



SAND CREEK CAPITAL

216 West Ohio Street
Suite 500
Chicago, Illinois 60654

January 28, 2019

Mr. Erik Hallgren
Financial Services Supervisor
City of Naperville
400 South Eagle Street
Naperville, Illinois 60540

Re: Request for Volume Cap

Dear Mr. Hallgren:

Sand Creek Capital is working with the Silver Street Development Corp. (“Silver Street”), a developer of affordable multifamily housing, to acquire and renovate an apartment complex in Chicago Heights Illinois.

The project, Olympic Village Apartments, is a 320-unit property that serves the housing needs for working families in and around Chicago Heights. Built in 1973, the property has a significant amount of cosmetic deferred maintenance. Following the acquisition Silver Street intends to spend in excess of \$15 million renovating the buildings, updating systems and the units themselves, among other items.

Toward that end, the Chicago Heights has agreed to serve as issuer of a \$25mm tax-exempt revenue bond to assist in financing the property. Chicago Heights has already acted on an inducement resolution for the bond financing and contributed their 2019 home rule volume cap in the amount of \$3,139,605 2004 towards the project. We are seeking additional 2019 volume cap from neighboring Illinois home rule communities to assist us in the financing. We intend to raise approximately \$25 million of private activity bonding authority to finance the acquisition price of the property and costs of renovation.

For 2019, the City of Naperville has been allocated \$15,506,610 in home rule volume cap based on a population of 147,682. We will compensate Naperville a fee of 1.00% (\$155,061.00) for a commitment to transfer the City's cap towards this worthy project. To effect the transfer of Naperville's volume cap the City will need to pass a transfer resolution, a copy of which is attached. I have also attached a project summary which provides a description of the property and an overview to the renovation budget.

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Please call me if this is something Naperville would consider bringing to your council for passage. I would be happy to arrange a call with the principals at Silver Street to walk through their plans for financing of the property. I look forward to hearing from you.

Best Regards,

A handwritten signature in black ink, appearing to read "D. Rasch" with a checkmark-like flourish at the end.

David S. Rasch
President

Attachments