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August 30, 2022

Allison Laff
Deputy Director, Planning & Development
TED Business Group
City of Naperville
400 S. Eagle Street
Naperville, Illinois 60540

Re: Naperville Polo Club
Pulte's voluntary restriction for affordability

Dear Allison,

Pulte has built a strong record of successful development in the City of Naperville, particularly over the last 5-10 years. Recently completed developments include Atwater, Ashwood Pointe, Ashwood Crossing, and Columbia Park Townes. Pulte is currently selling at Wager Farm and Naper Commons. In the course of obtaining approvals for these projects Pulte has heard a growing chorus for diversified housing product and particularly more affordable housing. Pulte is well aware of the City's Priorities Plan 2021 and the pending voluntary affordable housing program working its way through City process.

In light of these considerations, Pulte specifically designed its newest proposed subdivision, Naperville Polo Club, to in response to Naperville's stated priorities. Pulte will target buyers at 80-100% Naperville AMI consistent with household income targets set forth in SB Friedman's Affordable Housing Program. This target demographic for for-sale housing represents household incomes of approximately \$100,000 to \$125,000 and translates to a home purchase price below \$440,000.

Naperville Polo Club will consist of 401 single-family dwelling units. Those dwelling units are dispersed between 4 different series of homes. Specifically, Pulte proposes to construct 149 dwelling units in The Townes, 139 dwelling units in The Springs, 54 dwelling units in The Meadows, and 59 dwelling units in The Estates.

The Meadows and The Estates series homes are standard Pulte product offered at both Wagner Farms and Naper Commons. These homes will be unrestricted and provide a degree of predictability for Pulte. These homes will also serve a very practical purpose of providing a natural transition from existing homes in South Pointe.

The majority of homes in Naperville Polo Club will be in The Springs and The Townes series. The initial sale of homes in these two series will be restricted and specifically target prospective homebuyers at 80-100% Naperville AMI. The Springs will consist of new product to the Chicago market specifically developed for Naperville Polo Club. Pulte will offer five different floor plans with detached single-family homes ranging from 1,700 square feet to 2,600 square feet depending on buyer selected options. The homes will feature smaller, but private yards, and will be constructed on-slab in the base configuration. The Townes provide a different homeowner experience with attached single-family product and common maintenance. Pulte currently proposes three different floor plans in The Townes with homes ranging from 1,858 to 2,474 square feet depending on buyer selected options. The Townes is not new product in the Chicago market, and in fact, similar floor plans are under construction at Naper Commons. However, in the proposed configuration, which eliminates ranch units and limits masonry materials, 20% of The Townes will be sold for less than \$440,000.

Pulte will commit to restricting its initial sale of units in The Springs and The Townes. Specifically, Pulte will commit, pursuant to terms established in an Annexation Agreement for Naperville Polo Club, that a minimum of 20% of the homes in each of The Springs and The Meadows will sell at a price at or below the band of affordability based on 80-100% Naperville AMI. Pulte seeks no financial assistance from Naperville or otherwise associated with this commitment. However, Pulte does not intend to impose a restriction on the future alienability of homes in The Springs or The Townes. Pulte believes that such a restriction would limit the buyer pool by placing artificial restrictions on profit derived from an investment in one's homes.

It should be noted that Pulte anticipates grand opening of sales at Naperville Polo Club in spring of 2024. With a projected 5-year build horizon, final home closings may not occur until 2030. Incomes and costs cannot be expected to remain constant over that extended period. Pulte proposes to utilize current values as herein set forth for 2024 sales and a straight-line acceleration rate of 3.7% annually beginning in 2025. This acceleration rate is based on the average price change of homes in Naperville over the last 10 years as set forth in the chart below.

Year	Median SF Sold Price - Chicagoland	Annual % price change - Chicagoland	Median SF Sold Price - Naperville	Annual % price change - Naperville
2012	\$245,082	-5.6%	\$407,254	-3.7%
2013	\$255,600	4.3%	\$432,749	6.3%
2014	\$275,448	7.8%	\$448,264	3.6%
2015	\$287,222	4.3%	\$446,306	-0.4%
2016	\$298,982	4.1%	\$446,634	0.1%
2017	\$311,692	4.3%	\$477,774	7.0%
2018	\$322,655	3.5%	\$479,684	0.4%
2019	\$326,425	1.2%	\$476,533	-0.7%
2020	\$335,526	2.8%	\$489,474	2.7%
2021	\$400,249	19.3%	\$559,637	14.3%
2022	\$427,795	6.9%	\$621,615	11.1%

This is a significant and new undertaking by Pulte. We believe that the concept is well-formed and consistent with Naperville's developing directives. We appreciate staff's time and attention to this matter.

Sincerely,



Russell G. Whitaker, III
Attorney for Pulte