

Affordability and Project Rental Rates

Heart's Place

120-122 E. Boeger Drive, Arlington Heights

Heart's Place will provide 16 2-bedroom units of rental housing in the northwestern area of Arlington Heights. **In compliance with the local Housing Commission guidelines for buildings with 6-25 units, the project will provide a minimum of 10% of all units at rents deemed "affordable" per the Guidelines.** These 2 units will be maintained at affordable rents for tenants (subject to annual inflation and local Guideline updates) in perpetuity, and recorded by deed restriction for compliance.

We plan to pursue a variety of different financing mechanisms which will determine the final rental mix. First we will pursue the Illinois Low Income Housing Tax Credit Program, but a 16 unit development is really too small to be able to secure investors, in which case we'll pursue low interest rate loans and grants. We hold expertise in these highly competitive programs, all of which would more than satisfy the local guidelines for affordability. Ideally, all of the units will be rented at affordable rates.

Proposed market rents are contemplated at \$1298 per month for each apartment at Heart's Place. This figure is contingent on the development receiving an allocation of LIHTCs from the state, as well as project-based subsidies from other sources. Rental subsidies would ensure the tenants do not pay more than 30% of their income towards the rent. The maximum tenant contribution for a 2BR unit is \$1,026. This rental figure is subject to change as the financing mix changes.

We understand the VAH commitment to the creation of affordable housing and respect the "fee in lieu" imposed on developers who cannot create viable solutions to house a diverse local population. We believe affordable housing is critical for the community and are committed to ensuring Heart's Place complies with the guidelines for a minimum of 10% of the units to be rented at affordable rates in perpetuity.