MARKET ANALYSIS
FOR
MORGAN PARK COMMONS
CHICAGO, ILLINOIS

PHASE I – RENTAL HOUSING

PREPARED FOR
FAR SOUTH COMMUNITY DEVELOPMENT CORPORATION
CHICAGO, ILLINOIS

JUNE 17, 2021

Submitted By:
Applied Real Estate Analysis, Inc.
914 South Wabash Avenue
Chicago, Illinois 60605

AREA File No. 2741

TABLE OF CONTENTS

Executive Summary

The proposed Morgan Park Commons – Phase I development is an 80-unit family-targeted mixed-income housing project consisting of 45 units dedicated to households with annual incomes at or below 60 percent of the area median income (AMI) and 35 units of unrestricted market-rate housing. Across the 80 units, the unit mix will be 10 studio units with 450 square feet, 37 one-bedroom units with 625 square feet, and 33 two-bedroom units of 870 square feet. Phase I of the development will also include 10,000 square feet of retail space and parking for both residences and retail spaces. Future phases of the development will include additional multifamily units, attached townhome units, public space, hardscaping and landscaping, additional streets and access points, a community center, and other amenities.

Applied Real Estate Analysis, Inc. (AREA) has prepared this market study in accordance with the required guidelines of the Illinois Housing Development Authority (IHDA) and the City of Chicago Department of Housing.

Based on census data and physical attributes of the geography, AREA defined the proposed project's primary market area as the area generally bounded by 95th Street on the north, the Little Calumet River and the Chicago city limits on the south, Interstate 57 on the west, and Interstate 94 on the east.

Based on the numerous and extensive analyses contained in this report, AREA presents the following summary of key findings:

- While the market area has seen many years of population loss, the Chicago Metropolitan Agency for Planning (CMAP) forecasts that growth will return to the area over the next decade, resulting the addition of more than 2,400 households between 2025 and 2030. This growth will be aided by the ongoing redevelopment of the area, including the planned expansion of the Chicago Transit Authority's (CTA) Red Line.
- Despite years of population loss, the market area actually saw an increase in the number of residents aged 20-34 during the 2010-2019 period. Persons in this age group – considered a primary target market for family-serving rental housing (both affordable and market rate) now number 18,755 and encompass more than 20 percent of the market area population.
- The market area is comprised largely of relatively low-density residential structures, but there are ample shopping, dining, recreation, and entertainment opportunities within close proximity to the site (particularly along the Halsted and 111th Street corridors), which will be accessible to residents by foot, bicycle, car, and public transportation.
- The proposed project is appropriate in scale and unit mix for the subject site and the proposed location is well suited for its use.
- The proposed project will be superior to nearly all existing affordable and market-rate developments in the market area in terms of unit sizes, rents, unit amenities, building amenities, and other community features and offerings.

- Only one family-targeted affordable rental development serving households at the 60 percent AMI level currently exists within the market area. This development saw rapid lease-up after delivery early in 2021 and now stands at 100 percent occupied with a waitlist. All other family-target developments in the market area are restricted to extremely low-income households earning 30 percent or less of AMI.
- The proposed rents for the affordable units at Morgan Park Commons – Phase I are within IHDA guidelines and also allow affordability to a sufficiently broad range of household incomes.
- Moreover, the proposed market-rate rents are appropriately positioned with regard to other market-rate developments in the market area. While positioned somewhat higher than the market as a whole, this position is justified based on the development's new construction condition and superior level of features and amenities.
- The market penetration rate and capture rates for the affordable units are well within IHDA guidelines for acceptability.
- The development would bring needed density and diversity of housing stock to the market area, particularly with its mix of studio and one-bedroom units.
- The proposed project would not significantly impact other IHDA properties, other affordable housing properties, or market-rate housing.

Recommendation: AREA recommends approval of the Morgan Park Commons – Phase I development as it is currently proposed.

CHAPTER I.
PROJECT SUMMARY INFORMATION

A. DEVELOPER INFORMATION

Morgan Park Commons – Phase I is the initial phase of a proposed mixed-use development to include approximately 360 units of multifamily affordable and market-rate rental housing. The multi-organization development team for the project consists of the following:

Far South Community Development Corporation
837 West 115th Street
Chicago, IL 60643
(773) 831-7107
www.farsouthcdc.org
Primary Contact:
Abraham Lacy, President/CEO
Email: lacy@farsouthcdc.org
Direct: (773) 830-6652

Lamar Johnson Collaborative
35 East Wacker Drive, Ste 1300
Chicago, IL 60601
(312) 429-0400
www.thljc.com
Primary Contact:
Leslie Roth, Principal
Email: rothl@theljc.com
Direct: (312) 994-9105

POAH Chicago
1 North LaSalle Street, Ste 1300
Chicago, IL 60602
(312) 283-0031
www.poahchicago.org
Primary Contact:
Bill Eager, Sr. Vice-President, Midwest
Email: beager@poah.org
Direct: (773) 615-6357

B. Project Description

The proposed Morgan Park Commons mixed-use development project will include the redevelopment of the former Jewell-Osco grocery store located on the northwest corner of Halsted Street and 115th Street in Chicago's Morgan Park Community Area. The ambitious plan for the site calls for the demolition of the existing structure and the construction of approximately 360 units of rental housing, together with 10,000 square feet of retail space, a community center, three acres of public outdoor space, and parking for both residential units and retail space. Construction is planned to encompass five development phases in total, with Phase I construction scheduled for 18 months and lease-up complete by October of 2024.

The development will include both market-rate units and units reserved for households earning 60 percent or less of the current AMI as determined by the U.S. Department of Housing and Urban Development. While taking into account all planned development phases for the project, the primary focus of this report is the **Phase I** residential units, which will consist of 80 units distributed as 35 market-rate units and 45 affordable rental units.

The project development team is pursuing a variety of funding sources, including State of Illinois Build Illinois Bond funding, low-income housing tax credits (LIHTC) from the City of Chicago Department of Housing (DOH), various additional City of Chicago funding sources, and debt financing.

C. Project Location

The subject property is located on the northwest corner of 115th Street and South Halsted Street in the City of Chicago, the County of Cook, and the State of Illinois. The development lies at the southeastern-most portion of the Morgan Park Community Area, just north of West Pullman and south and west of West Roseland. Currently, the site includes a vacant retail store and large surface parking lot. The site lies one mile east of the Interstate 57 expressway, approximately 2.1 miles west of Interstate 94 (Bishop Ford Freeway), and approximately five miles west of Interstate 90 (Chicago Skyway). The site is roughly 18 minutes south of Chicago's Loop via expressways and surface streets.

Aerial view of subject site, current condition, looking northwest (Google Earth, 2020).

Ground view of site, current condition (AREA, June 2021).

D. SITE DESCRIPTION

The subject site is an irregular rectangular shape encompassing 525,334 square feet, or 12.06 acres, at the northwest corner of 115th Street and South Halsted Street. The site is graded with an existing surface level parking lot and single existing structure. The site is comprised of four tax parcels with parcel identification numbers (PINs) 25-20-226-017-0000, 25-20-226-018-0000, 25-20-226-019-0000, and 25-20-226-020-0000.

The site is well-suited for use as a family-serving mixed-use development, as it offers easy access; a high degree of visibility; nearby retail, restaurant, recreation, and service offerings; and proximity to local area and regional transportation, including both freeways and mass transit.

E. BUILDINGS AND SITE PLAN

The site is currently improved with a vacant one-story, 67,000-square-foot retail building, which will be demolished before construction begins. Utility improvements will also be made as part of site preparation work. Plans for Phase I of the project call for the construction of 80 multifamily rental units in two buildings border Halsted Street, each with three elevator-served floors of residential units over retail and/or resident amenity space. Included in Phase I will be 40 tenant parking spaces, 10,000 square feet of retail space, 15 parking spaces reserved for retail use, and two public plazas for resident and/or retail use.

Morgan Park Commons Master Site Plan (Lamar Johnson Collaborative).

Additional phases of the master-planned development call for five additional four-story multifamily residential buildings, a number of two- and three-story townhomes in attached configurations, a shared community center, and a number of public green spaces and plazas.

Development plans include the extension of 114th Street to the Major Taylor Trail, which borders the western side of the site, and construction of an access road between 114th and 115th streets adjacent to the trail. The development will feature green infrastructure, a shared street system, and flexible open space, making it comparable to other high-quality multifamily mixed-use developments built recently in the Chicago region.

F. Apartment Details and Rent Schedule

Apartment Details. The 80 units included in Phase I of the proposed development will encompass studio, one-bedroom, and two-bedroom plan types. Each studio and one-bedroom unit will feature one bathroom, while two-bedroom units will feature two bathrooms. The units will range from 450 to 870 square feet in size and average 704 square feet across the group (when weighted by unit mix), as shown in **Exhibit 1**. A significantly greater proportion of market-rate units (63 percent) will be studio and one-bedroom plans compared to the affordable/rent restricted units (56 percent).

Exhibit 1.
Subject Property: Apartment Details

Rent & Unit Type	No. of Units	Percentage of Total	Unit Size (Sq. Ft.)
Rent Restricted			
Studio	5	11%	450
One-Bedroom	20	44%	625
Two-Bedroom	20	44%	870
Total/Avg.*	45	100%	714
Market Rate			
Studio	5	14%	450
One-Bedroom	17	49%	625
Two-Bedroom	13	37%	870
Total/Avg.*	35	100%	691
Total/Avg.* All Units	**80**	**100%**	**704**

*Weighted by unit mix.

Source: POAH, Inc.; Applied Real Estate Analysis, Inc.

Across both affordability types, 46 percent of units will feature one bedroom, 41 percent will feature two bedrooms, and 13 percent will be studio units.

Unit amenities will include fully-equipped modern kitchens, one or two full bathrooms (per plan type), in-unit laundry, and central heat and air conditioning with tenant-controlled thermostats. Building amenities have not yet been finalized but are assumed to be comparable to other higher-caliber mixed-income apartment developments that have been built recently within the Chicago region, including community gathering space and bike storage. Additional planned amenities for the development include a playground, water feature, and community garden. It is assumed that when built in a later phase, the community center will offer, at minimum, meeting/event space, a catering kitchen, and a fitness center.

Rent Schedule. Of the 10 studio units, half will be designated as affordable (at the 60 percent of AMI level) while the other half will be leased at market rate. Of the 37 one-bedroom units, 20 will be designated as affordable, while 17 will be leased at market rate. And of the 30 two-bedroom units, 20 will be designated as affordable, while 13 will be leased at market rate.

Exhibit 2 presents a breakdown of the units and proposed rent levels by affordability type. Water, sewer, and trash collection will be included in the rents. Residents will be responsible for electricity (including electric air conditioning, heating, cooking, and hot water) and, if desired, cable TV.

Exhibit 2.
Anticipated Rents to Tenants

Rent & Unit Type	No. of Units	Unit Size (Sq. Ft.)	Rent	Rent/Sq. Ft.
Rent Restricted				
Studio	5	450	$725	$1.61
One-Bedroom	20	625	$782	$1.25
Two-Bedroom	20	870	$928	$1.07
Total/Avg.*	45	714	$841	$1.18
Market Rate				
Studio	5	450	$796	$1.77
One-Bedroom	17	625	$853	$1.36
Two-Bedroom	13	870	$1,024	$1.18
Total/Avg.*	35	691	$908	$1.31
Total/Avg.*	**80**	**704**	**$870**	**$1.24**

*Weighted by unit mix.

Source: POAH, Inc.; Applied Real Estate Analysis, Inc.

As shown, proposed rents for the rent-restricted, affordable units (not including tenant-paid utilities) will range from $725 to $928 and average $841 across the group (when weighted by unit mix). Rents for market-rate units will range from $796 to $1,024, averaging $908 across the group. Across both affordability types, the average rent will be $870 for 704 square feet of living space, or $1.24 per square foot.

The initial projected operating income and expenses are shown in the **Appendix–Exhibit A-2.**

G. In-Unit Amenities

The residential units will be fully functioning residential apartments with modern kitchens, bathrooms, and bedroom spaces. Apartments are unfurnished but provide kitchen appliances including refrigerator, stove, oven, dishwasher, and microwave. Each unit will have an individual thermostat to manage heating and cooling and in-unit laundry. These amenities are equal or superior to competitor amenities, as some competitors do not offer dishwashers or microwaves or in-unit laundry.

H. Development Amenities

Most of the community amenities offered at Morgan Park Commons will be constructed in future phases of the development. However, Phase I will include bike storage, a small lobby/common space for residents, mail room, and outdoor plazas for resident and retail use. Importantly, both buildings will be elevator-served.

Future phases will bring an array of amenities, including a community center that will offer, at minimum, a fitness center, community gathering space, and catering kitchen. Outdoor amenities will include substantial landscaping with native plantings, children's play area, water feature, community garden, a shared street system, and significant public green space and more formal plazas.

These comprehensive development amenities are equal or superior to all of the other family-serving affordable and market-rate developments in the market area, most of which are older structures with few contemporary features or amenities.

I. Construction

Morgan Park Commons – Phase I will encompass two four-story buildings (three stories of residential over one story of retail/common space. While design details have not been finalized, it is expected that the building construction will be primarily frame with significant architectural detailing on the exterior, commensurate with recent mixed-income developments in the Chicago region. The project will also consist of large outdoor recreational spaces for residents. The buildings will be designed to blend well with their surroundings and the larger Morgan Park Commons master plan that will eventually include multiple additional buildings with compatible uses.

J. Parking

The master plan for the entire Morgan Park Commons development calls for 195 parking spaces, with 180 reserved for apartment residents (or 0.5 spaces per units) and 15 reserved for retail use. Phase 1 of the development will include 40 resident parking spaces in a "tuck under" configuration and all 15 retail spaces.

K. Density

The 360 planned apartment units within the overall development master plan will result in an overall density of 29.9 units per acre, which is higher than the nearby single-family detached and two-flat neighborhoods to the north and east, but comparable to typical multi-building mixed-use master-planned developments recently built in Chicago and significantly lower than many single-building multi-family developments in the area. Notably, 30 percent of the site area will be retained as open space.

L. Tenant Displacement

The existing building is a vacant commercial building so no residential tenant displacement will occur.

M. Other

Zoning

The property is zoned as Business Planned Development #131.

CHAPTER II.
FIELD OBSERVATIONS

The subject site is located at the intersection of the Morgan Park, Roseland, and West Pullman Community Areas in Chicago's far South Side. Flanked by Interstates 57 and 94, and despite offering a relative diversity of housing stock, lower housing costs (compared to the city as a whole), and easy access to transportation options and recreation amenities, this area has been challenged by decades of disinvestment and population loss. More recently, however, both public and private development interests have been drawn to new opportunities in the area, and planned improvements bode well for future investment, including both residential and commercial development.

A. ACCESS TO SITE

The subject site is located approximately 13 miles south of Downtown Chicago and offers easy access to Interstates 57 and 94 (as well as the wider regional freeway system) at 111th Street and 115th Street, respectively. Access to the property will be from Halsted Street, the planned 114th Street extension, and from 115th Street.

Halsted Street is a major commercial and residential corridor running north-south through much of Chicago. A number of Chicago Transit Authority (CTA) bus lines operate along Halsted, with a stop located at 115th Street. Additionally, the Regional Transit Authority's (RTA) West Pullman station is located 0.75 miles south of the subject site and offers service into Downtown Chicago's Millennium Station.

B. SITE MARKETABILITY

The subject site is well-suited to new family-targeted residential development. As noted above and elsewhere in this report, the site offers good connections to area transportation networks. Nearby shopping and dining options are relatively plentiful, particularly along the Halsted and 111th street corridors, and several full-service grocery stores and pharmacies are located nearby. Moreover, numerous life-enhancing facilities, including community centers, gyms, and daycare facilities, are located in the surrounding neighborhood, while opportunities for outdoor recreation are nearby, including the Major Taylor Trail (which runs directly adjacent to the property) as well as the Harborside Golf Center and the Calumet West Shore and Gull Island nature area, both roughly two miles east of the property. Finally, several medical clinics are located nearby and offer a variety of healthcare services.

C. Adjacent Land Use

The subject site lies along the commercial strip of South Halsted Street with businesses lining the street from 107th Street to 119th Street. South Halsted Street is home to a wide variety of businesses, including restaurants, financial institutions, electronics stores, auto parts stores, automotive service businesses, and grocery stores. Residential blocks consisting primarily of single-family homes flank the Halsted corridor to the north and east of the subject site, while a similar residential neighborhood is located directly west of the site across the Major Taylor Trail. These are stable neighborhoods with homes that are mostly occupied and well-kept with only a few vacant properties and empty lots sprinkled throughout. Directly south of the subject site is the Maple Park Plaza shopping center.

Subject site with Phase I and adjacent land uses. (Google 2020).

Notably, a six-acre housing project for seniors and veterans is planned for the property directly northwest of the subject site, while Habitat for Humanity is currently developing 22 townhomes on a vacant parcel southwest of the site across 115th Street.

D. Neighborhood Description

The subject property is located in the southeast corner of Chicago's Morgan Park Community Area, directly across Halsted Street from the Roseland Community Area and across 115th Street from the West Pullman Community Area.

The proposed project is well-suited for the larger neighborhood, which has a broad mix of low density residential, commercial, and institutional properties. As a mixed-use multifamily development with a mix of multifamily units and townhomes planned for future phases, the property will serve as an appropriate transitional hub to lower-density residential neighborhoods to the north, east, and west. Moreover, the additional retail space planned for Morgan Park Commons – Phase I will also serve to enhance neighborhood commercial offerings for both neighborhood residents and those traveling along the Halsted Street and 115th Street corridors.

E. Public Safety Issues

The subject property is located at the intersection of the Morgan Park, Roseland, and West Pullman community areas in Chicago Police District 22. According to the Chicago Police Department's 2019 Annual Report, total violent crime in the district was up 16.9 percent compared to 2018. However, this was due solely to a rise in aggravated assault and battery incidents. Among violent crimes, homicides and rapes were down 11.8 percent and 24.6 percent, respectively, for the year. Moreover, property crime incidents were down 11.9 percent overall year-over-year, and the total crime index for the district was down 5.8 percent. The district was 16th lowest in terms of arrests among the 25 police districts and 14th lowest for shootings.

F. HIGH RISK AREA FOR LEAD EXPOSURE

The project site is located in the city of Chicago with zip code 60643. The Illinois Department of Public Health indicates that all Chicago zip codes are considered as high-risk zip codes for pediatric blood lead poisoning.

CHAPTER III.
MARKET AREA CHARACTERISTICS

A. THE MARKET AREA

The market area for the subject property is comprised of portions of multiple Chicago community areas, including Morgan Park, Washington Heights, Roseland, Pullman, Riverdale, and West Pullman. The market area boundaries were determined on the basis of comparable demographics and neighborhood characteristics as well as by physical barriers. The market area is roughly bounded by 95th Street on the north, the Little Calumet River on the south, I-57 on the west, and I-94 on the east. (See **Exhibit 3**.) However, the market area edge boundary lines are defined by census tract boundaries and do not strictly follow the roadways and river. Excluded from the market area are two census tracts to the southwest that fall outside the City of Chicago, in the Village of Calumet Park. The majority of market support for the proposed rental units is expected to emanate from within the defined market area.

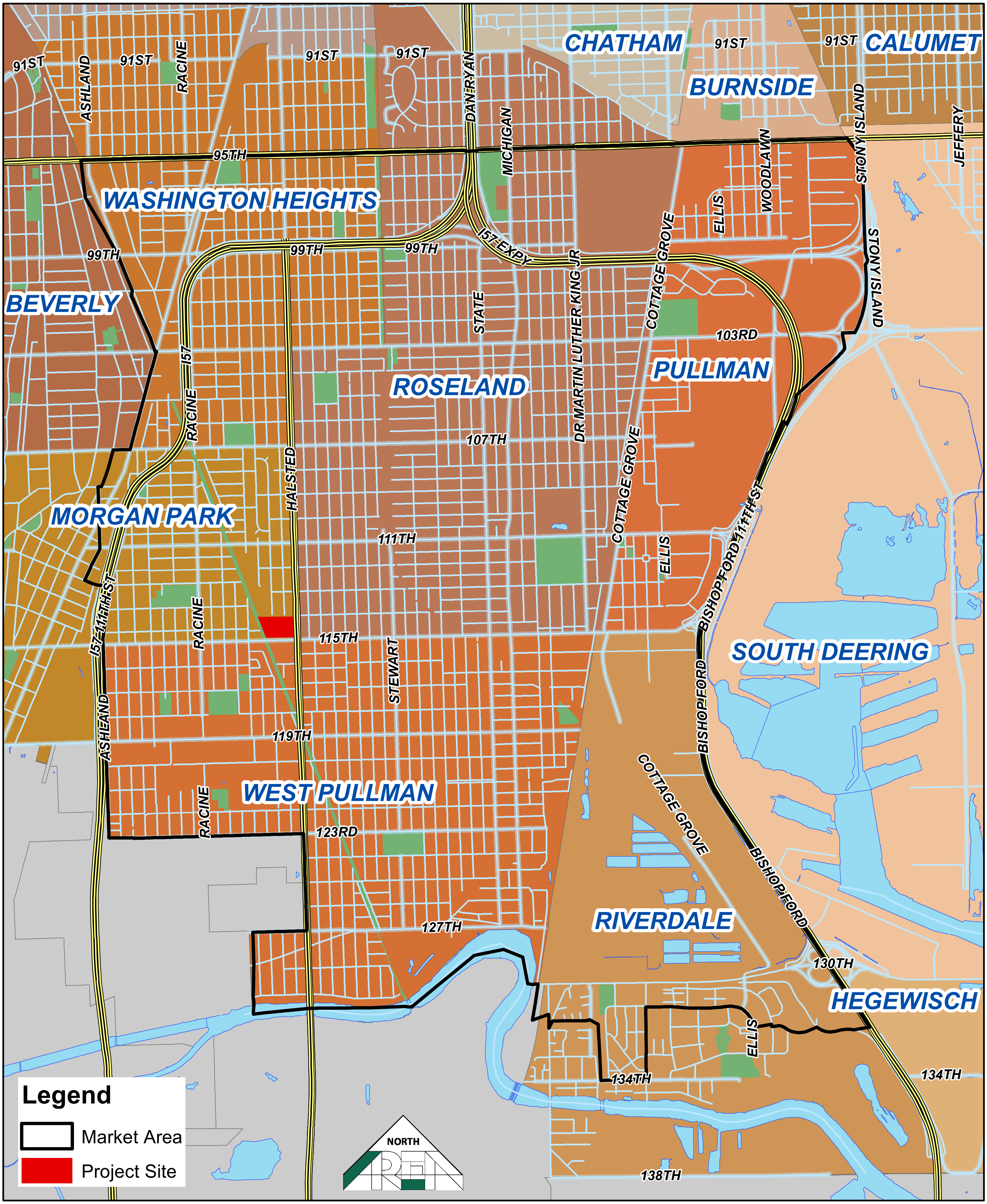
The market area consists of the following 29 Cook County census tracts: 4905, 4906, 4907, 4908, 4909.01, 4909.02, 4910, 4911, 4912, 4913, 4914, 5001, 5002, 5003, 5301, 5301, 5303, 5304, 5305.01, 5305.02, 5305.03, 5306, 5401.02, 7304, 7305, 7306, 7307, 7501, 7506.

Land use within the market area consists primarily of low-density residential and commercial structures as well as institutional uses and parkland; however, industrial uses stretch the entire length of the easternmost portion of the market area between the Metra Electric District tracks and I-94.

The most common residential structures within the market area are detached single-family homes and two-flat buildings. The market area is generally built out with small pockets left for infill development, as well as scattered individual vacant residential lots. The overall site of the planned Morgan Park Commons development is one of the larger tracts of underdeveloped land within the market area. A number of blocks throughout the market area are punctuated with one or more vacant lots where homes once stood, generally demolished after falling into severe disrepair. The market area has not experienced much new residential development in the last two decades.

The market area population is largely African American (93.1 percent), with just 4.8 percent white and 2.0 percent persons of other races. The median income for the overall market area is estimated at $42,340 (in 2019), which is significantly lower than the city of Chicago median income of $59,437. Family households make up slightly less than two-thirds of households within the market area, with non-family households making up the remainder.

Exhibit 3. Morgan Park Commons Market Area



Source: Applied Real Estate Analysis, Inc.

B. Comparable Properties

With its targeted tenant type – i.e., families (which can also include single person households) – and inclusion of affordable units at the 60 percent of AMI affordability level, there is only one existing development located within the market area that is considered comparable to the proposed Morgan Park Commons – Phase I development, described below.

Pullman Artspace Lofts. Located at 11137 S. Langley Avenue in the historic Pullman neighborhood, Pullman Artspace Lofts was completed in the winter of 2021 and is now fully occupied. The project is a collaboration between PullmanArts, a nonprofit organization that promotes the Pullman community as an arts hub; Artspace Projects, a Minnesota-based nonprofit that develops artist housing nationally; and Chicago Neighborhood Initiatives. Consisting of 38 affordable rental apartments, Pullman Artspace Lofts is targeted to working artists and their families. The development serves households at the 30, 50, and 60 percent AMI levels (with six units reserved for Chicago Housing Authority residents) and is supported by low-income housing tax credits. Development funding was also provided through historic tax credits, financing from the National Park Service, and $2 million in philanthropic aid.

Designed by Stantee architects (formerly VOA Associates), the three-story development makes use of two historic buildings that flank a newly constructed 32,000-square-foot building. Unique in its focus on working artists, the development features 2,000 square feet of gallery/exhibition space on its first floor for tenant use. Other building amenities include a community room, bike room, laundry facilities, classrooms, and a parking lot with 17 spaces. The units are fully functioning contemporary apartments with full kitchen appliance packages, full bathrooms, and tenant-controlled heat and air conditioning. Some units include in-unit washers and dryers.

The 38 apartments encompass three studio, 16 one-bedroom, and 19 two-bedroom units.
The units range in size from 700 to 1,100 square feet and average 942 square feet across the portfolio (when weighted by unit mix). Current rents for tenant households at the 60 percent AMI level range from $725 for studio units to $900 for two-bedroom units, averaging $834 across the group (weighted). Water, sewer, and trash pickup are paid by the landlord; all other utilities are the tenants' responsibility.

Exhibit 4.
Current Rents by Unit Type - Pullman Artspace Lofts

Unit Type	Number of Units	Unit Size (Sq. Ft.)	Rent*	Rent/Sq. Ft.
Studio	3	700	$725	$1.04
One-bedroom	16	800	$775	$0.97
Two-bedroom	19	1100	$900	$0.82
Total/Average**	**38**	**942**	**$834**	**$0.88**

*At 60% AMI affordability level only.
**Weighted by unit mix.
Source: CoStar, Inc.; Ludwig-Pullman Artspace Lofts; Applied Real Estate Analysis, Inc.

Pre-leasing at Pullman Artspace Lofts began at the end of 2020, and the units are now fully leased with a waitlist. The community management reports that currently there are nine units leased at 30 percent of AMI, 14 at 50 percent AMI, and 15 at 60 percent AMI.

Exhibit A-1 in the Appendix of this report provides a profile of Pullman Artspace Lofts with illustrative photos. Management of the property did not respond to our requests for operating expense information.

C. Affordable Housing within the Market Area

Including Pullman Artspace Lofts, AREA identified seven family-serving (i.e., not restricted to seniors) income-restricted rental apartment developments within the market area, encompassing 2,141 units. We assembled this list principally from data provided by the Illinois Housing Development Authority (IHDA), the National Housing Preservation Database, the Chicago Department of Housing, and CoStar, as well as a general internet search for affordable apartment developments within the area. The condition of the seven developments ranges from fair to excellent.

Apart from Pullman Artspace Lofts, none of the area affordable developments can be considered comparable to the proposed Morgan Park Commons – Phase I units. All of the other six developments serve extremely low-income households (i.e., those earning 30 percent or less of AMI) exclusively. Two of the developments (encompassing 132 units) consist of supportive housing for individuals and families recently homeless or considered at risk for homelessness and include a mix of single-room occupancy units and other apartments.

Moreover, the stock of affordable housing within the market area is dominated by the Chicago Housing Authority's (CHA) Altgeld Gardens/Philip Murray Homes development.

Built between 1945 and 1948, this development currently consists of 1,541 occupiable units, primarily in two-story rowhouse configurations. Though currently just 90 percent occupied, the CHA maintains a waitlist for units within the development – currently with 932 names. Public housing has a separate tenant waiting list from most affordable housing developments and is not usually included as a comparable development for analysis of projects funded with LIHTCs. However, Altgeld Gardens/Philip Murray Homes provides a substantial amount of affordable housing in the market area and is included in the list of key affordable developments.

Apart from Altgeld Gardens/Philip Murray Homes, the remaining developments are owned by a mixture of private nonprofit and for-profit entities and are subsidized primarily through the LIHTC, Section 8 Project Based Rental Assistance (PBRA), and HOME programs. Across the seven developments, occupancy levels range from 90 percent to 100 percent, averaging 96 percent across the group.

Exhibit 5.
Market Area Affordable Rental Developments (Excluding Senior)

Development Name and Phone	Address (all in Chicago)	Tenant Base	Bedroom Types	Affordable Housing Program	Total units	Low-Income Units	Condition	Percent Occupied	Income Level Served (Percent AMI)
Altgeld Gardens/Philip Murray Homes (312-742-8500)	976 E. 132nd Place	Family	1,2,3,4	Public Housing (CHA)	1,541	1,541	Fair	90%	30
Indian Trails Apartments (312-527-5400)	221 E. 121st Street	Family	1,2	Section 8 PBRA	180	180	Fair	96%	30
Pullman Artspace Lofts (847-263-6200)	11137 S Langley Ave	Family	1,2	LIHTC	38	38	Excellent	100%	30, 50, 60
Pullman Wheelworks (773-785-1300)	901 East 104th Street	Family	0, 1, 2, 3	Section 8 PBRA, LIHTC	210	210	Fair	100%	30
Roseland Ridge Apartments (202-215-5427)	10513 S Michigan Ave	Family	3,4	LIHTC, HOME	40	40	Good	90%	30
Holland Apartments (773-568-3031)	240 W. 107th Place	Supportive	0,1,2,3	LIHTC, Mod Rehab	81	81	Good	100%	30
Wentworth Commons (773-568-7804)	11045 S. Wentworth Ave.	Supportive	0,1,2,3	LIHTC	51	51	Good	95%	30
Total/Average	---	---	---	---	**2,141**	**2,141**	---	**96%**	--
Total Family	---	---	---	---	**2,009**	**2,009**	---	--	--
Total Supportive	---	---	---	---	**132**	**132**	---	--	--

"n/a" means this information was not available or not provided after contacting property management.

Source: IHDA; Chicago Department of Housing; National Housing Preservation Database; Applied Real Estate Analysis, Inc.

D. Area Services

Shopping and Related Services

The subject site is well-served by daily need and specialty stores and services businesses.

Several full-service grocery stores are located within a short distance from the subject site. These include ALDI, located directly across 115th Street in the Maple Park Plaza shopping center, and The Warehouse Food Market, one mile southeast of the site on 119th Street. In addition, a Jewell-Osco is located 1.25 miles west of the site in the Marshfield Plaza shopping center.

The nearest pharmacy is Walgreens, likewise located directly across 115th Street from the site. Three additional local pharmacies – Morgan Park Pharmacy, Southtown Pharmacy, and Drexler Pharmacy – are located north of the site on Halsted within 0.5 miles.

The nearest shopping center featuring a variety of stores for goods and services is the aforementioned Maple Park Plaza, which, in addition to ALDI and Walgreens, contains DTLR Shoe Store and an Autozone Auto Parts store. Marshfield Plaza, located at 115th Street and Marshfield Avenue, offers a larger variety of national chain stores, services, and restaurants, including Dollar Tree, Burlington, Pizza Hut, Chili's Grill & Bar, LA Fitness, and Fifth Third Bank.

Additional local and chain restaurants, banks, auto maintenance and repair stores, and other daily and specialty needs-serving businesses are located north and south of the site along the Halsted corridor.

Transportation

From the subject site, the regional freeway network is easily accessible. The site lies one mile east of Interstate 57, two miles west of Interstate 94, and approximately five miles west of the Chicago Skyway. Additionally, the two major surface roads bordering the site, Halsted Street and 115th Street, provide access to points north and south as well as east and west, respectively.

The subject site is accessible by public transportation. CTA bus routes 8A, 108 and 352 operate along Halsted Street and include a bus stop at the corner of 115th and Halsted streets. Moreover, CTA route 115 runs along 115th Street and provides access to Marshfield Plaza, one mile to the west and Metra's Kensington station, 1.5 miles to the east. Additionally, the West Pullman Metra station is located roughly .75 miles south of the subject site at Halsted Street. Both Metra stations serve the Metra Electric District line and provide access into Downtown Chicago's Millennium Station.

Morgan Park Commons will also benefit from the proposed Pace Pulse Halsted Line and the planned extension of the CTA Redline with the nearest proposed stops – the 111th Street and Michigan Avenue stops – to be located within roughly .75 miles of the site. Currently, the nearest CTA "L" station is at 95th Street and the Dan Ryan Expressway, 3.5 miles northeast of the site.

Educational Facilities

Nearby elementary schools include Thomas J Higgins Community Academy, located .50 miles southwest of the site, and Alex Haley Academy Elementary School, located .50 miles to the east. Both are Chicago Public School (CPS) elementary schools serving pre-kindergarteners through eighth graders. The closest high school is CPS's Christian Fenger Academy High School, located .50 miles northeast of the site.

We have included information below on school performance and other measures utilizing the 2019 Illinois Report Card. (The most recent – 2020 – Report Card was not used, as it is likely that the COVID-19 pandemic impacted most schools in temporary ways that may skew more accurate long-term measures of performance.) Included here are the summative designations for each school. The Illinois Report Card provides the following information on summative designations:

> *"Summative designations help families and communities understand how well schools are serving all students. Illinois has four summative designations: Exemplary School, Commendable School, Targeted School, and Comprehensive School. Targeted schools and Comprehensive schools receive additional funding and supports to build local capacity and improve student outcomes. Multiple measures of school performance and growth determine a school's designation."*

Information on transportation options (via CTA or CPS bus services) is also included.

Thomas J Higgins Community Academy, 11710 S. Morgan St.

- Higgins is easily accessible via CTA 8A and 108 buses. No students utilize CPS busing services, as most walk and are neighborhood students. Based on the 2019 Illinois Report Card, Higgins received a "Targeted" summative designation as an underperforming school. There were 231 students enrolled during the school year, of which 88.5% were low income. The district total is 77.9% low income, and the state total is 48.8%. The school's chronic absenteeism rate of 20% was below the district rate of 24% and above the state rate of 17.5%.

Alex Haley Elementary Academy,11411 S. Eggleston Ave.

- Haley Academy is easily accessible via the CTA 115 bus. Students can request CPA bus services if they are diverse learners or in the selective enrollment program. Based on the 2019 Illinois Report Card, Haley Elementary received a "Commendable" summative designation, indicating above average performance.

There were 528 students enrolled during the school year, of which 96.2% were low income. The district total is 77.9% low income, and the state total is 48.8%. The school's chronic absenteeism rate of 11% was below the district rate of 24% and below the state rate of 17.5%.

Christian Fenger Academy High School, 11220 S. Wallace Ave.

- Fenger High School is easily accessible via the CTA 8A and 108 buses. Students can utilize CPS bus services upon request. Based on the 2019 Illinois Report Card, Fenger High School received a "Comprehensive" summative designation, indicating underperformance. There were 203 students enrolled during the school year, of which 92.6% were low income. The district total is 77.9% low income, and the state total is 48.8%. The school's chronic absenteeism rate of 79.1% was well above the district rate of 24% and the state rate of 17.5%.

Two Chicago-based colleges are also located within the market area a short distance from the subject site:

- Chicago State University (undergraduate college). CSU's 161-acre main campus is approximately four miles northeast of the subject site.
- Olive-Harvey College, part of the network of the City Colleges of Chicago, located 4.25 miles northeast of the site.

Finally, for families with small children, two daycare facilities are located within roughly .50 miles of the proposed site:

- Me and You Learning Center, located at 11223 S. Halsted St. and accessible via CTA bus routes 8A and 108.
- Montessori Academy & Associates, located 11025 S. Halsted St. and accessible via CTA bus routes 8A and 108.

Recreation

Opportunities for indoor and outdoor recreation are numerous around the subject site. They include a number of nearby parks, including the Chicago Park District's Palmer Park, which features a water park, tennis and basketball courts, numerous miscellaneous sports fields, and large open areas. Additional nearby parks include Gano Park and Ada (Sawyer Garrett) Park, which together offer a variety of opportunities for individual recreation and group sports activities.

The subject property is just 2.75 miles from the Harborside International Golf Center, which boasts two 18-hole courses. Other outdoor recreational facilities that will be available to residents of Morgan Park Commons include a number of natural areas, such as Big Marsh Park, Calumet West Shore and Gull Island, Railroad Marsh, and William W. Powers State Recreation Area – all located within a few miles of the subject site.

Finally, the Salvation Army Kroc Center in West Pullman, one mile from the site, is the largest community center in Illinois, offering a variety of recreational, fitness, fine arts, family, and educational facilities and programming.

Health Care

The subject property is located within a short distance of several health clinics, including Seby Medical Center and A&S Medical, located approximately one mile north of the site on Halsted Street, Roseland Family Medical Center, located 1.25 miles northeast of the site on Michigan Avenue, and Chicago Family Health Center, located 1.75 miles to the east on 115th Street. Together, these clinics offer a wide range of primary and specialty healthcare services. The nearest full-service hospital is Roseland Community Hospital, located 1.25 miles northeast of the site at 111th Street and Perry Avenue. This 134-bed facility is currently undergoing an extensive two-phase renovation and expansion. Additionally, Advocate Trinity Hospital is located on 93rd Street, 6.5 miles northeast of the site.

E. Population/Demographic Trends and Overview

Like most areas of Chicago's far South Side, the market area has experienced significant losses in population and households in recent years. By American Community Survey (ACS) estimates, between 2010 and 2019, the household population (i.e., excluding those living in group quarters) within the market area declined 7.7 percent, while the number of households fell 17.2 percent. During this same time period, the household population within the City of Chicago as a whole rose a modest 0.6 percent, while the number of households rose 2.0 percent.

In order to project population and household growth through 2025 and 2030, AREA utilized projections prepared by the Chicago Metropolitan Agency for Planning (CMAP) for the six Chicago community areas that overlap the market area (Washington Heights, Pullman, Roseland, Riverdale, West Pullman, and Morgan Park). CMAP projects that over the next decade relatively robust population and household growth will return to the market area. Specifically, CMAP projects that these community areas will experience a combined growth of 3.86 percent in household population and 6.92 percent growth in households between 2020 and 2025. Between 2025 and 2030, CMAP projects growth rates of 4.36 percent and 7.08 percent in household population and number of households, respectively.

Applying these growth rates to the 29-census tract market area yields a projected household population of 94,741 by 2025 and 98,872 by 2030. Likewise, it yields a projected 34,637 households within the market area by 2025 and 37,089 by 2030. At the same time, CMAP projects that average household size will begin to decline, falling to 2.74 persons by 2025 and 2.67 persons by 2030 – a trend that is expected to prevail, to a lesser degree, at both the city and county levels as well.

Exhibit 6.
Population Growth, Selected Geographies

Geography	Household Population*	Households	Avgerage Household Size
Primary Market Area 2010	98,798	39,130	2.52
Primary Market Area 2019	91,220	32,395	2.82
Change	*-7.7%*	*-17.2%*	*11.5%*
Projection to 2025	94,741	34,637	2.74
Projection to 2030	98,872	37,089	2.67
City of Chicago 2010	2,635,352	1,045,560	2.52
City of Chicago 2019	2,650,439	1,066,829	2.48
Change	*0.6%*	*2.0%*	*-1.4%*
Projection to 2025	2,848,848	1,169,623	2.44
Projection to 2030	2,917,202	1,200,053	2.43
Cook County 2010	5,104,393	1,966,356	2.60
Cook County 2019	5,057,954	1,985,613	2.55
Change	*-0.9%*	*1.0%*	*-1.9%*
Projection to 2025	5,519,996	2,212,837	2.49
Projection to 2030	5,677,441	2,295,071	2.47

*Excludes population living in group quarters.

Source: U.S. Census Bureau, American Community Survey (ACS) 5-year estimates; CMAP; Applied Real Estate Analysis, Inc.

Household Composition. According to ACS estimates, within the market area, nearly two-thirds (62.6 percent) of households are family households, while slightly more than one-third (37.4 percent) are non-family households. This represents a significantly higher proportion of family households than the City of Chicago as a whole, where the household base is split fairly evenly between family and non-family households.

A third of households (33.9 percent) within the market area consist of only one person, while nearly half (44.6 percent) consist of two or three people. In 2019, the estimated average household size within the market area stood at 2.82 persons, compared to 2.48 persons for the city as a whole.

Notably, nearly 79 percent of households in the market area are composed of one to three people. This can be considered the target household type for studio, one-, and two-bedroom apartments.

Exhibit 7.
Household Composition, 2019

	Market Area		Chicago	
Household Type	**Households (HH)**	**Percentage**	**Households**	**Percentage**
Family	20,291	62.6%	566,804	53.1%
Non-Family	12,104	37.4%	500,025	46.9%
Total	*32,395*	*100.0%*	*1,066,829*	100.0%
Household Size				
1-person	10,995	33.9%	396,359	37.2%
2-person	9,089	28.1%	317,167	29.7%
3-person	5,370	16.6%	147,469	13.8%
4 or more person	6,941	21.4%	205,834	19.3%
Total	*32,395*	*100.0%*	*1,066,829*	100.0%
Average HH Size (Persons)	*2.82*		*2.48*	

Source: U.S. Census, American Community Survey, 5-Year Estimates; Applied Real Estate Analysis, Inc.

Race & Ethnicity Characteristics. In terms of race and ethnicity, the market area is quite homogeneous. Persons identifying as Black or African American make up the overwhelming majority of the market area population, at 93.1 percent. By comparison, across Chicago as a whole, Black or African American persons make up slightly less than a third of the population.

Within the market area, persons identifying as white make up slightly less than five percent of the population (4.8 percent). Those of all other races together make up just two percent of the population.

Those identifying as Hispanic or Latino – and of any race – have little presence in the market area, encompassing just 2.9 percent of the population. By contrast, across the city as a whole, Hispanic or Latino persons make up nearly 29 percent of the population.

Exhibit 8.
Race & Ethnicity Characteristics

	Market Area		Chicago	
Race	**Persons**	**Percentage**	**Persons**	**Percentage**
White	4,526	4.8%	1,417,984	50.8%
Black or African American	87,376	93.1%	833,693	29.8%
American Indian and Alaska Native	772	0.8%	23,710	0.8%
Asian	322	0.3%	208,333	7.5%
Native Hawaiian/Other Pacific Islander	68	0.1%	3,286	0.1%
Some other race	756	0.8%	306,529	11.0%
Total	*93,820*	*100.0%*	*2,793,535*	100.0%
Ethnicity				
Hispanic or Latino (of any race)	2,643	2.9%	780,167	28.8%
Not Hispanic or Latino	89,219	97.1%	1,929,367	71.2%
Total	*91,862*	*100.0%*	*2,709,534*	100.0%

Source: U.S. Census, American Community Survey, 5-Year Estimates; Applied Real Estate Analysis, Inc.

Age Distribution. By ACS estimates, the median age within the market area stood at 38.4 years in 2019, significantly higher than the city as a whole, at 34.6 years. The market area median age fell 1.5 percent from 2010 to 2019. This was due entirely to a shrinking population of children (below the age of 19) and adult residents age 35 to 54 years old. Notably, the proportion of young adults age 20-34 grew slightly during this time period, from 18.3 percent to 20.4 percent of the.

Within the market area, older adults (i.e., age 55 and older) now make up 27.5 percent of the population, significantly higher than that across the city as a whole, at 18.2 percent.

Exhibit 9.
Age Distribution, Selected Geographies

	Market Area				
	2010		2019		City of Chicago (2019 Percent)
Age Range (Years)	Total	Percent	Total	Percent	
0-19	26,041	26.1%	23,408	25.5%	23.4%
20-34	18,266	18.3%	18,755	20.4%	27.3%
35-54	28,127	28.2%	21,826	23.8%	25.9%
55-64	11,364	11.4%	12,104	13.2%	11.0%
65+	16,050	16.1%	15,769	17.2%	7.2%
Total	**99,848**	**100.0%**	**91,862**	**100.0%**	**100.0%**
Median	*39.0*		*38.4*		*34.6*

Source: U.S. Census, American Community Survey, 5-Year Estimates; Applied Real Estate Analysis, Inc.

Household Income. According to ACS estimates, the median household income within the market area stands at $42,340 – nearly 29 percent lower than the city as a whole, at $59,437. Nearly a third of households within the market area have extremely low annual incomes of less than $25,000, compared to less than 25 percent across the city, and nearly three quarters of households within the market area earn less than $75,000 per year, compared to less than 60 percent across the city. Moreover, the market area has very few high-income households earning $150,000 or more annually.

Exhibit 10.
Household Income Distribution, 2019

	Market Area (MA)		Chicago	
Household Income	**Households**	**Percentage**	**Households**	**Percentage**
$0 to $24,999	10,345	31.9%	259,714	24.3%
$25,000 to $34,999	3,622	11.2%	94,826	8.9%
$35,000 to $49,999	4,578	14.1%	117,607	11.0%
$50,000 to $74,999	5,158	15.9%	160,900	15.1%
$75,000 to $99,999	3,327	10.3%	119,199	11.2%
$100,000 to $149,999	3,636	11.2%	146,765	13.8%
$150,000 or more	1,729	5.3%	167,818	15.7%
Total	**32,395**	**100.0%**	**1,066,829**	**100.0%**
Median	*$42,340*		*$59,437*	

Source: U.S. Census, American Community Survey, 5-Year Estimates; Applied Real Estate Analysis, Inc.

According to the Department of Housing & Urban Development (HUD) and the City of Chicago Department of Housing, at the 60 percent AMI level (the target income level for the proposed affordable apartments) maximum income limits within Chicago range from $38,220 for one-person households to $49,140 for three-person households. As shown in **Exhibit 11**, nearly half of households within the market area have incomes below the 60 percent AMI limits for one- and two-person households, while more than 56 percent have incomes below the three-person limit.

Exhibit 11.
Income Limits at Sixty Percent of AMI

Household Size (Persons)	Income Limit	Market Area Households at or Below Income Limit*	Percent of Market Area Households
1	$38,220	14,951	46.2%
2	$43,680	15,894	49.1%
3	$49,140	18,283	56.4%

*Estimate.

Source: U.S. Census, American Community Survey, 5-Year Estimates; U.S. Department of Housing and Urban Development (HUD); City of Chicago Department of Housing; Applied Real Estate Analysis, Inc.

F. EMPLOYMENT

Employment Trends. In 2018, the most recent year for which U.S. Census OnTheMap employment data are available, there were 9,427 jobs located within the market area. This represented a 23.2 percent increase from 2010 employment totals. This increase was due primarily to an expansion of educational services employment, which grew nearly 204 percent, adding 1,480 jobs during the period. Other sectors that saw significant employment growth were manufacturing (added 381 jobs) and information (added 268 jobs). Gains in these sectors were partially offset by losses in others, including retail and wholesale trade (together lost 418 jobs) and real estate rental and leasing (lost 61 jobs). Together, the educational services, health care and social assistance, and manufacturing sectors account for over 5,200 jobs, or 55 percent of total employment within the market area.

Employment in the area immediately around the subject site is largely limited to the retail, restaurant, and other commercial establishments concentrated at Halsted and 111th streets, State and 111th streets and, to a lesser degree, Halsted and 119th streets. Other significant concentrations of employment within the market area include the area aligning Interstate 94 between 103rd Street and 115th Street, including the 180-acre Pullman Park development by Chicago Neighborhood Initiatives. Several larger warehousing, distribution, and manufacturing facilities are located here, including a warehouse for Amazon, distribution center for Whole Foods, and manufacturing plant for Method Soap. Additionally, a Walmart Supercenter, located just north of 111th Street at Interstate 94 in Pullman Park, serves as a major source of retail jobs. Overall, employers in Pullman Park have brought more than 800 jobs to the market area in recent years.

Other Major Employers. Other large employers proximate to the market area include Chicago State University, which employs more than 1,290 faculty and staff. Olive-Harvey Community College also employs over 360 faculty and staff persons. Finkl & Sons Steel employs approximately 210 employees at their manufacturing site on the north side of 95th Street at Kenwood Avenue.

Additionally, the site offers convenient access to Downtown Chicago – the dominant employment center within the city – via CTA buses and Metra trains.

Exhibit 12.
Market Area Employment Trends

NAICS Industry Sector	2010	2018	Change Number	Change Percent
Agriculture, Forestry, Fishing and Hunting	3	0	-3	-100.0%
Mining, Quarrying, and Oil and Gas Extraction	0	0	0	--
Utilities	239	252	13	5.4%
Construction	172	156	-16	-9.3%
Manufacturing	774	1,155	381	49.2%
Wholesale Trade	732	600	-132	-18.0%
Retail Trade	1,132	846	-286	-25.3%
Transportation and Warehousing	594	645	51	8.6%
Information	170	438	268	157.6%
Finance and Insurance	75	103	28	37.3%
Real Estate and Rental and Leasing	134	73	-61	-45.5%
Professional, Scientific, and Technical Services	74	76	2	2.7%
Management of Companies and Enterprises	0	3	3	--
Administration & Support, Waste Management and Remediation	72	109	37	51.4%
Educational Services	726	2,206	1,480	203.9%
Health Care and Social Assistance	1,857	1,841	-16	-0.9%
Arts, Entertainment, and Recreation	62	50	-12	-19.4%
Accommodation and Food Services	605	661	56	9.3%
Other Services (excluding Public Administration)	232	188	-44	-19.0%
Public Administration	0	25	25	--
Total Employment	**7,653**	**9,427**	**1,774**	**23.2%**

Source: U.S. Census, OnTheMap; Applied Real Estate Analysis, Inc.

CHAPTER IV.
HOUSING MARKET CHARACTERISTICS

A. GENERAL HOUSING CHARACTERISTICS

The market area housing stock is dominated by low density structures. More than two-thirds of housing units are detached single-family homes, while another 20 percent consist of attached single-family and two-unit structures. Higher density buildings with 10 or more units make up a relatively small proportion of the area housing stock, accounting for just 5.3 percent of units.

The condition of the area housing stock is generally fair to good, with some areas displaying vacant, boarded up buildings but relatively few dilapidated structures. Multifamily buildings within the market area are generally 50 or more years old, offering few contemporary features or amenities and little or no off-street parking. The newer developments that do exist were developed as affordable housing (targeted to seniors, families, and those with special needs) through various subsidy programs.

Housing Type. As of 2019, there were an estimated 39,337 housing units within the market area, of which 25,450 (64.7 percent) were detached single-family homes. Another 3,030 were single-family attached homes (generally townhomes/rowhomes and duplexes). Low density multifamily structures with two to four units – an important source of naturally occurring affordable housing in many markets – accounted for 6,989 units, or 17.8 percent of the market area housing stock. Structures with five or more units together encompassed 3,695 units, or 9.4 percent of the market area total. Finally, alternative forms of housing (primarily mobile homes) accounted for a relatively slim portion of the overall housing stock, with just 173 units.

Exhibit 13.
Market Area Housing Type by Units in Structure, 2019

Units in Structure	Units	Percent
Single-family detached	25,450	64.7%
Single-family attached	3,030	7.7%
2 units	4,882	12.4%
3 or 4 units	2,107	5.4%
5 to 9 units	1,625	4.1%
10 to 19 units	564	1.4%
20 or more units	1,506	3.8%
Mobile home, boat, RV, van, etc.	173	0.4%
Total	**39,337**	**100.0%**

Source: U.S. Census, American Community Survey; Applied Real Estate Analysis, Inc.

Occupancy & Tenure. Nearly 60 percent of occupied housing units within the market area are owner-occupied, while just over 40 percent are renter-occupied. Compare this to Chicago as a whole, where approximately 55 percent of units are renter-occupied.

Exhibit 14.
Market Area Housing Tenure and Vacancy, 2019

Attribute	Units	Percentage
Total units	39,337	100.0%
Occupied units	32,395	82.4%
Owner-occupied units	19,206	59.3%
Renter-occupied units	13,189	40.7%
Vacant units	6,942	17.6%
Homeowner vacant units/vacancy rate	946	3.7%
Rental vacant units/vacancy rate	760	5.4%
Additional vacant units*	5,236	13.3%

*Classified as for seasonal, recreational, or occasional use; or "other vacant."

Source: U.S. Census Bureau, American Community Survey; Applied Real Estate Analysis, Inc.

Among both tenure types, an estimated 32,395 units were occupied as of 2019, yielding an occupancy rate of 82.4 percent. The homeowner and rental vacancy rates (defined by the Census Bureau as units listed for rent or sale or those rented or sold but awaiting occupancy) stood at a reasonably balanced 3.7 and 5.4 percent, respectively. However, there were an additional 5,236 vacant units within the market area. The majority of these are classified as “other vacant” units. The Census Bureau cites several reasons why units may be classified as other vacant, including ongoing foreclosure or legal proceedings, personal/family reasons, in need of or undergoing repair, or abandonment. A high proportion of other vacant units is often a sign of distress in a market.

Age of Housing Stock. The market area is characterized by an aging housing stock. More than 40 percent of the housing units were built before 1940, with many of these buildings now a century or more old. New construction in the area slowed dramatically after 1980, and only 1,140 units were constructed in the first decade of the new century – the period in which much of the country was experiencing a housing boom. Thus, more than 92 percent of all market area housing units were built before 1980, compared to 80 percent for the city as a whole.

Exhibit 15.
Age of Housing in Market Area, 2019

	Market Area		Chicago	
Year Built	**Units**	**Percentage**	**Units**	**Percentage**
Built 2010 or later	400	1.0%	31,956	2.6%
Built 2000 to 2009	1,140	2.9%	97,859	8.0%
Built 1980 to 1999	1,438	3.7%	112,198	9.2%
Built 1960 to 1979	9,404	23.9%	212,103	17.3%
Built 1940 to 1959	14,723	37.4%	261,760	21.4%
Built before 1940	12,232	31.1%	508,038	41.5%
Total	**39,337**	**100.0%**	**1,223,914**	**100.0%**

Source: U.S. Census Bureau, American Community Survey; Applied Real Estate Analysis, Inc.

Unit Mix. Consistent with the single-family and lower density multifamily structures that make up most of the area housing stock, more than 85 percent of housing units within the market area have two or more bedrooms. A relatively small proportion – 7.2 percent, amounting to 2,848 units – have one bedroom. Likewise, there are very few studio units within the market area as a proportion of the overall housing stock.

Exhibit 16.
Unit Mix in Market Area, 2019

	Housing Units	
Bedrooms	**Number**	**Percent**
0 bedroom	703	1.8%
1 bedroom	2,848	7.2%
2 bedrooms	9,982	25.4%
3 bedrooms	17,197	43.7%
4 bedrooms	6,406	16.3%
5 or more bedrooms	2,201	5.6%
Total	**39,337**	**100.0%**

Sources: U.S. Census Bureau, American Community Survey, ACS, 5-Year Estimates; Applied Real Estate Analysis, Inc.

In this respect, the proposed Morgan Park Commons studio and one-bedroom units will help add needed diversity to the area housing stock and provide more options (at both affordable and market-rate levels) to households with one or two people.

B. Comparison of Market Area Affordable Rental Market

As discussed previously in this report, Pullman Artspace Lofts is the only development within the market area that can be considered comparable to the proposed Morgan Park Commons – Phase I. Completed in 2020 and now receiving its first tenants, Pullman Artspace Lofts consists of 38 units, 15 of which are leased at the 60 percent AMI limit. All other family-serving affordable developments (including those offering supportive housing units) are restricted to households earning at the extremely low-income level (i.e., 30 percent or less of AMI).

Pullman Artspace Lofts is now 100 percent leased. Current monthly rents at the 60 percent AMI limit stand at $725 for a studio unit, $775 for a one-bedroom unit, and $900 for a two-bedroom unit. Unit sizes range from 700 to 1,100 square feet.

Exhibit 17.
Market Area Net Rent Comparisons*

Unit Type/Development	Rent	Size (SF[1])	Rent/SF
Studio			
Pullman Artspace Lofts	$725	700	$1.04
Morgan Park Commons	$725	450	$1.61
1-bedroom			
Pullman Artspace Lofts	$775	800	$0.97
Morgan Park Commons	$782	625	$1.25
2-bedroom			
Pullman Artspace Lofts	$900	1,100	$0.82
Morgan Park Commons	$928	870	$1.07
*Average***			
Pullman Artspace Lofts	$800	867	$0.92
Morgan Park Commons	$812	648	$1.25

[1]Square feet.

*Excludes tenant-paid utilities. **Not weighted by unit mix.

Source: POAH, Inc.; Ludwig - Pullman Artspace Lofts; Applied Real Estate Analysis, Inc.

At proposed rent levels (and on a whole dollar basis), the affordable apartments within Morgan Park Commons – Phase I will be positioned in line with Pullman Artspace Lofts for studio units and slightly above for one- and two-bedroom units. However, all plan types within Pullman Artspace Lofts are significantly larger than those proposed for Morgan Park Commons (primarily due to the inclusion of in-unit artist work space as well as living space). Thus, on a rent-per-square foot basis, the units at Morgan Park Commons will be positioned significantly above those at Pullman Artspace Lofts. Yet the sizes of the Morgan Park Commons units are considered adequate for affordable housing in most urban markets. Thus, the proposed price positioning is considered justified.

Both developments will offer new construction and a relatively high level of unit features and building amenities with respect to other affordable options in the market area and, indeed, throughout the Chicago region. Moreover, Morgan Park Commons will be elevator-served and will include washers and dryers, dishwashers, and microwaves in all units; thus, the proposed development will in some respects offer a higher level of amenities than its only true source of competition currently existing within the market area. The proposed project is therefore well-positioned to compete favorably in terms of unit amenities, building amenities, and rent levels.

C. Market-Rate Rental Market

In addition to 45 income-restricted affordable apartments, plans for Morgan Park Commons – Phase I include 35 market-rate, non-income restricted apartments open to all households.

Market-rate rental properties within the market area consist largely of buildings constructed from the 1920s to 1950s. Some have been renovated and updated, though no new developments have been constructed in recent decades. In order to assess the potential for new market-rate rental units in larger scale developments, AREA surveyed all market-rate developments with ten or more units. There are 38 such developments encompassing 713 units, or an average of 19 units per building. Average rents among the group stand at $564 for studio units, $738 for one-bedroom units, $884 for two-bedroom units, and $1,047 for three-bedroom units. Across the group, current market rents average $763 for 652 square feet, or $1.17 per square foot.

Exhibit 18.
Summary of Market-Rate Rents by Unit Type

Unit Type	No. of Units	Unit Size (Sq. Ft.)	Rent	Rent/Sq. Ft.
Studio	342	459	$564	$1.23
One-Bedroom	207	595	$738	$1.24
Two-Bedroom	121	819	$884	$1.08
Three-Bedroom	43	988	$1,047	$1.06
Total/Avg.*	**713**	**652**	**$763**	**$1.17**

*Weighted by unit mix.

Source: CoStar, Inc.; Applied Real Estate Analysis, Inc.

While none of the existing market-rate developments can be considered entirely comparable to the proposed units at Morgan Park Commons, our survey found one development that can be considered *most* comparable to the proposed units.

Located at 216 East 121st Place, **Baric Commons** is a 141-unit development encompassing ten three-story buildings constructed in 1967. This market rate development offers one-, two-, and three-bedroom units, some of which have been recently renovated. Current monthly rents range from $880 for 716-square-foot one-bedroom unit to $1,143 for a 961-square-foot three-bedroom unit, averaging $952 for 791 square feet, or $1.20 per square foot across the group. Water, sewer, and trash collection are included in the rents, with tenants paying all other utilities. The units feature air conditioning, fully equipped kitchens, and balconies/patios. In-unit laundry is not offered, though the development includes centralized laundry facilities. The development also features gated access and professional landscaping.

Exhibit 19.
Current Rents by Unit Type - Baric Commons

Unit Type	No. of Units	Unit Size (Sq. Ft.)	Rent	Rent/Sq. Ft.
One-Bedroom	25	716	$880	$1.23
Two-Bedroom	114	805	$965	$1.20
Three-Bedroom	2	961	$1,143	$1.19
Total/Avg.*	**141**	**791**	**$952**	**$1.20**

*Weighted by unit mix.

Source: CoStar, Inc.; Applied Real Estate Analysis, Inc.

The development is currently 96 percent occupied; however, management reports that typical occupancy stands at 100 percent.

D. Comparison of Market Area Market-Rate Rental Market

At proposed rent levels and on a dollars-per-square-foot basis (weighted by unit mix), the market-rate units at Morgan Park Commons – Phase I will be positioned 13.7 percent above the group of all market area market-rate developments with ten or more units and 10.8 percent above Baric Commons. On a whole dollar basis, the Morgan Park Commons – Phase I units will be positioned 18.1 percent the market-rate developments as a whole but 5.4 percent below Baric Commons (largely due to the lack of studio units at Baric Commons).

Exhibit 20.
Rent Comparison to Market-Rate Apartment Market

	Market Area (10 or More Units)		**Baric Commons**		**Morgan Park Commons (Proposed)**	
Unit Type	**Rent**	**Rent/SF**	**Rent**	**Rent/SF**	**Rent**	**Rent/SF**
Studio	$564	$1.23	--	--	$796	$1.77
One-Bedroom	$738	$1.24	$880	$1.23	$853	$1.36
Two-Bedroom	$884	$1.08	$965	$1.20	$1,024	$1.18
Three-Bedroom	$1,047	$1.06	$1,143	$1.19	--	--
Average*	**$763**	**$1.17**	**$952**	**$1.20**	**$901**	**$1.33**

*Weighted by unit mix.

Source: CoStar, Inc.; Applied Real Estate Analysis, Inc.

The higher price position of the proposed Morgan Park Commons – Phase I market-rate units relative to the market as a whole and Baric Commons is considered entirely justified, given the new condition of the proposed units and the additional planned features and amenities discussed earlier in this report, which are largely or entirely absent in most market area rental developments – including Baric Commons. Moreover, on a whole dollar basis proposed rents for the one-bedroom units will be positioned lower than those at Baric Commons, while the two-bedroom units will be positioned only slightly higher than those at Baric Commons.

At the proposed rents – and adjusting for the addition of tenant-paid utilities – the target income range for the market-rate units will be roughly $30,000 to $50,000. With nearly 6,400 households (approximately 20 percent of all households) in the market area falling within this income range, the target tenant base for the units is considered strong.

Finally, as no new market-rate units have been introduced in the market area in many years, we anticipate that strong demand will drive rent potentials for any such units well above those of existing developments.

E. FORECLOSED PROPERTIES

In recent years, there have been foreclosures of owner-occupied and small, market-rate rental properties in the market area, but the number has shrunk dramatically since the beginning of the Great Recession that began in large part as a mortgage crisis in 2008 and 2009. Many previously distressed properties have completed the recovery process or transferred to new owners. The current level of foreclosures is no longer considered to have any significant impact on the housing market in the market area, and there are no known distressed properties in the immediate vicinity of the subject property.

CHAPTER V.
AFFORDABILITY AND DEMAND

A. AFFORDABLE RENT ANALYSIS

The income-restricted units at Morgan Park Commons – Phase I will target tenant households at the 60 percent AMI level. The maximum household income for 60 percent AMI units for 2020 ranges from $38,220 for a one-person household to $49,140 for a three-person household (typically the largest household size targeted for a two-bedroom unit). A two-person household could live in either a one- or two-bedroom unit. Exhibit 17 shows the range of maximum incomes at the 60 percent of AMI level for households with one to three people. Also shown are the estimated rent burdens for different household sizes based on the proposed rents and the maximum income levels. Gross rent costs are calculated by adding an allowance for tenant-paid utilities (according to utility allowance amounts determined by the Chicago Housing Authority for 2020) to the proposed asking rents.

Exhibit 21.
Affordability Analysis, 60 Percent of AMI, 2020 Income Thresholds

Unit Type/Attribute	One Person	Two Persons	Three Persons
Maximum Income	$38,220	$43,680	$49,140
Studio			
Proposed Rent (Net)	$725	--	--
Utility Allowance	$71	--	--
Gross Rent	$796	--	--
Percentage of Income	25.0%	--	--
1 Bedroom			
Proposed Rent (Net)	$782	$782	--
Utility Allowance	$71	$71	--
Gross Rent	$853	$853	--
Percentage of Income	26.8%	23.4%	--
2 Bedrooms			
Proposed Rent 60 percent AMI	--	$928	$928
Utility Allowance	--	$96	$96
Gross Rent	--	$1,024	$1,024
Percentage of Income	--	28.1%	25.0%

Source: U.S. Department of Housing and Urban Development (HUD); Chicago Housing Authority; POAH, Inc.; Applied Real Estate Analysis, Inc.

As shown in Exhibit 17, at the 60 percent AMI limit and at the proposed rent levels, gross rent costs would range from 23.4 percent to 28.1 percent of annual household income among the various possible plan and household size configurations. IHDA considers rental costs not in excess of 35 percent of household income to be a reasonable threshold for affordability for family-targeted income-restricted rental developments. Moreover, the maximum affordable gross monthly rent levels at the 60 percent AMI level currently stand at $956 for studio units, $1,024 for one-bedroom units, and $1,229 for two-bedroom units. Thus, the proposed rents are well within both affordability thresholds.

B. Overall Market Demand

Reflective of the large proportion of single-family homes and lower density multifamily buildings that make up the majority of the market area housing stock, there is a dearth of smaller apartment units within the area. For example, just nine percent of rental units in the market area are studio or one-bedroom units. Compare this to the city as a whole, where nearly 27 percent of rental units are studio or one-bedroom units. Moreover, just over 25 percent of market area rental units have two bedrooms, while the proportion of two-bedroom units citywide is significantly higher, at more than 34 percent. By contrast, more than 65 percent of market area units have three or more bedrooms. Yet a third of market area households consist of just one person, and 60 percent consist of one or two people. Meanwhile, just 21 percent consist of three or more people. Thus, the market area exhibits a mismatch between the existing stock of rental units and household need – a mismatch which likely impedes affordability.

Despite this mismatch, few new multifamily housing units of any type have been introduced within the market area in several decades, while those that were largely cater to elderly tenants.

Moreover, as shown elsewhere in this report, the supply of rental units within the market area serving families at the 60 percent AMI level is extremely small, consisting of just one development – Pullman Artspace Lofts – with 38 units. All other family-serving affordable developments in the market area are restricted to households earning 30 percent or less of AMI. Despite this, nearly 4,600 households within the market area (14.1 percent of all households) earn between $35,000 and $50,000 per year – roughly the income limits for households ranging from one to three persons in size at the 60 percent AMI level.

While the population of the market area has seen significant declines over the last two decades, CMAP projections suggest that the area is now entering a period of growth. In fact, CMAP projects that the market area will add more than 2,400 new households between 2025 and 2030. This growth will be aided by new private and public sector development that will bring more commercial services, employment, and transportation options to the area. This growth will help to pressurize demand for housing market area-wide and will include many households – primarily young singles and couples as well as families with young children – who will be looking for the type of contemporary rental housing proposed for Morgan Park Commons.

Apart from Pullman Artspace Lofts, no highly amenitized contemporary rental housing currently exists anywhere – at any pricing level – within the market area. As a mixed-use development with commercial offerings, outdoor space, and ample community amenities, Morgan Park Commons will be a truly unique offering for the area.

Finally, the current rental vacancy rate within the market area stands at 5.4 percent – considered balanced by most market standards. And while the number of “other vacant” units is significant (at more than 5,200), most of these vacancies are among the older single-family and low-density multifamily units that make up the bulk of the market area housing stock. Existing vacancies are not expected to impact future demand for new multifamily rental units, which is demonstrably high and evidenced in part by the rapid lease-up of Pullman Artspace Lofts.

Derivation of demand potentials. There are currently approximately 7,400 households within the market area earning between $27,300 and $49,100 per year – roughly the target range for income-restricted rental housing at the proposed rent levels (see **Section C** below). Applying CMAP projections for household growth within the market area, we anticipate that number to grow to 8,200 by 2025 – an addition of 518 households. Currently (since Pullman Artspace Lofts is 100 percent occupied), there is no income-restricted housing available in the market area for households earning up to 60 percent of AMI. Thus, the 45 affordable units planned for Morgan Park Commons – Phase I would represent approximately nine percent of *new* demand for income-targeted housing based on household growth alone, indicating by most standards that ample demand exists within the market for the proposed units. However, it is almost certain, given the lack of newer income-restricted housing at AMI levels above 30 percent, that a large amount of additional latent demand already exists within the market area. We therefore conclude that demand potentials are more than adequate for the successful lease-up of Morgan Park Commons – Phase I.

C. Capture Rate

Per IHDA methodology, the projected capture rate for a new income-restricted rental development is based on the percentage of income-eligible households within the market area the project would have to capture to be completely occupied. Because income eligibility is based on household size, not all households within a targeted income range will be eligible for units in a particular development. Thus, a low capture rate is required to account for the non-eligible households within the income group. For a new family-serving development, a capture rate below 5.0 percent is considered acceptable.

The proposed affordable units will limit tenants' income to no more than 60 percent of area median income, adjusted for household size. The maximum income allowable for a household with three people (the largest size household that would be expected to live in a two-bedroom unit) is $49,140. Conversely, the minimum income for the studio units to be considered affordable at the proposed rents – utilizing IHDA's gross rent affordability threshold of 35 percent of household income for family-serving developments – is $27,291. We have thus estimated the number of households in the market area earning between $27,291 to $49,140 to calculate the capture rate of the proposed development. As shown in the table below, an estimated 7,385 market area households earn within the specified income range. Thus, at full occupancy, the 45 planned income-restricted units would result in a capture rate of 0.61 percent – well below IHDA's 5.0 percent threshold, indicating strong market potential for the proposed units.

Exhibit 22.
Capture Rate Analysis

Market area households with income between $27,291 and $49,140 (est.)	7,385
Number of units in subject	45
Market capture rate	0.61%

Source: U.S. Census, 2019 American Community Survey, 5-Year Estimates; U.S. Department of Housing and Development; Applied Real Estate Analysis, Inc.

D. Penetration Rate

Even when there is strong demand, there may already be sufficient supply to meet that demand. The penetration rate analysis measures the amount of affordable, or income-restricted, housing relative to the number of income-qualified households within the market area. AREA has been able to identify a total of 2,141 units of existing non-age restricted affordable housing in the market area. Adding the 45 units of income-restricted housing planned for Morgan Park Commons, Phase I yields a total market area affordable housing stock of 2,186 units. Currently, there are no other affordable units in the planning and proposal stages within the market area.

Extrapolating from 2019 ACS estimates, there are an estimates 18,283 households within the market area with annual incomes below $49,140 (the maximum income for a family of three persons at the 60 percent AMI limit). Thus, the penetration rate of existing and proposed unit is 11.71 percent – well below the 25 percent threshold that IHDA considers acceptable.

While the above analysis captures the overall penetration of ALL affordable housing within the market area, it is not sufficiently nuanced to provide insight into the demand and supply dynamics of income-restricted housing at various affordability levels. More specifically, as demonstrated elsewhere in this report, the overwhelming majority of existing family-targeted affordable units within the market area are restricted to households at extremely low-income levels (i.e., earning 30 percent or less of AMI). This includes the 1,541 units that make up the CHA's Altgeld Gardens & Philip Murray Homes public housing development and encompass 72 percent of the entire stock of family-targeted affordable housing within the market area. We therefore performed a more targeted analysis of affordable housing penetration within the income range associated with income-restricted housing at the 60 percent AMI level.

As noted previously in this report, there is only one existing income-restricted rental development (Pullman Artspace Lofts) within the market area serving families at the 60 percent AMI level. In total, there are 38 units within this development. Meanwhile, there are an estimated 7,385 households earning within the target income range for 60 percent AMI level. Including the 45 proposed affordable units for Morgan Park

Commons – Phase I, this yields a market penetration rate of just 1.12 percent, signaling a large need for additional market area housing targeted to this income range.

Exhibit 23.
Market Penetration Rate

Market area households with income below $42,780	18,283
Existing affordable units (family-serving and supportive)	2,141
Number of affordable units in subject	45
Total affordable units supplied in market area	2,186
Penetration rate of ALL family-serving affordable units as percentage of income-eligible households	**11.71%**
Market area households with income of $27,291 to $49,140 (35% affordability threshold)	7,385
Existing family-serving units at 60 percent AMI affordability level	38
Number of affordable units in subject at 60 percent AMI affordability level	45
Total family-serving affordable units supplied in market area, including proposed project	83
Penetration rate of family-serving affordable units as percent of eligible households	**1.12%**

Source: U.S. Census, American Community Survey; Chicago Department of Housing (DOH); Illinois Housing Development Authority (IHDA); U.S. Department of Housing and Development; Applied Real Estate Analysis, Inc.

E. Absorption Rate

As discussed previously, occupancies among existing affordable rental developments within the market area range from 90 to 100 percent, averaging 96 percent across the group – considered balanced to tight for most markets. Moreover, Pullman Artspace Lofts – the only development considered truly comparable to the proposed Morgan Park Commons – Phase I in terms of vintage, features and amenities, unit types, and affordability mix – experienced full lease-up of its 38 units in less than six months, yielding an absorption rate of roughly six units per month. With demonstrably high demand for new affordable rental units within the market area, we anticipate similarly rapid absorption potentials for the Morgan Park Commons – Phase I, yielding a total lease-up timeframe (to full occupancy) of eight months or less for the 45 proposed affordable units.

CHAPTER VI.
IMPACT ON AFFORDABLE AND MARKET-RATE HOUSING

A. IMPACT ON IHDA, AFFORDABLE, AND MARKET-RATE PROPERTIES

The subject property will be a new construction mixed-income rental development. The addition of the subject's 45 affordable units and 35 market-rate units is unlikely to have any significant impact on the overall market area's other IHDA, affordable, or market-rate properties. All the existing affordable developments in the market area are at or near full occupancy, many with waiting lists, indicating significant unmet need for good quality affordable housing. As demonstrated previously in this report, after completion of this project, the penetration rate of all affordable rental units will be less than 12 percent of all income-eligible households and less than two percent of households at the 60 percent AMI level, suggesting significant unmet demand for additional affordable apartments. Moreover, as demonstrated elsewhere in this report, the proposed market-rate units will fill an unmet need for newer rental housing with contemporary features and amenities and will thus have no discernable impact on are market-rate rental properties.

CHAPTER VII.
CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Morgan Park Commons will create additional affordable and market-rate housing opportunities for families and single-person households in a relatively vibrant far South Side location with good visibility and access and proximity to public and vehicular transportation, entertainment and recreation opportunities, schools, shopping areas, and healthcare facilities.

The proposed project offers adequate unit sizes and a comprehensive set of unit and building amenities. Further phases of the Morgan Park Commons development will bring additional amenities in the form of public space, landscaping, shared streets, and a community center. The highly amenitized, mixed-use nature of the project will make it highly desirable among target markets at both affordable and market-rate income levels. The project's mix of studio and one-bedroom units will add needed depth to the supply of smaller units in the market area.

All of the existing family-serving affordable rental developments in the market area are at or near full occupancy, many with waiting lists, indicating significant unmet need for good quality affordable housing. Moreover, only one other rental development serving families at the 60 percent AMI affordability threshold currently exists within the market area.

AREA's analysis indicates that the subject property is both viable and needed in the local market area. The affordable units are likely to be readily accepted and leased in a short time frame. The proposed rents are within the required guidelines, low enough to allow a range of low-income households to qualify for the units and are competitive with existing developments in the market area.

Meanwhile, the market-rate units to be included in Morgan Park Commons – Phase I also represent a needed addition to the market area, where the supply of newer, amenitized market-rate units is essentially non-existent. The proposed rent levels for the market-rate units are considered appropriate and likely to be acceptable to the targeted tenant base.

RECOMMENDATION

Based on all of the foregoing analysis and evidence, AREA finds that the Morgan Park Commons – Phase I development will experience more than sufficient demand and a rapid absorption of units. AREA thus recommends the approval and acceptance of the Morgan Park Commons – Phase I development as it is currently proposed.

APPENDIX

Exhibit A-1. Comparable Property Profile and Photos

Pullman Artspace Lofts

11137 S Langley Ave. Chicago, IL 60628	Owner	Ludwig & Company
	Total Units	38
(847) 263-6200	Year Built	2020
	Condition	Excellent
	Current Occupancy	100%
	Income Level Served (percent of AMI)	30, 50, 60

Utilities Included	Water, sewer, trash
Amenities Offered	Community room, gallery space, bike room, laundry facilities, classroom space

Unit & Rent Summary

Unit Type	No. of Units	Unit Size (SF)	Rent*	Rent/SF
Studio	3	700	$725	$1.04
One-bedroom	16	800	$775	$0.97
Two-bedroom	19	1100	$900	$0.82
Total/Avg.**	**38**	**942**	**$834**	**$0.88**

Source: CoStar; Ludwig – Pullman Artspace Lofts; Applied Real Estate Analysis, Inc.

Photographs of Pullman Artspace Lofts

EXHIBIT A-2

Exhibit A-2. Morgan Park Commons – Phase I Projected Operating Income and Expenses

	Per Unit	Escalation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income	Year 1	Rate	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032
Residential Income		2.00%	$ 999,084.00	$ 1,019,065.68	$ 1,039,446.99	$ 1,060,235.93	$ 1,081,440.65	$ 1,103,069.47	$ 1,125,130.85	$ 1,147,633.47	$ 1,170,586.14	$ 1,193,997.86
Commercial Income		2.00%	$ 240,000.00	$ 244,800.00	$ 249,696.00	$ 254,689.92	$ 259,783.72	$ 264,979.39	$ 270,278.98	$ 275,684.56	$ 281,198.25	$ 286,822.22
Other Income		2.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Income			**$ 1,239,084.00**	**$ 1,263,865.68**	**$ 1,289,142.99**	**$ 1,314,925.85**	**$ 1,341,224.37**	**$ 1,368,048.86**	**$ 1,395,409.84**	**$ 1,423,318.03**	**$ 1,451,784.39**	**$ 1,480,820.08**
Vacancy												
Residential Vacancy		5.00%	$ 49,954.20	$ 52,451.91	$ 55,074.51	$ 57,828.23	$ 60,719.64	$ 63,755.62	$ 66,943.41	$ 70,290.58	$ 73,805.10	$ 77,495.36
Commercial Vacancy		5.00%	$ 24,000.00	$ 25,200.00	$ 26,460.00	$ 27,783.00	$ 29,172.15	$ 30,630.76	$ 32,162.30	$ 33,770.41	$ 35,458.93	$ 37,231.88
Other Vacancy		5.00%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Vacancy			**$ 73,954.20**	**$ 77,651.91**	**$ 81,534.51**	**$ 85,611.23**	**$ 89,891.79**	**$ 94,386.38**	**$ 99,105.70**	**$ 104,060.99**	**$ 109,264.04**	**$ 114,727.24**
Total Effective Income			**$ 1,165,129.80**	**$ 1,186,213.77**	**$ 1,207,608.49**	**$ 1,229,314.62**	**$ 1,251,332.58**	**$ 1,273,662.48**	**$ 1,296,304.13**	**$ 1,319,257.05**	**$ 1,342,520.36**	**$ 1,366,092.84**
Operating Costs	**Per Unit**	**Escalation Rate**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
		Year	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032
Legal	$ 80.00	2.88%	$ 6,320.00	$ 6,502.02	$ 6,689.27	$ 6,881.93	$ 7,080.12	$ 7,284.03	$ 7,493.81	$ 7,709.63	$ 7,931.67	$ 8,160.10
Accounting	$ 60.00	2.88%	$ 4,800.00	$ 4,938.24	$ 5,080.46	$ 5,226.78	$ 5,377.31	$ 5,532.18	$ 5,691.50	$ 5,855.42	$ 6,024.05	$ 6,197.55
Office Supplies	$ 45.00	2.88%	$ 3,600.00	$ 3,703.68	$ 3,810.35	$ 3,920.08	$ 4,032.98	$ 4,149.13	$ 4,268.63	$ 4,391.56	$ 4,518.04	$ 4,648.16
Credit/Background/Drug Tests	$ 20.00	2.88%	$ 1,600.00	$ 1,646.08	$ 1,693.49	$ 1,742.26	$ 1,792.44	$ 1,844.06	$ 1,897.17	$ 1,951.81	$ 2,008.02	$ 2,065.85
Telephone Service	$ 212.00	2.88%	$ 16,960.00	$ 17,448.45	$ 17,950.96	$ 18,467.95	$ 18,999.83	$ 19,547.02	$ 20,109.98	$ 20,689.14	$ 21,284.99	$ 21,898.00
Marketing	$ 140.00	2.88%	$ 11,200.00	$ 11,522.56	$ 11,854.41	$ 12,195.82	$ 12,547.06	$ 12,908.41	$ 13,280.17	$ 13,662.64	$ 14,056.13	$ 14,460.94
Property Manager	$ 875.00	2.88%	$ 70,000.00	$ 72,016.00	$ 74,090.06	$ 76,223.85	$ 78,419.10	$ 80,677.57	$ 83,001.09	$ 85,391.52	$ 87,850.79	$ 90,380.90
Bad Debt	$ 40.00	2.88%	$ 3,200.00	$ 3,292.16	$ 3,386.97	$ 3,484.52	$ 3,584.87	$ 3,688.12	$ 3,794.34	$ 3,903.61	$ 4,016.04	$ 4,131.70
Other Administration	$ 160.00	2.88%	$ 12,800.00	$ 13,168.64	$ 13,547.90	$ 13,938.08	$ 14,339.49	$ 14,752.47	$ 15,177.34	$ 15,614.45	$ 16,064.14	$ 16,526.79
Administration Subtotal	**$ 1,631.00**	**0.00%**	**$ 130,480.00**	**$ 134,237.82**	**$ 138,103.87**	**$ 142,081.26**	**$ 146,173.21**	**$ 150,382.99**	**$ 154,714.02**	**$ 159,169.79**	**$ 163,753.88**	**$ 168,469.99**
Management Fee	$ 720.00	2.88%	$ 57,600.00	$ 59,258.88	$ 60,965.54	$ 62,721.34	$ 64,527.72	$ 66,386.12	$ 68,298.04	$ 70,265.02	$ 72,288.65	$ 74,370.57
Asset Management Fee	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Property Manager Fee	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Management	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Management Fee Subtotal	**$ 720.00**	**0.00%**	**$ 57,600.00**	**$ 59,258.88**	**$ 60,965.54**	**$ 62,721.34**	**$ 64,527.72**	**$ 66,386.12**	**$ 68,298.04**	**$ 70,265.02**	**$ 72,288.65**	**$ 74,370.57**
Administrative	$ 437.50	2.88%	$ 35,000.00	$ 36,008.00	$ 37,045.03	$ 38,111.93	$ 39,209.55	$ 40,338.79	$ 41,500.54	$ 42,695.76	$ 43,925.40	$ 45,190.45
Operating	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance	$ 812.50	2.88%	$ 65,000.00	$ 66,872.00	$ 68,797.91	$ 70,779.29	$ 72,817.74	$ 74,914.89	$ 77,072.44	$ 79,292.12	$ 81,575.74	$ 83,925.12
Employer Pd. Taxes & Benefits	$ 745.00	2.88%	$ 59,600.00	$ 61,316.48	$ 63,082.39	$ 64,899.17	$ 66,768.26	$ 68,691.19	$ 70,669.50	$ 72,704.78	$ 74,798.67	$ 76,952.88
Other Payroll	$ 225.00	2.88%	$ 18,000.00	$ 18,518.40	$ 19,051.73	$ 19,600.42	$ 20,164.91	$ 20,745.66	$ 21,343.14	$ 21,957.82	$ 22,590.20	$ 23,240.80
Payroll Subtotal	**$ 2,220.00**	**0.00%**	**$ 177,600.00**	**$ 182,714.88**	**$ 187,977.07**	**$ 193,390.81**	**$ 198,960.46**	**$ 204,690.52**	**$ 210,585.61**	**$ 216,650.48**	**$ 222,890.01**	**$ 229,309.24**
Real Estate Taxes	$ 900.00	2.88%	$ 72,000.00	$ 74,073.60	$ 76,206.92	$ 78,401.68	$ 80,659.65	$ 82,982.65	$ 85,372.55	$ 87,831.27	$ 90,360.82	$ 92,963.21
Property Insurance	$ 600.00	2.88%	$ 48,000.00	$ 49,382.40	$ 50,804.61	$ 52,267.79	$ 53,773.10	$ 55,321.76	$ 56,915.03	$ 58,554.18	$ 60,240.54	$ 61,975.47
Liability Insurance	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Taxes & Insurance	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes & Insurance Subtotal	**$ 1,500.00**	**0.00%**	**$ 120,000.00**	**$ 123,456.00**	**$ 127,011.53**	**$ 130,669.46**	**$ 134,432.75**	**$ 138,304.41**	**$ 142,287.58**	**$ 146,385.46**	**$ 150,601.36**	**$ 154,938.68**
General Maintenance	$ 93.75	2.88%	$ 7,500.00	$ 7,716.00	$ 7,938.22	$ 8,166.84	$ 8,402.05	$ 8,644.03	$ 8,892.97	$ 9,149.09	$ 9,412.58	$ 9,683.67
Pest Control	$ 42.00	2.88%	$ 3,360.00	$ 3,456.77	$ 3,556.32	$ 3,658.75	$ 3,764.12	$ 3,872.52	$ 3,984.05	$ 4,098.79	$ 4,216.84	$ 4,338.28
Scavenger Service	$ 150.00	2.88%	$ 12,000.00	$ 12,345.60	$ 12,701.15	$ 13,066.95	$ 13,443.27	$ 13,830.44	$ 14,228.76	$ 14,638.55	$ 15,060.14	$ 15,493.87
Exterior/Façade	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance Supplies	$ 240.00	2.88%	$ 19,200.00	$ 19,752.96	$ 20,321.85	$ 20,907.11	$ 21,509.24	$ 22,128.71	$ 22,766.01	$ 23,421.67	$ 24,096.22	$ 24,790.19
Elevator Contract	$ 250.00	2.88%	$ 20,000.00	$ 20,576.00	$ 21,168.59	$ 21,778.24	$ 22,405.46	$ 23,050.73	$ 23,714.60	$ 24,397.58	$ 25,100.23	$ 25,823.11
Landscaping	$ 150.00	2.88%	$ 12,000.00	$ 12,345.60	$ 12,701.15	$ 13,066.95	$ 13,443.27	$ 13,830.44	$ 14,228.76	$ 14,638.55	$ 15,060.14	$ 15,493.87
Security	$ 350.00	2.88%	$ 28,000.00	$ 28,806.40	$ 29,636.02	$ 30,489.54	$ 31,367.64	$ 32,271.03	$ 33,200.43	$ 34,156.61	$ 35,140.32	$ 36,152.36
HVAC	$ 50.00	2.88%	$ 4,000.00	$ 4,115.20	$ 4,233.72	$ 4,355.65	$ 4,481.09	$ 4,610.15	$ 4,742.92	$ 4,879.52	$ 5,020.05	$ 5,164.62
Snow Removal	$ 112.50	2.88%	$ 9,000.00	$ 9,259.20	$ 9,525.86	$ 9,800.21	$ 10,082.46	$ 10,372.83	$ 10,671.57	$ 10,978.91	$ 11,295.10	$ 11,620.40
Other Maintenance	$ 258.00	2.88%	$ 20,640.00	$ 21,234.43	$ 21,845.98	$ 22,475.15	$ 23,122.43	$ 23,788.36	$ 24,473.46	$ 25,178.30	$ 25,903.43	$ 26,649.45
Maintenance Subtotal	**$ 1,696.25**	**0.00%**	**$ 135,700.00**	**$ 139,608.16**	**$ 143,628.88**	**$ 147,765.39**	**$ 152,021.03**	**$ 156,399.24**	**$ 160,903.53**	**$ 165,537.56**	**$ 170,305.04**	**$ 175,209.82**
Turnover Costs	$ 58.00	2.88%	$ 4,640.00	$ 4,773.63	$ 4,911.11	$ 5,052.55	$ 5,198.07	$ 5,347.77	$ 5,501.79	$ 5,660.24	$ 5,823.25	$ 5,990.96
Plumbing & Electrical	$ 93.00	2.88%	$ 7,440.00	$ 7,654.27	$ 7,874.72	$ 8,101.51	$ 8,334.83	$ 8,574.87	$ 8,821.83	$ 9,075.90	$ 9,337.28	$ 9,606.20
Carpet Replacement	$ 23.00	2.88%	$ 1,840.00	$ 1,892.99	$ 1,947.51	$ 2,003.60	$ 2,061.30	$ 2,120.67	$ 2,181.74	$ 2,244.58	$ 2,309.22	$ 2,375.73
Appliance Repair	$ 23.00	2.88%	$ 1,840.00	$ 1,892.99	$ 1,947.51	$ 2,003.60	$ 2,061.30	$ 2,120.67	$ 2,181.74	$ 2,244.58	$ 2,309.22	$ 2,375.73
Painting & Decorating	$ 47.00	2.88%	$ 3,760.00	$ 3,868.29	$ 3,979.69	$ 4,094.31	$ 4,212.23	$ 4,333.54	$ 4,458.34	$ 4,586.74	$ 4,718.84	$ 4,854.75
Tools & Supplies	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Repairs	$ 12.00	2.88%	$ 960.00	$ 987.65	$ 1,016.09	$ 1,045.36	$ 1,075.46	$ 1,106.44	$ 1,138.30	$ 1,171.08	$ 1,204.81	$ 1,239.51
Repairs Subtotal	**$ 256.00**	**0.00%**	**$ 20,480.00**	**$ 21,069.82**	**$ 21,676.63**	**$ 22,300.92**	**$ 22,943.19**	**$ 23,603.95**	**$ 24,283.75**	**$ 24,983.12**	**$ 25,702.63**	**$ 26,442.87**
Gas	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electricity	$ 165.00	2.88%	$ 13,200.00	$ 13,580.16	$ 13,971.27	$ 14,373.64	$ 14,787.60	$ 15,213.48	$ 15,651.63	$ 16,102.40	$ 16,566.15	$ 17,043.25
Water/Sewer	$ 500.00	2.88%	$ 40,000.00	$ 41,152.00	$ 42,337.18	$ 43,556.49	$ 44,810.92	$ 46,101.47	$ 47,429.19	$ 48,795.15	$ 50,200.45	$ 51,646.23
Other Utilities	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities Subtotal	**$ 665.00**	**0.00%**	**$ 53,200.00**	**$ 54,732.16**	**$ 56,308.45**	**$ 57,930.13**	**$ 59,598.52**	**$ 61,314.95**	**$ 63,080.83**	**$ 64,897.55**	**$ 66,766.60**	**$ 68,689.48**
Replacement Reserves	$ 350.00	2.88%	$ 28,000.00	$ 28,806.40	$ 29,636.02	$ 30,489.54	$ 31,367.64	$ 32,271.03	$ 33,200.43	$ 34,156.61	$ 35,140.32	$ 36,152.36
Operating Reserves	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Reserves	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reserves Subtotal	**$ 350.00**	**0.00%**	**$ 28,000.00**	**$ 28,806.40**	**$ 29,636.02**	**$ 30,489.54**	**$ 31,367.64**	**$ 32,271.03**	**$ 33,200.43**	**$ 34,156.61**	**$ 35,140.32**	**$ 36,152.36**
Tenant Services	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Tenant Services	$ -	2.88%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Tenant Services Subtotal	**$ -**	**0.00%**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Grand Total Operating Costs	**$ 9,038.25**	**0.00%**	**$ 723,060.00**	**$ 743,884.13**	**$ 765,307.99**	**$ 787,348.86**	**$ 810,024.51**	**$ 833,353.21**	**$ 857,353.79**	**$ 882,045.58**	**$ 907,448.49**	**$ 933,583.00**
Net Operating Income			**$ 442,069.80**	**$ 442,329.64**	**$ 442,300.50**	**$ 441,965.76**	**$ 441,308.07**	**$ 440,309.26**	**$ 438,950.35**	**$ 437,211.47**	**$ 435,071.87**	**$ 432,509.84**
Total Loan Payments			**$ 218,042.68**	**$ 218,042.68**	**$ 218,042.68**	**$ 218,042.68**	**$ 218,042.68**	**$ 218,042.68**	**$ 218,042.68**	**$ 218,042.68**	**$ 218,042.68**	**$ 218,042.68**
Cash Flow			**$ 224,027.12**	**$ 224,286.96**	**$ 224,257.81**	**$ 223,923.08**	**$ 223,265.39**	**$ 222,266.58**	**$ 220,907.66**	**$ 219,168.79**	**$ 217,029.18**	**$ 214,467.15**
Debt Coverage Ratio			**2.03**	**2.03**	**2.03**	**2.03**	**2.02**	**2.02**	**2.01**	**2.01**	**2.00**	**1.98**

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
Income	Year 2033	Year 2034	Year 2035	Year 2036	Year 2037	Year 2038	Year 2039	Year 2040	Year 2041	Year 2042	Year 2043
Residential Income	$ 1,217,877.82	$ 1,242,235.38	$ 1,267,080.09	$ 1,292,421.69	$ 1,318,270.12	$ 1,344,635.52	$ 1,371,528.23	$ 1,398,958.80	$ 1,426,937.97	$ 1,455,476.73	$ 1,484,586.27
Commercial Income	$ 292,558.66	$ 298,409.83	$ 304,378.03	$ 310,465.59	$ 316,674.90	$ 323,008.40	$ 329,468.57	$ 336,057.94	$ 342,779.10	$ 349,634.68	$ 356,627.38
Other Income	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Income	**$ 1,510,436.48**	**$ 1,540,645.21**	**$ 1,571,458.12**	**$ 1,602,887.28**	**$ 1,634,945.02**	**$ 1,667,643.92**	**$ 1,700,996.80**	**$ 1,735,016.74**	**$ 1,769,717.07**	**$ 1,805,111.41**	**$ 1,841,213.64**
Vacancy											
Residential Vacancy	$ 81,370.13	$ 85,438.63	$ 89,710.57	$ 94,196.09	$ 98,905.90	$ 103,851.19	$ 109,043.75	$ 114,495.94	$ 120,220.74	$ 126,231.78	$ 132,543.36
Commercial Vacancy	$ 39,093.47	$ 41,048.14	$ 43,100.55	$ 45,255.58	$ 47,518.36	$ 49,894.28	$ 52,388.99	$ 55,008.44	$ 57,758.86	$ 60,646.80	$ 63,679.14
Other Vacancy	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Vacancy	**$ 120,463.60**	**$ 126,486.78**	**$ 132,811.12**	**$ 139,451.67**	**$ 146,424.26**	**$ 153,745.47**	**$ 161,432.74**	**$ 169,504.38**	**$ 177,979.60**	**$ 186,878.58**	**$ 196,222.51**
Total Effective Income	**$ 1,389,972.88**	**$ 1,414,158.43**	**$ 1,438,647.00**	**$ 1,463,435.60**	**$ 1,488,520.77**	**$ 1,513,898.45**	**$ 1,539,564.06**	**$ 1,565,512.36**	**$ 1,591,737.47**	**$ 1,618,232.83**	**$ 1,644,991.13**
Operating Costs	**Year 11**	**Year 12**	**Year 13**	**Year 14**	**Year 15**	**Year 16**	**Year 17**	**Year 18**	**Year 19**	**Year 20**	**Year 21**
	Year 2033	Year 2034	Year 2035	Year 2036	Year 2037	Year 2038	Year 2039	Year 2040	Year 2041	Year 2042	Year 2043
Legal	$ 8,395.11	$ 8,636.89	$ 8,885.64	$ 9,141.54	$ 9,404.82	$ 9,675.68	$ 9,954.34	$ 10,241.02	$ 10,535.96	$ 10,839.40	$ 11,151.57
Accounting	$ 6,376.04	$ 6,559.67	$ 6,748.58	$ 6,942.94	$ 7,142.90	$ 7,348.62	$ 7,560.26	$ 7,777.99	$ 8,002.00	$ 8,232.46	$ 8,469.55
Office Supplies	$ 4,782.03	$ 4,919.75	$ 5,061.44	$ 5,207.21	$ 5,357.18	$ 5,511.46	$ 5,670.19	$ 5,833.49	$ 6,001.50	$ 6,174.34	$ 6,352.16
Credit/Background/Drug Tests	$ 2,125.35	$ 2,186.56	$ 2,249.53	$ 2,314.31	$ 2,380.97	$ 2,449.54	$ 2,520.09	$ 2,592.66	$ 2,667.33	$ 2,744.15	$ 2,823.18
Telephone Service	$ 22,528.66	$ 23,177.49	$ 23,845.00	$ 24,531.74	$ 25,238.25	$ 25,965.11	$ 26,712.91	$ 27,482.24	$ 28,273.73	$ 29,088.01	$ 29,925.74
Marketing	$ 14,877.42	$ 15,305.89	$ 15,746.70	$ 16,200.20	$ 16,666.77	$ 17,146.77	$ 17,640.60	$ 18,148.65	$ 18,671.33	$ 19,209.06	$ 19,762.28
Property Manager	$ 92,983.87	$ 95,661.80	$ 98,416.86	$ 101,251.27	$ 104,167.30	$ 107,167.32	$ 110,253.74	$ 113,429.05	$ 116,695.80	$ 120,056.64	$ 123,514.27
Bad Debt	$ 4,250.69	$ 4,373.11	$ 4,499.06	$ 4,628.63	$ 4,761.93	$ 4,899.08	$ 5,040.17	$ 5,185.33	$ 5,334.67	$ 5,488.30	$ 5,646.37
Other Administration	$ 17,002.76	$ 17,492.44	$ 17,996.23	$ 18,514.52	$ 19,047.74	$ 19,596.31	$ 20,160.68	$ 20,741.31	$ 21,338.66	$ 21,953.21	$ 22,585.47
Administration Subtotal	**$ 173,321.92**	**$ 178,313.60**	**$ 183,449.03**	**$ 188,732.36**	**$ 194,167.85**	**$ 199,759.89**	**$ 205,512.97**	**$ 211,431.74**	**$ 217,520.90**	**$ 223,785.58**	**$ 230,230.61**
Management Fee	$ 76,512.44	$ 78,716.00	$ 80,983.02	$ 83,315.33	$ 85,714.81	$ 88,183.40	$ 90,723.08	$ 93,335.90	$ 96,023.98	$ 98,789.47	$ 101,634.60
Asset Management Fee	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Property Manager Fee	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Management	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Management Fee Subtotal	**$ 76,512.44**	**$ 78,716.00**	**$ 80,983.02**	**$ 83,315.33**	**$ 85,714.81**	**$ 88,183.40**	**$ 90,723.08**	**$ 93,335.90**	**$ 96,023.98**	**$ 98,789.47**	**$ 101,634.60**
Administrative	$ 46,491.93	$ 47,830.90	$ 49,208.43	$ 50,625.63	$ 52,083.65	$ 53,583.66	$ 55,126.87	$ 56,714.52	$ 58,347.90	$ 60,028.32	$ 61,757.14
Operating	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance	$ 86,342.16	$ 88,828.81	$ 91,387.08	$ 94,019.03	$ 96,726.78	$ 99,512.51	$ 102,378.47	$ 105,326.97	$ 108,360.39	$ 111,481.17	$ 114,691.83
Employer Pd. Taxes & Benefits	$ 79,169.12	$ 81,449.19	$ 83,794.93	$ 86,208.22	$ 88,691.02	$ 91,245.32	$ 93,873.18	$ 96,576.73	$ 99,358.14	$ 102,219.66	$ 105,163.58
Other Payroll	$ 23,910.14	$ 24,598.75	$ 25,307.19	$ 26,036.04	$ 26,785.88	$ 27,557.31	$ 28,350.96	$ 29,167.47	$ 30,007.49	$ 30,871.71	$ 31,760.81
Payroll Subtotal	**$ 235,913.35**	**$ 242,707.65**	**$ 249,697.63**	**$ 256,888.93**	**$ 264,287.33**	**$ 271,898.80**	**$ 279,729.49**	**$ 287,785.70**	**$ 296,073.93**	**$ 304,600.85**	**$ 313,373.36**
Real Estate Taxes	$ 95,640.55	$ 98,394.99	$ 101,228.77	$ 104,144.16	$ 107,143.51	$ 110,229.24	$ 113,403.85	$ 116,669.88	$ 120,029.97	$ 123,486.83	$ 127,043.25
Property Insurance	$ 63,760.36	$ 65,596.66	$ 67,485.85	$ 69,429.44	$ 71,429.01	$ 73,486.16	$ 75,602.56	$ 77,779.92	$ 80,019.98	$ 82,324.56	$ 84,695.50
Liability Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Taxes & Insurance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes & Insurance Subtotal	**$ 159,400.91**	**$ 163,991.66**	**$ 168,714.62**	**$ 173,573.60**	**$ 178,572.52**	**$ 183,715.41**	**$ 189,006.41**	**$ 194,449.80**	**$ 200,049.95**	**$ 205,811.39**	**$ 211,738.76**
General Maintenance	$ 9,962.56	$ 10,249.48	$ 10,544.66	$ 10,848.35	$ 11,160.78	$ 11,482.21	$ 11,812.90	$ 12,153.11	$ 12,503.12	$ 12,863.21	$ 13,233.67
Pest Control	$ 4,463.23	$ 4,591.77	$ 4,724.01	$ 4,860.06	$ 5,000.03	$ 5,144.03	$ 5,292.18	$ 5,444.59	$ 5,601.40	$ 5,762.72	$ 5,928.69
Scavenger Service	$ 15,940.09	$ 16,399.17	$ 16,871.46	$ 17,357.36	$ 17,857.25	$ 18,371.54	$ 18,900.64	$ 19,444.98	$ 20,004.99	$ 20,581.14	$ 21,173.88
Exterior/Façade	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance Supplies	$ 25,504.15	$ 26,238.67	$ 26,994.34	$ 27,771.78	$ 28,571.60	$ 29,394.47	$ 30,241.03	$ 31,111.97	$ 32,007.99	$ 32,929.82	$ 33,878.20
Elevator Contract	$ 26,566.82	$ 27,331.94	$ 28,119.10	$ 28,928.93	$ 29,762.09	$ 30,619.23	$ 31,501.07	$ 32,408.30	$ 33,341.66	$ 34,301.90	$ 35,289.79
Landscaping	$ 15,940.09	$ 16,399.17	$ 16,871.46	$ 17,357.36	$ 17,857.25	$ 18,371.54	$ 18,900.64	$ 19,444.98	$ 20,004.99	$ 20,581.14	$ 21,173.88
Security	$ 37,193.55	$ 38,264.72	$ 39,366.74	$ 40,500.51	$ 41,666.92	$ 42,866.93	$ 44,101.50	$ 45,371.62	$ 46,678.32	$ 48,022.66	$ 49,405.71
HVAC	$ 5,313.36	$ 5,466.39	$ 5,623.82	$ 5,785.79	$ 5,952.42	$ 6,123.85	$ 6,300.21	$ 6,481.66	$ 6,668.33	$ 6,860.38	$ 7,057.96
Snow Removal	$ 11,955.07	$ 12,299.37	$ 12,653.60	$ 13,018.02	$ 13,392.94	$ 13,778.66	$ 14,175.48	$ 14,583.73	$ 15,003.75	$ 15,435.85	$ 15,880.41
Other Maintenance	$ 27,416.96	$ 28,206.57	$ 29,018.91	$ 29,854.66	$ 30,714.47	$ 31,599.05	$ 32,509.10	$ 33,445.36	$ 34,408.59	$ 35,399.56	$ 36,419.07
Maintenance Subtotal	**$ 180,255.86**	**$ 185,447.23**	**$ 190,788.11**	**$ 196,282.81**	**$ 201,935.76**	**$ 207,751.51**	**$ 213,734.75**	**$ 219,890.31**	**$ 226,223.15**	**$ 232,738.38**	**$ 239,441.24**
Turnover Costs	$ 6,163.50	$ 6,341.01	$ 6,523.63	$ 6,711.51	$ 6,904.80	$ 7,103.66	$ 7,308.25	$ 7,518.73	$ 7,735.26	$ 7,958.04	$ 8,187.23
Plumbing & Electrical	$ 9,882.86	$ 10,167.48	$ 10,460.31	$ 10,761.56	$ 11,071.50	$ 11,390.36	$ 11,718.40	$ 12,055.89	$ 12,403.10	$ 12,760.31	$ 13,127.80
Carpet Replacement	$ 2,444.15	$ 2,514.54	$ 2,586.96	$ 2,661.46	$ 2,738.11	$ 2,816.97	$ 2,898.10	$ 2,981.56	$ 3,067.43	$ 3,155.77	$ 3,246.66
Appliance Repair	$ 2,444.15	$ 2,514.54	$ 2,586.96	$ 2,661.46	$ 2,738.11	$ 2,816.97	$ 2,898.10	$ 2,981.56	$ 3,067.43	$ 3,155.77	$ 3,246.66
Painting & Decorating	$ 4,994.56	$ 5,138.41	$ 5,286.39	$ 5,438.64	$ 5,595.27	$ 5,756.42	$ 5,922.20	$ 6,092.76	$ 6,268.23	$ 6,448.76	$ 6,634.48
Tools & Supplies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Repairs	$ 1,275.21	$ 1,311.93	$ 1,349.72	$ 1,388.59	$ 1,428.58	$ 1,469.72	$ 1,512.05	$ 1,555.60	$ 1,600.40	$ 1,646.49	$ 1,693.91
Repairs Subtotal	**$ 27,204.42**	**$ 27,987.91**	**$ 28,793.96**	**$ 29,623.23**	**$ 30,476.38**	**$ 31,354.10**	**$ 32,257.09**	**$ 33,186.10**	**$ 34,141.86**	**$ 35,125.14**	**$ 36,136.75**
Gas	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Electricity	$ 17,534.10	$ 18,039.08	$ 18,558.61	$ 19,093.10	$ 19,642.98	$ 20,208.69	$ 20,790.71	$ 21,389.48	$ 22,005.49	$ 22,639.25	$ 23,291.26
Water/Sewer	$ 53,133.64	$ 54,663.89	$ 56,238.21	$ 57,857.87	$ 59,524.17	$ 61,238.47	$ 63,002.14	$ 64,816.60	$ 66,683.32	$ 68,603.80	$ 70,579.59
Other Utilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Utilities Subtotal	**$ 70,667.74**	**$ 72,702.97**	**$ 74,796.81**	**$ 76,950.96**	**$ 79,167.15**	**$ 81,447.16**	**$ 83,792.84**	**$ 86,206.08**	**$ 88,688.81**	**$ 91,243.05**	**$ 93,870.85**
Replacement Reserves	$ 37,193.55	$ 38,264.72	$ 39,366.74	$ 40,500.51	$ 41,666.92	$ 42,866.93	$ 44,101.50	$ 45,371.62	$ 46,678.32	$ 48,022.66	$ 49,405.71
Operating Reserves	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Reserves	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reserves Subtotal	**$ 37,193.55**	**$ 38,264.72**	**$ 39,366.74**	**$ 40,500.51**	**$ 41,666.92**	**$ 42,866.93**	**$ 44,101.50**	**$ 45,371.62**	**$ 46,678.32**	**$ 48,022.66**	**$ 49,405.71**
Tenant Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Tenant Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Tenant Services Subtotal	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Grand Total Operating Costs	**$ 960,470.20**	**$ 988,131.74**	**$ 1,016,589.93**	**$ 1,045,867.72**	**$ 1,075,988.71**	**$ 1,106,977.19**	**$ 1,138,858.13**	**$ 1,171,657.24**	**$ 1,205,400.97**	**$ 1,240,116.52**	**$ 1,275,831.88**
Net Operating Income	**$ 429,502.69**	**$ 426,026.70**	**$ 422,057.07**	**$ 417,567.88**	**$ 412,532.05**	**$ 406,921.27**	**$ 400,705.93**	**$ 393,855.11**	**$ 386,336.50**	**$ 378,116.31**	**$ 369,159.26**
Total Loan Payments	**$ 218,042.68**	**$ 218,042.68**	**$ 218,042.68**	**$ 218,042.68**	**$ 218,042.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**
Cash Flow	**$ 211,460.00**	**$ 207,984.01**	**$ 204,014.38**	**$ 199,525.20**	**$ 194,489.37**	**$ 271,228.58**	**$ 265,013.24**	**$ 258,162.43**	**$ 250,643.82**	**$ 242,423.63**	**$ 233,466.57**
Debt Coverage Ratio	**1.97**	**1.95**	**1.94**	**1.92**	**1.89**	**3.00**	**2.95**	**2.90**	**2.85**	**2.79**	**2.72**

Exhibit A-2. Morgan Park Commons – Phase I Projected Operating Income and Expenses

Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41
Year 2044	Year 2045	Year 2046	Year 2047	Year 2048	Year 2049	Year 2050	Year 2051	Year 2052	Year 2053	Year 2054	Year 2055	Year 2056	Year 2057	Year 2058	Year 2059	Year 2060	Year 2061	Year 2062	Year 2063
$ 1,514,277.99	$ 1,544,563.55	$ 1,575,454.82	$ 1,606,963.92	$ 1,639,103.20	$ 1,671,885.26	$ 1,705,322.97	$ 1,739,429.43	$ 1,774,218.02	$ 1,809,702.38	$ 1,845,896.42	$ 1,882,814.35	$ 1,920,470.64	$ 1,958,880.05	$ 1,998,057.65	$ 2,038,018.81	$ 2,078,779.18	$ 2,120,354.77	$ 2,162,761.86	$ 2,206,017.10
$ 363,759.92	$ 371,035.12	$ 378,455.82	$ 386,024.94	$ 393,745.44	$ 401,620.35	$ 409,652.75	$ 417,845.81	$ 426,202.73	$ 434,726.78	$ 443,421.32	$ 452,289.74	$ 461,335.54	$ 470,562.25	$ 479,973.49	$ 489,572.96	$ 499,364.42	$ 509,351.71	$ 519,538.74	$ 529,929.52
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 1,878,037.92	**$ 1,915,598.67**	**$ 1,953,910.65**	**$ 1,992,988.86**	**$ 2,032,848.64**	**$ 2,073,505.61**	**$ 2,114,975.72**	**$ 2,157,275.24**	**$ 2,200,420.74**	**$ 2,244,429.16**	**$ 2,289,317.74**	**$ 2,335,104.10**	**$ 2,381,806.18**	**$ 2,429,442.30**	**$ 2,478,031.15**	**$ 2,527,591.77**	**$ 2,578,143.60**	**$ 2,629,706.48**	**$ 2,682,300.61**	**$ 2,735,946.62**
$ 139,170.53	$ 146,129.06	$ 153,435.51	$ 161,107.29	$ 169,162.65	$ 177,620.78	$ 186,501.82	$ 195,826.92	$ 205,618.26	$ 215,899.17	$ 226,694.13	$ 238,028.84	$ 249,930.28	$ 262,426.80	$ 275,548.13	$ 289,325.54	$ 303,791.82	$ 318,981.41	$ 334,930.48	$ 351,677.00
$ 66,863.10	$ 70,206.26	$ 73,716.57	$ 77,402.40	$ 81,272.52	$ 85,336.14	$ 89,602.95	$ 94,083.10	$ 98,787.25	$ 103,726.62	$ 108,912.95	$ 114,358.60	$ 120,076.53	$ 126,080.35	$ 132,384.37	$ 139,003.59	$ 145,953.77	$ 153,251.45	$ 160,914.03	$ 168,959.73
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 206,033.63	**$ 216,335.32**	**$ 227,152.08**	**$ 238,509.69**	**$ 250,435.17**	**$ 262,956.93**	**$ 276,104.78**	**$ 289,910.01**	**$ 304,405.52**	**$ 319,625.79**	**$ 335,607.08**	**$ 352,387.43**	**$ 370,006.81**	**$ 388,507.15**	**$ 407,932.50**	**$ 428,329.13**	**$ 449,745.59**	**$ 472,232.86**	**$ 495,844.51**	**$ 520,636.73**
$ 1,672,004.28	$ 1,699,263.36	$ 1,726,758.57	$ 1,754,479.17	$ 1,782,413.47	$ 1,810,548.68	$ 1,838,870.95	$ 1,867,365.22	$ 1,896,015.23	$ 1,924,803.37	$ 1,953,710.66	$ 1,982,716.66	$ 2,011,799.37	$ 2,040,935.15	$ 2,070,098.64	$ 2,099,262.64	$ 2,128,398.02	$ 2,157,473.61	$ 2,186,456.10	$ 2,215,309.89

Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40	Year 41
Year 2044	Year 2045	Year 2046	Year 2047	Year 2048	Year 2049	Year 2050	Year 2051	Year 2052	Year 2053	Year 2054	Year 2055	Year 2056	Year 2057	Year 2058	Year 2059	Year 2060	Year 2061	Year 2062	Year 2063
$ 11,472.74	$ 11,803.15	$ 12,143.09	$ 12,492.81	$ 12,852.60	$ 13,222.75	$ 13,603.57	$ 13,995.35	$ 14,398.42	$ 14,813.09	$ 15,239.71	$ 15,678.61	$ 16,130.16	$ 16,594.71	$ 17,072.63	$ 17,564.33	$ 18,070.18	$ 18,590.60	$ 19,126.01	$ 19,676.84
$ 8,713.47	$ 8,964.42	$ 9,222.60	$ 9,488.21	$ 9,761.47	$ 10,042.60	$ 10,331.82	$ 10,629.38	$ 10,935.51	$ 11,250.45	$ 11,574.46	$ 11,907.81	$ 12,250.75	$ 12,603.57	$ 12,966.56	$ 13,339.99	$ 13,724.19	$ 14,119.44	$ 14,526.08	$ 14,944.43
$ 6,535.10	$ 6,723.32	$ 6,916.95	$ 7,116.16	$ 7,321.10	$ 7,531.95	$ 7,748.87	$ 7,972.04	$ 8,201.63	$ 8,437.84	$ 8,680.85	$ 8,930.86	$ 9,188.06	$ 9,452.68	$ 9,724.92	$ 10,005.00	$ 10,293.14	$ 10,589.58	$ 10,894.56	$ 11,208.33
$ 2,904.49	$ 2,988.14	$ 3,074.20	$ 3,162.74	$ 3,253.82	$ 3,347.53	$ 3,443.94	$ 3,543.13	$ 3,645.17	$ 3,750.15	$ 3,858.15	$ 3,969.27	$ 4,083.58	$ 4,201.19	$ 4,322.19	$ 4,446.66	$ 4,574.73	$ 4,706.48	$ 4,842.03	$ 4,981.48
$ 30,787.61	$ 31,674.29	$ 32,586.51	$ 33,525.00	$ 34,490.52	$ 35,483.85	$ 36,505.78	$ 37,557.15	$ 38,638.79	$ 39,751.59	$ 40,896.44	$ 42,074.25	$ 43,285.99	$ 44,532.63	$ 45,815.17	$ 47,134.65	$ 48,492.12	$ 49,888.70	$ 51,325.49	$ 52,803.67
$ 20,331.44	$ 20,916.98	$ 21,519.39	$ 22,139.15	$ 22,776.76	$ 23,432.73	$ 24,107.59	$ 24,801.89	$ 25,516.18	$ 26,251.05	$ 27,007.08	$ 27,784.88	$ 28,585.09	$ 29,408.34	$ 30,255.30	$ 31,126.65	$ 32,023.10	$ 32,945.37	$ 33,894.19	$ 34,870.35
$ 127,071.49	$ 130,731.14	$ 134,496.20	$ 138,369.69	$ 142,354.74	$ 146,454.56	$ 150,672.45	$ 155,011.81	$ 159,476.15	$ 164,069.07	$ 168,794.26	$ 173,655.53	$ 178,656.81	$ 183,802.13	$ 189,095.63	$ 194,541.58	$ 200,144.38	$ 205,908.54	$ 211,838.70	$ 217,939.66
$ 5,808.98	$ 5,976.28	$ 6,148.40	$ 6,325.47	$ 6,507.65	$ 6,695.07	$ 6,887.88	$ 7,086.25	$ 7,290.34	$ 7,500.30	$ 7,716.31	$ 7,938.54	$ 8,167.17	$ 8,402.38	$ 8,644.37	$ 8,893.33	$ 9,149.46	$ 9,412.96	$ 9,684.05	$ 9,962.96
$ 23,235.93	$ 23,905.12	$ 24,593.59	$ 25,301.89	$ 26,030.58	$ 26,780.26	$ 27,551.53	$ 28,345.02	$ 29,161.35	$ 30,001.20	$ 30,865.24	$ 31,754.15	$ 32,668.67	$ 33,609.53	$ 34,577.49	$ 35,573.32	$ 36,597.83	$ 37,651.85	$ 38,736.22	$ 39,851.82
$ 236,861.25	**$ 243,682.85**	**$ 250,700.92**	**$ 257,921.11**	**$ 265,349.23**	**$ 272,991.29**	**$ 280,853.44**	**$ 288,942.02**	**$ 297,263.55**	**$ 305,824.74**	**$ 314,632.49**	**$ 323,693.91**	**$ 333,016.29**	**$ 342,607.16**	**$ 352,474.25**	**$ 362,625.51**	**$ 373,069.12**	**$ 383,813.51**	**$ 394,867.34**	**$ 406,239.52**
$ 104,561.68	$ 107,573.06	$ 110,671.16	$ 113,858.49	$ 117,137.61	$ 120,511.18	$ 123,981.90	$ 127,552.58	$ 131,226.09	$ 135,005.40	$ 138,893.56	$ 142,893.69	$ 147,009.03	$ 151,242.89	$ 155,598.69	$ 160,079.93	$ 164,690.23	$ 169,433.31	$ 174,312.99	$ 179,333.20
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 104,561.68	**$ 107,573.06**	**$ 110,671.16**	**$ 113,858.49**	**$ 117,137.61**	**$ 120,511.18**	**$ 123,981.90**	**$ 127,552.58**	**$ 131,226.09**	**$ 135,005.40**	**$ 138,893.56**	**$ 142,893.69**	**$ 147,009.03**	**$ 151,242.89**	**$ 155,598.69**	**$ 160,079.93**	**$ 164,690.23**	**$ 169,433.31**	**$ 174,312.99**	**$ 179,333.20**
$ 63,535.74	$ 65,365.57	$ 67,248.10	$ 69,184.85	$ 71,177.37	$ 73,227.28	$ 75,336.22	$ 77,505.91	$ 79,738.08	$ 82,034.53	$ 84,397.13	$ 86,827.77	$ 89,328.40	$ 91,901.06	$ 94,547.81	$ 97,270.79	$ 100,072.19	$ 102,954.27	$ 105,919.35	$ 108,969.83
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 117,994.95	$ 121,393.21	$ 124,889.33	$ 128,486.14	$ 132,186.54	$ 135,993.52	$ 139,910.13	$ 143,939.54	$ 148,085.00	$ 152,349.85	$ 156,737.52	$ 161,251.56	$ 165,895.61	$ 170,673.40	$ 175,588.80	$ 180,645.75	$ 185,848.35	$ 191,200.78	$ 196,707.37	$ 202,372.54
$ 108,192.29	$ 111,308.23	$ 114,513.91	$ 117,811.91	$ 121,204.89	$ 124,695.59	$ 128,286.83	$ 131,981.49	$ 135,782.55	$ 139,693.09	$ 143,716.25	$ 147,855.28	$ 152,113.51	$ 156,494.38	$ 161,001.42	$ 165,638.26	$ 170,408.64	$ 175,316.41	$ 180,365.52	$ 185,560.05
$ 32,675.52	$ 33,616.58	$ 34,584.74	$ 35,580.78	$ 36,605.50	$ 37,659.74	$ 38,744.34	$ 39,860.18	$ 41,008.15	$ 42,189.19	$ 43,404.24	$ 44,654.28	$ 45,940.32	$ 47,263.40	$ 48,624.59	$ 50,024.98	$ 51,465.70	$ 52,947.91	$ 54,472.81	$ 56,041.63
$ 322,398.51	**$ 331,683.59**	**$ 341,236.08**	**$ 351,063.68**	**$ 361,174.31**	**$ 371,576.13**	**$ 382,277.52**	**$ 393,287.11**	**$ 404,613.78**	**$ 416,266.66**	**$ 428,255.14**	**$ 440,588.89**	**$ 453,277.85**	**$ 466,332.25**	**$ 479,762.62**	**$ 493,579.78**	**$ 507,794.88**	**$ 522,419.37**	**$ 537,465.05**	**$ 552,944.04**
$ 130,702.10	$ 134,466.32	$ 138,338.95	$ 142,323.11	$ 146,422.02	$ 150,638.97	$ 154,977.37	$ 159,440.72	$ 164,032.61	$ 168,756.75	$ 173,616.95	$ 178,617.12	$ 183,761.29	$ 189,053.61	$ 194,498.36	$ 200,099.91	$ 205,862.79	$ 211,791.64	$ 217,891.24	$ 224,166.50
$ 87,134.73	$ 89,644.21	$ 92,225.97	$ 94,882.07	$ 97,614.68	$ 100,425.98	$ 103,318.25	$ 106,293.81	$ 109,355.08	$ 112,504.50	$ 115,744.63	$ 119,078.08	$ 122,507.53	$ 126,035.74	$ 129,665.57	$ 133,399.94	$ 137,241.86	$ 141,194.43	$ 145,260.82	$ 149,444.34
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 217,836.83	**$ 224,110.53**	**$ 230,564.92**	**$ 237,205.19**	**$ 244,036.70**	**$ 251,064.95**	**$ 258,295.62**	**$ 265,734.54**	**$ 273,387.69**	**$ 281,261.26**	**$ 289,361.58**	**$ 297,695.19**	**$ 306,268.82**	**$ 315,089.36**	**$ 324,163.93**	**$ 333,499.85**	**$ 343,104.65**	**$ 352,986.06**	**$ 363,152.06**	**$ 373,610.84**
$ 13,614.80	$ 14,006.91	$ 14,410.31	$ 14,825.32	$ 15,252.29	$ 15,691.56	$ 16,143.48	$ 16,608.41	$ 17,086.73	$ 17,578.83	$ 18,085.10	$ 18,605.95	$ 19,141.80	$ 19,693.08	$ 20,260.25	$ 20,843.74	$ 21,444.04	$ 22,061.63	$ 22,697.00	$ 23,350.68
$ 6,099.43	$ 6,275.09	$ 6,455.82	$ 6,641.75	$ 6,833.03	$ 7,029.82	$ 7,232.28	$ 7,440.57	$ 7,654.86	$ 7,875.32	$ 8,102.12	$ 8,335.47	$ 8,575.53	$ 8,822.50	$ 9,076.59	$ 9,338.00	$ 9,606.93	$ 9,883.61	$ 10,168.26	$ 10,461.10
$ 21,783.68	$ 22,411.05	$ 23,056.49	$ 23,720.52	$ 24,403.67	$ 25,106.50	$ 25,829.56	$ 26,573.45	$ 27,338.77	$ 28,126.13	$ 28,936.16	$ 29,769.52	$ 30,626.88	$ 31,508.94	$ 32,416.39	$ 33,349.99	$ 34,310.46	$ 35,298.61	$ 36,315.21	$ 37,361.08
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 34,853.89	$ 35,857.69	$ 36,890.39	$ 37,952.83	$ 39,045.87	$ 40,170.39	$ 41,327.30	$ 42,517.53	$ 43,742.03	$ 45,001.80	$ 46,297.85	$ 47,631.23	$ 49,003.01	$ 50,414.30	$ 51,866.23	$ 53,359.98	$ 54,896.74	$ 56,477.77	$ 58,104.33	$ 59,777.73
$ 36,306.14	$ 37,351.76	$ 38,427.49	$ 39,534.20	$ 40,672.78	$ 41,844.16	$ 43,049.27	$ 44,289.09	$ 45,564.62	$ 46,876.88	$ 48,226.93	$ 49,615.87	$ 51,044.80	$ 52,514.89	$ 54,027.32	$ 55,583.31	$ 57,184.11	$ 58,831.01	$ 60,525.34	$ 62,268.47
$ 21,783.68	$ 22,411.05	$ 23,056.49	$ 23,720.52	$ 24,403.67	$ 25,106.50	$ 25,829.56	$ 26,573.45	$ 27,338.77	$ 28,126.13	$ 28,936.16	$ 29,769.52	$ 30,626.88	$ 31,508.94	$ 32,416.39	$ 33,349.99	$ 34,310.46	$ 35,298.61	$ 36,315.21	$ 37,361.08
$ 50,828.59	$ 52,292.46	$ 53,798.48	$ 55,347.88	$ 56,941.90	$ 58,581.82	$ 60,268.98	$ 62,004.73	$ 63,790.46	$ 65,627.63	$ 67,517.70	$ 69,462.21	$ 71,462.72	$ 73,520.85	$ 75,638.25	$ 77,816.63	$ 80,057.75	$ 82,363.41	$ 84,735.48	$ 87,175.86
$ 7,261.23	$ 7,470.35	$ 7,685.50	$ 7,906.84	$ 8,134.56	$ 8,368.83	$ 8,609.85	$ 8,857.82	$ 9,112.92	$ 9,375.38	$ 9,645.39	$ 9,923.17	$ 10,208.96	$ 10,502.98	$ 10,805.46	$ 11,116.66	$ 11,436.82	$ 11,766.20	$ 12,105.07	$ 12,453.69
$ 16,337.76	$ 16,808.29	$ 17,292.37	$ 17,790.39	$ 18,302.75	$ 18,829.87	$ 19,372.17	$ 19,930.09	$ 20,504.08	$ 21,094.59	$ 21,702.12	$ 22,327.14	$ 22,970.16	$ 23,631.70	$ 24,312.29	$ 25,012.49	$ 25,732.85	$ 26,473.95	$ 27,236.40	$ 28,020.81
$ 37,467.94	$ 38,547.01	$ 39,657.17	$ 40,799.29	$ 41,974.31	$ 43,183.17	$ 44,426.85	$ 45,706.34	$ 47,022.68	$ 48,376.94	$ 49,770.19	$ 51,203.57	$ 52,678.24	$ 54,195.37	$ 55,756.20	$ 57,361.97	$ 59,014.00	$ 60,713.60	$ 62,462.15	$ 64,261.06
$ 246,337.15	**$ 253,431.66**	**$ 260,730.49**	**$ 268,239.53**	**$ 275,964.83**	**$ 283,912.62**	**$ 292,089.30**	**$ 300,501.47**	**$ 309,155.91**	**$ 318,059.60**	**$ 327,219.72**	**$ 336,643.65**	**$ 346,338.99**	**$ 356,313.55**	**$ 366,575.38**	**$ 377,132.75**	**$ 387,994.17**	**$ 399,168.41**	**$ 410,664.46**	**$ 422,491.59**
$ 8,423.02	$ 8,665.61	$ 8,915.18	$ 9,171.93	$ 9,436.09	$ 9,707.84	$ 9,987.43	$ 10,275.07	$ 10,570.99	$ 10,875.44	$ 11,188.65	$ 11,510.88	$ 11,842.39	$ 12,183.46	$ 12,534.34	$ 12,895.33	$ 13,266.71	$ 13,648.79	$ 14,041.88	$ 14,446.29
$ 13,505.88	$ 13,894.85	$ 14,295.02	$ 14,706.72	$ 15,130.28	$ 15,566.03	$ 16,014.33	$ 16,475.54	$ 16,950.04	$ 17,438.20	$ 17,940.42	$ 18,457.10	$ 18,988.67	$ 19,535.54	$ 20,098.16	$ 20,676.99	$ 21,272.49	$ 21,885.14	$ 22,515.43	$ 23,163.87
$ 3,340.16	$ 3,436.36	$ 3,535.33	$ 3,637.15	$ 3,741.90	$ 3,849.66	$ 3,960.53	$ 4,074.60	$ 4,191.94	$ 4,312.67	$ 4,436.88	$ 4,564.66	$ 4,696.12	$ 4,831.37	$ 4,970.51	$ 5,113.66	$ 5,260.94	$ 5,412.45	$ 5,568.33	$ 5,728.70
$ 3,340.16	$ 3,436.36	$ 3,535.33	$ 3,637.15	$ 3,741.90	$ 3,849.66	$ 3,960.53	$ 4,074.60	$ 4,191.94	$ 4,312.67	$ 4,436.88	$ 4,564.66	$ 4,696.12	$ 4,831.37	$ 4,970.51	$ 5,113.66	$ 5,260.94	$ 5,412.45	$ 5,568.33	$ 5,728.70
$ 6,825.55	$ 7,022.13	$ 7,224.37	$ 7,432.43	$ 7,646.48	$ 7,866.70	$ 8,093.26	$ 8,326.35	$ 8,566.15	$ 8,812.85	$ 9,066.66	$ 9,327.78	$ 9,596.42	$ 9,872.80	$ 10,157.14	$ 10,449.66	$ 10,750.61	$ 11,060.23	$ 11,378.76	$ 11,706.47
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 1,742.69	$ 1,792.88	$ 1,844.52	$ 1,897.64	$ 1,952.29	$ 2,008.52	$ 2,066.36	$ 2,125.88	$ 2,187.10	$ 2,250.09	$ 2,314.89	$ 2,381.56	$ 2,450.15	$ 2,520.71	$ 2,593.31	$ 2,668.00	$ 2,744.84	$ 2,823.89	$ 2,905.22	$ 2,988.89
$ 37,177.49	**$ 38,248.20**	**$ 39,349.75**	**$ 40,483.02**	**$ 41,648.93**	**$ 42,848.42**	**$ 44,082.45**	**$ 45,352.03**	**$ 46,658.17**	**$ 48,001.92**	**$ 49,384.38**	**$ 50,806.65**	**$ 52,269.88**	**$ 53,775.25**	**$ 55,323.98**	**$ 56,917.31**	**$ 58,556.53**	**$ 60,242.95**	**$ 61,977.95**	**$ 63,762.92**
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 23,962.05	$ 24,652.16	$ 25,362.14	$ 26,092.57	$ 26,844.04	$ 27,617.14	$ 28,412.52	$ 29,230.80	$ 30,072.65	$ 30,938.74	$ 31,829.77	$ 32,746.47	$ 33,689.57	$ 34,659.83	$ 35,658.03	$ 36,684.98	$ 37,741.51	$ 38,828.47	$ 39,946.73	$ 41,097.19
$ 72,612.28	$ 74,703.51	$ 76,854.97	$ 79,068.40	$ 81,345.57	$ 83,688.32	$ 86,098.54	$ 88,578.18	$ 91,129.23	$ 93,753.75	$ 96,453.86	$ 99,231.73	$ 102,089.61	$ 105,029.79	$ 108,054.64	$ 111,166.62	$ 114,368.22	$ 117,662.02	$ 121,050.69	$ 124,536.95
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 96,574.33	**$ 99,355.67**	**$ 102,217.11**	**$ 105,160.97**	**$ 108,189.60**	**$ 111,305.46**	**$ 114,511.06**	**$ 117,808.98**	**$ 121,201.88**	**$ 124,692.49**	**$ 128,283.63**	**$ 131,978.20**	**$ 135,779.18**	**$ 139,689.62**	**$ 143,712.68**	**$ 147,851.60**	**$ 152,109.73**	**$ 156,490.49**	**$ 160,997.41**	**$ 165,634.14**
$ 50,828.59	$ 52,292.46	$ 53,798.48	$ 55,347.88	$ 56,941.90	$ 58,581.82	$ 60,268.98	$ 62,004.73	$ 63,790.46	$ 65,627.63	$ 67,517.70	$ 69,462.21	$ 71,462.72	$ 73,520.85	$ 75,638.25	$ 77,816.63	$ 80,057.75	$ 82,363.41	$ 84,735.48	$ 87,175.86
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 50,828.59	**$ 52,292.46**	**$ 53,798.48**	**$ 55,347.88**	**$ 56,941.90**	**$ 58,581.82**	**$ 60,268.98**	**$ 62,004.73**	**$ 63,790.46**	**$ 65,627.63**	**$ 67,517.70**	**$ 69,462.21**	**$ 71,462.72**	**$ 73,520.85**	**$ 75,638.25**	**$ 77,816.63**	**$ 80,057.75**	**$ 82,363.41**	**$ 84,735.48**	**$ 87,175.86**
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
$ 1,312,575.83	$ 1,350,378.02	$ 1,389,268.90	$ 1,429,279.85	$ 1,470,443.11	$ 1,512,791.87	$ 1,556,360.28	$ 1,601,183.45	$ 1,647,297.54	$ 1,694,739.70	$ 1,743,548.21	$ 1,793,762.40	$ 1,845,422.75	$ 1,898,570.93	$ 1,953,249.77	$ 2,009,503.36	$ 2,067,377.06	$ 2,126,917.52	$ 2,188,172.75	$ 2,251,192.12

$ 359,428.45	**$ 348,885.34**	**$ 337,489.66**	**$ 325,199.33**	**$ 311,970.36**	**$ 297,756.81**	**$ 282,510.67**	**$ 266,181.77**	**$ 248,717.69**	**$ 230,063.66**	**$ 210,162.45**	**$ 188,954.26**	**$ 166,376.62**	**$ 142,364.23**	**$ 116,848.87**	**$ 89,759.28**	**$ 61,020.96**	**$ 30,556.09**	**$ (1,716.65)**	**$ (35,882.24)**
$ 135,692.68	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**	**$ 135,692.68**						
$ 223,735.76	**$ 213,192.66**	**$ 201,796.98**	**$ 189,506.64**	**$ 176,277.67**	**$ 162,064.13**	**$ 146,817.99**	**$ 130,489.09**	**$ 113,025.01**	**$ 94,370.98**	**$ 74,469.77**	**$ 53,261.58**	**$ 30,683.93**	**$ 6,671.54**	**$ 116,848.87**	**$ 89,759.28**	**$ 61,020.96**	**$ 30,556.09**	**$ (1,716.65)**	**$ (35,882.24)**
2.65	**2.57**	**2.49**	**2.40**	**2.30**	**2.19**	**2.08**	**1.96**	**1.83**	**1.70**	**1.55**	**1.39**	**1.23**	**1.05**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

FIRM QUALIFICATIONS

Exhibit A-3. CORPORATE QUALIFICATIONS
APPLIED REAL ESTATE ANALYSIS, INC.

Applied Real Estate Analysis, (AREA) Inc., is a real estate and public policy consulting firm specializing in market research and affordable housing consulting. The firm has more than 30 years of experience preparing market analyses, conducting research on housing policies and programs and advising both public and private sector clients on market issues.

The firm has consulted with clients on affordable housing markets and issues in more than a dozen states, from Connecticut to California. The firm has assisted the U.S. Army and U.S. Coast Guard analyze the adequacy of housing markets to meet their housing needs around facilities from Maine to Hawaii. In Illinois, AREA has been preparing market analyses for projects financed by the Illinois Housing Development Authority since 1990.

AREA is a woman- and minority-owned firm and is a member of the National Council of Housing Market Analysts. AREA's Principals, Maxine Mitchell and Robert Miller, are both members of the Counselors of Real Estate, a peer-based designation recognizing experience, excellence and integrity that is held by fewer than 1,200 real estate professionals world-wide.

EXHIBIT A-4. NCHMA CERTIFICATION

Certificate of Membership

Applied Real Estate Analysis, Inc.
Is a Member Firm in Good Standing of

NCHMA MEMBER

Formerly known as
NCAHMA

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

Membership Term
2/1/2021 to 1/31/2022

Thomas Amdur
President, NCHMA

2020-2021 Site and Market Study Summary Form

(Please complete all highlighted (in yellow) sections of this form. Failure to do so will be grounds for automatic denial of your application)

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:	Morgan Park Commons - Phase I		
Location of the Proposed (City/County):	Chicago/Cook County		
Targeted Tenant Type:	**Family**	45 units	If Other please indicate targeted population:
	Elderly		
	Other		
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**	38 units	Page number: 15
Total Number of other affordable units in the PMA: (should include IHDA, HUD, Rural Housing, Chicago Tax Credits, etc.)	**Number of Units**	2,141	Page number: 18
Rent Schedule (including unit sizes) for Proposed Development:	**Included**	X	Page number: 7
	Not Included		
Occupancy levels for existing affordable properties in PMA:	Included	X	Page number: 18
	Not Included		
Rent Schedule for Comparable Properties:	Included	X	Page number: 16
	Not Included		
Evaluation of the proposed rents to comparable properties in the PMA:	Lower		Evaluation and Explanation found on page: 33-34
	Comparable	X	
	Higher		
Demographic (population) trending for PMA and for targeted tenant population:	Increase		Evaluation and Explanation found on page: 22-23
	Stable		
	Decrease	X	
Demographic (households) trending for PMA and for targeted tenant population:	Increase		Evaluation and Explanation found on page: 22-23
	Stable		
	Decrease	X	
Evaluation of the proposed unit mix to the PMA standard:	Superior	X	Evaluation found on page: 32-33
	Meets		
	Inferior		
Evaluation of the proposed unit sizes (sq. ft.) to the PMA standard:	Superior		Evaluation found on page: 33-35, 46
	Meets	X	
	Inferior		
List of Proposed Development Amenities:	Included	X	Page number: 7-8
	Not Included		
Evaluation of proposed amenities to PMA standard:	Superior	X	Evaluation and Explanation found on page: 7-8, 37, 41
	Equal		
	Inferior		
Estimated absorption period:	Units per month	5.5 or more	Explanation of absorption estimate found on page: 44
	Number of months	8 or less	
Marketability/Visibility of the Site:	Good	X	Explanation found on page: 4, 10
	Average		
	Poor		
Affordable units market penetration including the proposed in the PMA (use ALL income qualified households for PMA ONLY):	Rate	1.12%	Page number: 43-44
Proposed projects' required rate of capture within the PMA (use ALL income qualified households for PMA ONLY):	Rate	0.61%	Page number: 42-43
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	518 or more	Page number: 40-42
	Sufficent Demand (y/n)?	Y	
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		Page number:
	Not Included		
List of major employers in PMA (not required of some projects, see requirements):	Included	X	Page number:
	Not Included		
Economic Stability Analysis / Evaluation of PMA employment (not required of some projects, see requirements):	Growth	X	Analysis found on page: 28-29
	Stability		
	Decline		