

February 21, 2023

Ms. Allison Laff, AICP
Deputy Director, Planning and Development
TED Business Group
City of Naperville
400 S. Eagle Street
Naperville, IL 60540
laffa@naperville.il.us

RE: CHANGE ORDER NO. 2– INCLUSIONARY ZONING ORDINANCE ADVISORY SERVICES

Dear Ms. Laff,

Per your request, SB Friedman Development Advisors, LLC (SB Friedman), along with our partner Duncan Associates (Duncan), is pleased to submit this second change order to the City of Naperville (the “City”) for the Inclusionary Zoning Ordinance Advisory Services contract (Procurement 21-054).

SB Friedman and Duncan assisted the City with the development of parameters and a draft ordinance for the Affordable Housing Incentive Program (AHIP). On January 17, 2023, the City Council unanimously voted to proceed with finalizing the ordinance with a revised AHIP.

The City is now seeking the following additional services from SB Friedman and Duncan:

1. Finalize provisions in draft ordinance related to: Affordable Rental Dwelling Unit Occupancy and Rental Restrictions, Affordable For-Sale Dwelling unit Occupancy and Sales Restrictions, Affordable Housing Agreements, and Enforcement
2. Review and edit the draft ordinance (especially as it relates to the above provisions)
3. Meet virtually with City TED and legal staff to discuss the ordinance
4. Meet virtually with one developer to discuss program parameters
5. Produce a chart with current household income thresholds by bedroom for the following breakdowns:

Project Type	Household Income
Rental	Up to 60% Regional Median Household Income
Rental	Up to 50% Local Median Household Income
Rental	Up to 60% Local Median Household Income
For-Sale	Up to 80% Local Median Household Income
For-Sale	Up to 100% Local Median Household Income

No additional attendance at City Council or other meetings is contemplated in this change order.

Estimated Budget

Professional fees for this service will be based on the time required at the then-current hourly billing rates of the staff involved. As shown in greater detail in the budget estimate below, the estimated professional fees for the Scope of Services described above total approximately **\$20,000**. The fee estimate assumes that all meetings will be conducted virtually. Any requests for in-person meetings or additional meetings will be billed hourly, including travel time, in addition to this budget at the then-currently hourly billing rates of the staff involved.

DETAILED BUDGET ESTIMATE

		SB Friedman		Duncan	
TASK		Partner	APM	Principa	
	TOTAL	\$325	\$260	\$215	
1	Finalize provisions related to: Affordable Rental Dwelling Unit Occupancy and Rental Restrictions, Affordable For-Sale Dwelling unit Occupancy and Sales Restrictions, Affordable Housing Agreements, and Enforcement	\$8,980	8	8	20
2	Review and edit the ordinance (especially as it relates to the above provisions)	\$4,395	2	2	15
3	Meet virtually with City TED and legal staff to discuss the provisions and ordinance	\$3,200	4	4	4
4	Meet virtually with one developer to discuss program parameters	\$800	1	1	1
5	Produce a chart with current household income thresholds by bedroom for three rental income thresholds and two for-sale income thresholds	\$2,730	2	8	
Total Hours		80	17	23	40
Total Professional Fees		\$20,105	\$5,525	\$5,980	\$8,600
Total Additional Authorization by Firm		\$20,105	\$11,505		\$8,600

The following current hourly rates apply to this engagement:

SB Friedman Development Advisors

Partner	\$325	Associate	\$195
Vice President	\$275	Research Associate	\$180
Project Manager	\$265	Intern/Admin	\$150
Associate Project Manager	\$235		

Duncan Associates

Principal	\$215
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These rates will remain in effect until December 31, 2023. Publications, maps, outside data, use of owned or licensed databases, deliverable production, and other out-of-pocket expenses are included in this estimate and will be billed in addition to professional fees as incurred (without mark-up).

This fee estimate is intended to serve as a benchmark and is subject to upward revision if the engagement entails more time than estimated due to problems that are encountered which could not reasonably have been foreseen at the commencement of the change order or if the scope is changed. In this event, we will discuss the matter with you so that a mutually acceptable revision may be made. Fees and expenses for our services will not exceed the total fee amount without your further authorization.

Invoices will be rendered not more frequently than monthly as our work progresses for services and costs incurred. Invoices are payable within 30 days.

If at any time the decision is made to discontinue our services, our fee will be based upon the actual time expended and out-of-pocket costs incurred to that date.

Timeline

It is our understanding that the City wishes to adopt the final ordinance in April. We will work with you to meet this and other deadlines for the project.

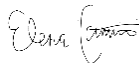
Acceptance Procedures

We appreciate the opportunity to continue to assist the City of Naperville with addressing your housing needs. Please sign and return a copy of this letter to indicate your agreement to these terms.

Sincerely,



Fran Lefor Rood, AICP
Partner
(312) 424-4253, frOOD@sbfriedman.com



Elena Caminer
Associate Project Manager
(312) 424-4257, ecaminer@sbfriedman.com

Accepted:

Signature

Date

Printed Name

Title

LIMITATIONS OF OUR ENGAGEMENT

Our deliverables will be based on estimates, assumptions and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. The sources of information and bases of the estimates and assumptions will be stated in the deliverable. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our report, and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the deliverables or to reflect events or conditions that occur subsequent to the date of the deliverable. These events or conditions include, without limitation, economic growth trends, governmental actions, additional competitive developments, interest rates and other market factors. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

Our deliverables are intended solely for your information. We acknowledge that upon submission to the City of Naperville the documents may become public documents within the meaning of the Freedom of Information Act. Nothing in these limitations is intended to block the disclosure of the documents under such Act.