of four to five months to achieve stabilized occupancy (95%).

VI. IMPACT ON AFFORDABLE & MARKET RATE HOUSING

Impact on Other IHDA Properties

As noted previously, the PMA affordable housing supply is very low. There are only four IHDA-funded properties in the area—two that target families and two targeted to seniors or special-needs populations. The two family properties offer 169 total units. Parkview Apartments is 98% percent occupied, and has a waiting list. AMS does not expect the proposed development to have any impact on other IHDA properties.

Impact on Other Non-IHDA Assisted/Affordable Housing

The only non-IHDA development identified within the PMA is reserved for independent seniors age 62 or older, and is currently 100% occupied. The subject development is not expected to have any impact on non-IHDA properties in the market.

Impact on Market Rate Housing

The development will not directly compete with market rate properties because it will be 100% affordable. In addition, occupancy rates were solid at the conventional market rate properties that provided occupancy data for this report. 310 Arlington Heights is not expected to have any significant impact on market rate housing in the PMA.

VII. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The proposed 310 Arlington Heights will provide 40 units of brand-new housing targeted to low-income families that have few affordable options in the market. The proposed four-story building will be located on busy Rand Road, which will afford excellent visibility for marketing. Immediately north, east, and west are high-end and attractive residential neighborhoods, while to the south is a newer and well-maintained shopping center.

The development will provide 20 one-bedroom apartments with an average of 684 square feet and 20 two-bedroom/two-bath apartments with an average of 897 square feet. The unit mix by income limit will be comprised of eight units (20%) at 30% of AMI, and 32 units (80%) at 60% AMI. The site will include an 80-space parking lot, which equates to two spaces per unit. Other amenities will include an on-site management office, bike rack, laundry room, community/media room, and a fitness center.

Residents will enjoy excellent access to shopping, services, and recreation. Immediately south of the site, along either side of Rand Road, are large-scale shopping centers with two grocery stores (including a Trader Joe's), as well as two banks, a Burlington clothing store, and a Dollar Tree store. The many dining options located within a half-mile of the site include McDonald's, Panera, Sun Shui, and Barnaby's Family Inn. There are also many other options in this well-served community.

The site is only 0.4 mile from Frontier Park, one of the Village's busiest recreational amenities. The park has a community center, outdoor pool, community gardens, a playground, shelter, tennis courts, basketball courts, and athletic fields. It also hosts special events and a variety of classes, activities, and programs for all ages.

The population of the PMA and the number of households has been declining slightly since 2010. During the next five years, the projected decreases are very modest—1.0% for population and 0.6% for households. The 2021 median household income of the PMA, \$95,613, is 38.7% higher than the Cook County median. However, one in four households in the PMA are renters, and a total of 4,430 PMA households earn between \$25,000 to \$49,999 in 2021.

Market Position

The supply of affordable housing in the PMA is quite modest. For this report, AMS examined four affordable or mixed-income developments targeted to families that are located in or near the PMA. This group includes three developments with Section 8/Voucher rent assistance for all affordable units. Overall, the affordable sample is comprised of 378 total affordable units. Two of the properties were a strong 98% to 100% occupied.

AMS also examined six market rate rental developments located within three miles of the site, with 1,904 total units. This sample includes the market rate components of the two mixed-income developments offering subsidized units.

In terms of square footage, the one-bedroom units at 310 Arlington Heights will be 6.3% smaller than the weighted-average size of the affordable one-bedrooms surveyed, but the proposed two-bedrooms will be 6.5% larger than affordable two-bedroom sample average. When compared to the units within the market rate sample, the developer's unit sizes are 14.2% to 19.7% smaller than the market rate sample averages, for one- and two-bedroom units, respectively.

As to pricing levels, while most units in the affordable sample have Section 8 rent assistance, the one property with unsubsidized 60% AMI units (Parkview) has rents of \$891 for one-bedroom units and \$1,080 for two-bedrooms. The developer's rent of \$871 for 60% AMI one-bedrooms is 2.2% lower than Parkview, while the proposed two-bedroom rent of \$1,047 is 3.1% lower.

Because the sample size is quite small, AMS also compared the proposed net rents to the average rents in the market rate sample. The 60% AMI rents are a full 30.7% to 35.7% lower than the market rate average rents after adjustments for utilities.

Overall, the brand-new 310 Arlington Heights development is expected to have a solid position within the marketplace. While the units are somewhat smaller than some competitors, the rents will be very low for brand-new, high-quality product. In addition, the development will be the first of its kind in the PMA, where nearly all affordable family housing is deeply subsidized.

Demand

The demand analyses indicate that the market is underserved and there is ample demand for affordable housing in the PMA targeted to families. The capture rates were 0.9% for the 32 60% AMI units and 1.2% for the eight 30% AMI units. Both rates are low and highly achievable. AMS also calculated the penetration rate required to lease all existing and pending affordable rental units in the PMA to income-qualified households. A total of 184 units of affordable housing without age restrictions were identified in the PMA, which included the subject property. It was assumed that demand for these units would come from the estimated 9,911 households in the PMA with 2021 incomes below \$63,000. The resulting penetration rate of 1.9% is exceptionally low and indicative of a significantly underserved market. Penetration rates of up to 25% are typically considered achievable.

Based on the development's below-market rents, and the low capture and penetration rates, AMS expects a rapid lease-up of 310 Arlington Heights. Assuming a professional pre-leasing campaign prior to opening, AMS expects the development to lease an average of eight to ten units per month. This rate would result in a lease-up period of

approximately four to five months to achieve stabilized occupancy.

AMS found no significant weaknesses in the product proposed, the surrounding neighborhood, the competitive market, or potential demand. The development will target an underserved population, and residents will enjoy excellent access to shopping, services, recreation, and high-quality schools.

Recommendations

AMS recommends that 310 Arlington Heights be approved, without changes. The proposed development will offer an excellent value and provide a new and much-needed affordable housing option for families in an underserved market.

VIII. ATTACHMENTS

- A. Site Photos
- B. Comparable Property Map
- C. Comparable Property Details
- D. Comparable Property Photos
- E. Affordable Housing Table
- F. Market Comparison Tables
- G. AMS Insurance and NCHMA Certificates
- H. Site and Market Study Summary Form

Site Photographs

Site from south side of Rand Road



Site from Northeast, along Chestnut Avenue



Site Photographs

East of site



Northeast of site



Site Photographs

South of site (east side of Rand Road)



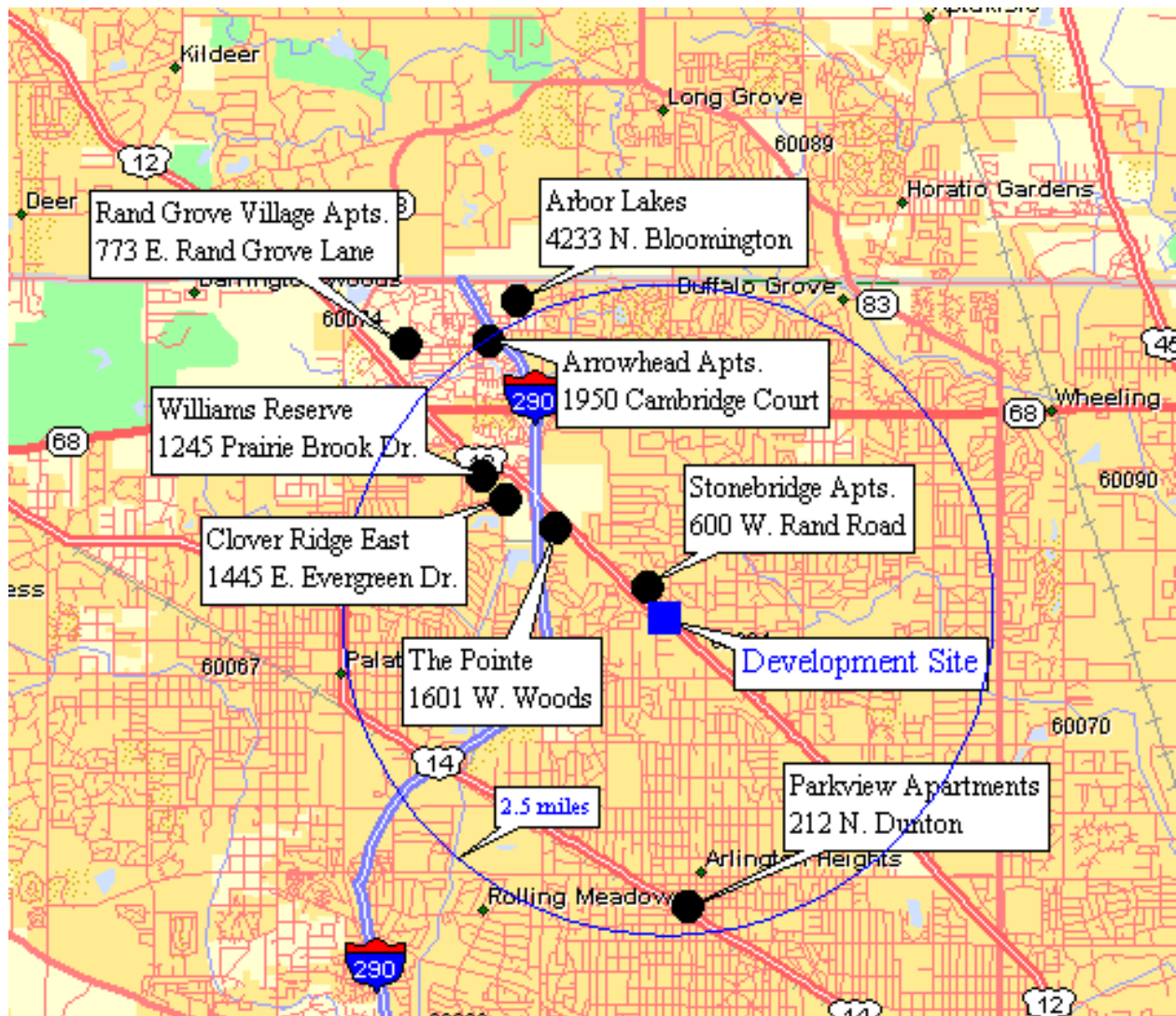
South of Site (west side of Rand Road)



West of site



Comparable Property Map



Comparable Property Details

<u>Affordable Project</u>	<u>Built</u>	<u>Total Units</u>	<u>Unit Type</u>	<u>Units By Type</u>	<u>Rent Range</u>	<u>Sq. Ft. Range</u>	<u>PSF Range</u>
Rand Grove Village 773 E. Rand Grove Lane Palatine IL 60074 847-991-0111 Preservation Partners	1976 Rehab 2017	212	1 BR 2 BR 3 BR 4 BR	44 98 50 20	na - na na - na na - na na - na	600 - 600 700 - 700 800 - 800 950 - 950	na - na na - na na - na na - na
Distance from Site: Occupancy: Condition: Utilities: Project Amenities: Unit Amenities: Comments: Weighted Average PSF Rent:	2.8 miles NW Not available Average Tenants pay electricity and gas for cooking and heat. All other utilities are included in the rent. On-site mgmt., business center, basketball court, clubhouse/meeting room, laundry room, community garden. AC, cable ready, carpet, mini blinds. IHDA property with HUD Section 8 rent assistance. 3-story walkups with brick exteriors. NA						
<u>Affordable Project</u>	<u>Built</u>	<u>Total Units</u>	<u>Unit Type</u>	<u>Units By Type</u>	<u>Rent Range</u>	<u>Sq. Ft. Range</u>	<u>PSF Range</u>
Parkview Apartments 212 N. Duntion Ave. Arlington Heights, IL 60004 224-607-3505 UP Holdings	2018	45	1 BR 2 BR 1 bt 2 BR 2 bt 3 BR 2 bt	15 20 5 5	\$8 - na na - \$891 na - \$1,080 na - \$1,080	835 - 835 983 - 983 1,069 - 1,069 1,392 - 1,392	na - \$1.07 na - \$1.10 na - \$1.01 na - na
Distance from Site: Occupancy: Condition: Utilities: Project Amenities: Unit Amenities: Comments: Weighted Average PSF Rent:	2.5 miles S 98% Waiting list for HACC units Excellent Tenants pay electricity and gas heat/cooking. On-site mgmt., 24-hr maint., elevator, heated garage parking, fitness center, storage lockers, lounge, bike storage. AC, wired for cable, carpeting, window treatments, and in-unit washer/dryers IHDA TC. Seven-story elevator building with brick exterior. Unit mix by income level is estimated. NA						

~30% of units have HACC rent assistance

Comparable Property Details

<u>Mixed-income Project</u>	<u>Built</u>	<u>Total Units</u>	<u>Unit Type</u>	<u>Units By Type</u>	<u>Rent Range</u>	<u>Sq. Ft. Range</u>	<u>PSF Range</u>
Williams Reserve 1245 Prairie Brook Drive Palatine, IL 60074 847-359-6677 RMK Andrew	1975	320	1 BR S-8	54	na - na	775 - 817	na - na
	Rehab 2020	~85 Aff	2 BR S-8	16	na - na	1,016 - 1,026	na - na
			3 BR S-8	15	na - na	1,080 - 1,080	na - na
			0 BR MR	24	\$1,050 - \$1,225	576 - 576	\$1.82 - \$2.13
			1 BR MR	122	\$1,175 - \$1,420	775 - 817	\$1.52 - \$1.74
			2 BR MR	44	\$1,345 - \$1,550	1,016 - 1,026	\$1.32 - \$1.51
			3 BR MR	45	\$1,675 - \$1,850	1,080 - 1,080	\$1.55 - \$1.71

Distance from Site:

Occupancy: 1.8 miles NW
90% Leased

Condition: Good Renovation of units is ~65% done

Utilities: Residents pay for all utilities. on a single bill

Project Amenities:

On-site mgmt., 24-hour maint., clubhouse, pool with sundeck, grills, free wifi, picnic area, gazebo, lounge with TV, Business center, fitness center, conference room, dog run, playground, laundry rooms.

Unit Amenities: AC, mini blinds, dishwasher, patio or balcony

Comments: 3-story brick walk-ups. S-8 expired 2017; to preserve affordability, qualified residents receive Housing Choice Vouchers from HACC (subsidies are not project-based). Split between affordable and MR units is estimated.

Weighted Average PSF Rent: \$1.66 (Market Rate Only)

Studio	24
1-BR	176
2-BR	60
3-BR	60

<u>Mixed-income Project</u>	<u>Built</u>	<u>Total Units</u>	<u>Unit Type</u>	<u>Units By Type</u>	<u>Rent Range</u>	<u>Sq. Ft. Range</u>	<u>PSF Range</u>
Arrowhead Apartments 1950 Cambridge Court Palatine, IL 60074 847-991-4466 Hispanic Housing Development Corp.	1976	200	1 BR S-8	21	na - na	728 - 730	na - na
	Rehab 2020	40 Aff	2 BR S-8	14	na - na	966 - 970	na - na
			3 BR S-8	5	na - na	1,152 - 1,200	na - na
			1 BR MR	82	\$1,160 - \$1,160	728 - 730	\$1.59 - \$1.59
			2 BR MR	62	\$1,335 - \$1,335	966 - 970	\$1.38 - \$1.38
			3 BR MR	16	\$1,635 - \$1,635	1,152 - 1,200	\$1.42 - \$1.36

Distance from Site:

Occupancy: 2.5 miles NW
95% All vacancies in MR units.

Condition: Good Waiting list for affordable units.

Utilities: Tenants pay electricity and gas for cooking and heat. All other utilities are included in the rent.

Project Amenities: On-site mgmt., 24-hr maint., pool, ponds, dog run, business center, upgraded clubhouse, fitness center, laundry rooms.

Unit Amenities: AC, carpeting, mini blinds, patio/balcony

Comments: IHDA and HUD funding. Two-story walk-up buildings.

Weighted Average PSF Rent: \$1.45 (Market Rate Only)

Comparable Property Details

<u>Market Rate Project</u>	<u>Built</u>	<u>Total Units</u>	<u>Unit Type</u>	<u>Units By Type</u>	<u>Rent Range</u>	<u>Sq. Ft. Range</u>	<u>PSF Range</u>
Stonebridge of Arlington Heights 600 W. Rand Road Arlington Heights, IL 60004 847-385-9448 Connor Group	1982 2017 Rehab	586	1 BR 2 BR 2 BR LG	290 260 36	\$1,299 - \$1,399 \$1,499 - \$1,899 na	870 - 1,170 1,200 - 1,200 2,100 - 2,100	\$1.49 - \$1.20 \$1.25 - \$1.58 na
Distance from Site:	Adjacent						
Occupancy:	NA						
Condition:	Good						
Utilities:	Tenants pay for electricity, gas cooking and heat, and water/sewer. Trash removal included in the rent.						
Project Amenities:	Off-street parking, elevator, 24-hour maint., heated pool, clubhouse with party room, tennis courts, basketball court, playground, courtyard and gazebo, bicycle storage, laundry facilities, fitness center, business center, trash pick-up.						
Unit Amenities:	Carpeting, air conditioning, dishwasher, mini blinds.						
Comments:	Multiple 5-story elevator buildings						
Weighted Average PSF Rent:	NA						

<u>Market Rate Project</u>	<u>Built</u>	<u>Total Units</u>	<u>Unit Type</u>	<u>Units By Type</u>	<u>Rent Range</u>	<u>Sq. Ft. Range</u>	<u>PSF Range</u>
The Pointe 1601 W. Woods Drive Arlington Heights, IL 60004 847-908-5117 Penobscot Management Elizabeth	1989 Recent Rehab	312	1 BR 2 BR	234 78	\$1,260 - \$1,370 \$1,575 - \$1,790	700 - 786 975 - 1017	\$1.80 - \$1.74 \$1.62 - \$1.76
Distance from Site:	1.1 miles NW						
Occupancy:	95%						
Condition:	Good						
Utilities:	Residents pay for all utilities, including water/sewer and trash removal.						
Project Amenities:	On-site mgmt., 24-hour maint., clubhouse, pool with sundeck, grills, picnic area, planned activities, intercom entry Business center, fitness center, conference room, dog run, playground, laundry rooms.						
Unit Amenities:	Dishwasher, AC, balcony or patio, cable ready, high speed internet, mini blinds, ceiling fans, carpet and tile floors.						
Comments:	Two-story brick walk-ups.						
Weighted Average PSF Rent:	\$1.75						

Comparable Property Details

<u>Market Rate Project</u>	<u>Built</u>	<u>Total Units</u>	<u>Unit Type</u>	<u>Units By Type</u>	<u>Rent Range</u>	<u>Sq. Ft. Range</u>	<u>PSF Range</u>
Arbor Lakes 4233 N. Bloomington Ave. Arlington Heights, IL 60004	1986 Rehab 2017	378	1 BR 2 BR 1 bt 2 BR 2 br	184 164 30	\$1,219 - \$1,315 \$1,416 - \$1,488 \$1,820 - \$1,820	749 - 834 953 - 1,027 1,035 - 1,035	\$1.63 - \$1.58 \$1.49 - \$1.45 \$1.76 - \$1.76
833-300-9102 TLC Management							
Distance from Site:	2.7 miles NW						
Occupancy:	NA						
Condition:	Good						
Utilities:	Tenants pay for all utilities						
Project Amenities:	On-site mgmt., 24-hour maint., clubhouse, pool with sundeck, grills, tennis courts, picnic area, car wash area,						
Unit Amenities:	Business center, fitness center, conference room, dog run, playground, laundry rooms.						
	AC, mini blinds, dishwasher, patio or balcony						
Comments:	Two-story brick walk-ups. Unit mix is estimated.						
Weighted Average PSF Rent:	\$1.56						
<u>Market Rate Project</u>	<u>Built</u>	<u>Total Units</u>	<u>Unit Type</u>	<u>Units By Type</u>	<u>Rent Range</u>	<u>Sq. Ft. Range</u>	<u>PSF Range</u>
Clover Ridge East 1445 E. Evergreen Dr. Palatine, IL 60074	1987 Rehab 2011	276	1 BR 2 BR	120 156	\$899 - \$899 \$1,289 - \$1,438	792 - 792 895 - 895	\$1.14 - \$1.14 \$1.44 - \$1.61
847-991-4555 Hayman Company							
Distance from Site:	1.7 miles W						
Occupancy:	NA						
Condition:	Average						
Utilities:	Tenants pay for all utilities						
Project Amenities:	On-site mgmt., 24-hour maint., clubhouse, pool with sundeck, grills, tennis courts, picnic area, car wash area,						
	Business center, fitness center, conference room, dog run, playground, laundry rooms.						
	AC, mini blinds, dishwasher, patio or balcony						
Unit Amenities:	Two-story brick walk-ups. Unit mix is estimated.						
Comments:							
Weighted Average PSF Rent:	\$1.35						

Comparable Affordable Properties

Rand Grove Village

773 E. Rand Grove Lane, Palatine IL 60074



Parkview Apartments

212 N. Dunton Ave., Arlington Heights, IL 60004



Comparable Affordable Properties

Williams Reserve

1245 Prairie Brook Drive, Palatine IL 60074



Arrowhead Apartments

1950 Cambridge Court, Palatine IL 60074



<u>Property Types</u>	<u>Program Types</u>
D=Disabled	HTF=Housing Trust Fund
E=Elderly	PH=Public Housing
F=Family	S-8=Section 8
	TC=Low Income Housing Tax Credit
	SLF=Supportive Living Facility
	PSH=Permanent Supportive Housing

310 Arlington Heights - Square Footage Comparison

	Total Units	No. 1 BR	% of Total	SF	SF Versus	No. 2 BR	% of Total	SF	SF Versus	No. 3 BR	% of Total
310 Arlington	40	20	50%	684	---	20	50%	897	---	0	0%
Parkview Apartments	41	14	34%	835	-18.1%	23	56%	1,000	-10.3%	4	10%
Rand Grove Village	212	44	21%	600	14.0%	98	46%	700	28.1%	50	24%
Williams Reserve (HCV)	85	64	75%	796	-14.1%	48	56%	1,021	-12.1%	16	19%
Arrowhead Apartments (Section-8)	40	21	0%	729	-6.2%	14	35%	968	-7.3%	5	13%
Totals/Averages	378	143	38%	730	-6.3%	183	48%	842	6.5%	75	20%
<u>Comparable Properties</u>											
Williams Reserve (Market Rate)	235	122	52%	796	-14.1%	44	19%	1,021	-12.1%	45	19%
Arrowhead Apartments (Market Rate)	160	82	51%	729	-6.2%	62	39%	968	-7.3%	16	10%
Stonebridge of Arlington Heights*	586	290	49%	1,020	-32.9%	260	44%	1,200	-25.3%	0	0%
Arbor Lakes*	378	184	49%	792	-13.6%	164	43%	990	-9.4%	0	0%
Clover Ridge East	276	132	48%	792	-13.6%	124	45%	895	0.2%	0	0%
The Pointe	312	234	75%	785	-12.9%	78	25%	968	-7.3%	0	0%
Totals/Averages	1,947	1,044	54%	849	-19.5%	732	38%	1,046	-14.3%	61	3%

Averages are weighted, where possible.

*extra-large two-bedrooms were excluded from the sample.

310 Arlington - 60% AMI Rent Comparison

	Total Units	Util Included? Heat Trash W/S	No. 1 BR	% of Total	Avg. 1 BR Rent	Subject Rent Versus	PSF Rent Versus	No. 2 BR	% of Total	Avg. 2 BR Rent	Subject Rent Versus	PSF Rent Versus	PSF Rent Versus
310 Arlington	40	N Y Y	12	30%	\$871	-----	\$1.27	20	50%	\$1,047	-----	\$1.17	-----
Parkview Apartments	45	N N N	5	11%	\$891	-2.2%	\$1.12	7	16%	\$1,080	-3.1%	\$1.20	-3.1%
<u>Comparable MR Properties</u>													
Williams Reserve (Market Rate)	235	N N N	122	52%	\$1,359	-35.9%	\$1.71	44	19%	\$1,524	-31.3%	\$1.49	-21.8%
Arrowhead Apartments (Market Rate)	160	N Y Y	82	51%	\$1,160	-24.9%	\$1.59	62	39%	\$1,335	-21.6%	\$1.38	-15.4%
Stonebridge of Arlington Hts.	586	N Y Y	290	49%	\$1,389	-37.3%	\$1.36	260	44%	\$1,754	-40.3%	\$1.46	-20.1%
Arbor Lakes	378	N N N	194	51%	\$1,328	-34.4%	\$1.68	154	41%	\$1,528	-31.5%	\$1.54	-24.4%
Clover Ridge East	276	N N N	234	85%	\$960	-9.3%	\$1.21	78	28%	\$1,440	-31.5%	\$1.61	-27.4%
The Pointe	312	N N N	148	47%	\$1,376	-36.7%	\$1.75	164	53%	\$1,759	-40.5%	\$1.82	-35.8%
Market Rate Totals/Averages	1,947		1070	55%	\$1,261	-30.9%	\$1.50	762	39%	\$1,630	-35.8%	\$1.56	-25.4%

Averages are weighted, where possible

Utility Allow.:		
	1 br	2 br
gas heat	\$32	\$34
elec. heat	\$41	\$49
elec. cooking	\$22	\$25
gas cooking	\$18	\$19
electricity	\$38	\$46
Water/sewer	\$40	\$55
Trash rem.	\$21	\$21

Certificate of Professional Designation

This certificate verifies that

Kurt Magnuski
American Marketing Services, Inc.

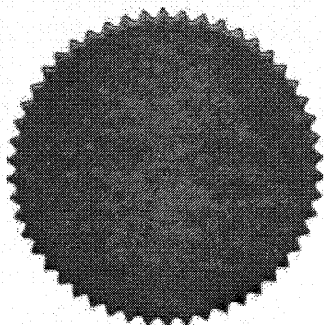
*Has completed NCHMA's Professional Designation Requirements
and is hence an approved member in good standing of:*



Formerly known as
NCAHMA

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

Membership Term
1/1/2021 to 12/31/2021



Thomas Amdur
President, NCHMA



CERTIFICATE OF LIABILITY INSURANCE

OP ID: PW

DATE (MM/DD/YYYY)

08/04/2020

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 Jos. Cacciatore & Co. Insurance 527 South Wells Street Chicago, IL 60607 Jos. Cacciatore Insurance		CONTACT NAME: Jos. Cacciatore & Co. Ins. PHONE (A/C, No. Ext.): 312-264-6023 FAX (A/C, No.): 312-987-4601 E-MAIL ADDRESS: pamela@cacciatoreinsurance.com PRODUCER CUSTOMER ID #: AMERI-1	
INSURED American Marketing Services Inc. 527 South Wells St- 4th Floor Chicago, IL 60607		INSURER(S) AFFORDING COVERAGE INSURER A: The Hartford INSURER B: Houston Casualty Company INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 29424	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	X		83SBA AB2653	06/18/2020	06/18/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Profess. \$ 1,000,000
X	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			83 SBA AB2653	06/18/2020	06/18/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (PER ACCIDENT) \$ \$ \$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	X		83SBA AB2653	06/18/2020	06/18/2021	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	Y	83WECAB6VYD	06/18/2020	06/18/2021	WC STATUTORY LIMITS <input checked="" type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Professional Liab.			H720115773	06/17/2020	06/17/2021	Professio Liability \$ 1,000,000

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

Valuable Papers Included - Illinois Housing Authority is named as Additional Insured. Certificate issued for verification of insurance renewal

CERTIFICATE HOLDER

CANCELLATION

Illinois Housing Development Authority Suite 1000 111 E. Upper Wacker Drive Chicago, IL 60601	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Jos. Cacciatore Insurance
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Attachment H - Page 1

2020-2021 Site and Market Study Summary Form <i>(Please complete <u>all</u> highlighted (in yellow) sections of this form. Failure to do so will be grounds for automatic denial of your application)</i>			
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:	310 Arlington Heights		
Location of the Proposed (City/County):	Arlington Heights/Cook		
Targeted Tenant Type:	Family Elderly Other	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	If Other please indicate targeted population: <input type="text"/>
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	126	Page number: 10
Total Number of other affordable units in the PMA: (should include IHDA, HUD, Rural Housing, Chicago Tax Credits, etc.)	Number of Units	438	Page number: 10
Rent Schedule (including unit sizes) for Proposed Development:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: 3
Occupancy levels for existing affordable properties in PMA:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: 11
Rent Schedule for Comparable Properties:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: Attachment C
Evaluation of the proposed rents to comparable properties in the PMA:	Lower Comparable Higher	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Evaluation and Explanation found on page: 25-26
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: 13-14
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: 13-14
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: 24
Evaluation of the proposed unit sizes (sq. ft.) to the PMA standard:	Superior Meets Inferior	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	Evaluation found on page: 24
List of Proposed Development Amenities:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: 3
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: 3

Attachment H - Page 2

Estimated absorption period:	Units per month	8-10	Explanation of absorption estimate found on page:
	Number of months	4-5	
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	1.9	Page number:
			31
Proposed projects' required rate of capture within the PMA (use ALL income qualified households for PMA ONLY):	Rate	0.6	Page number:
			30
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	2,125	Page number:
	Sufficient Demand (y/n)?	Yes	27-28
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		5
List of major employers in PMA (not required of some projects, see requirements):	Included	X	Page number:
	Not Included		21
Economic Stability Analysis / Evaluation of PMA employment (not required of some projects, see requirements):	Growth	X	Analysis found on page:
	Stability		
	Decline		