

## AFTER THE FINANCING



### From Mission to Reality

## Heritage Woods of Minooka

When conceptualizing and developing its latest Supportive Living Facility (SLF), Gardant put an emphasis on three words: love, compassion and dignity. At its new facility, and at all of its pre-existing locations, Gardant focuses on providing residents with the love, compassion and dignity they deserve and on helping each resident maintain as much independence as possible for as long as possible—a noble mission that was recently brought to life with the construction of Heritage Woods of Minooka.

Gardant Management Solutions is the largest provider of assisted living (AL) in Illinois and is the 14th largest in the nation. Together, the communities they manage comprise more than 4,200 senior living, AL and memory care (MC) units. Gardant is committed to providing affordable assisted living (AAL) and spearheaded the first national summit on the topic in 2015. One of the AAL models Gardant helped shape is the Supportive Living Program, which combines apartment-style housing with personal care and other services so residents can live independently. In the SLF senior housing model, a Medicaid waiver obtained by the Illinois Department of Healthcare and Family Services pays for services that are not routinely covered, such as personal care, homemaking, laundry, medication supervision, social activities, recreation, and 24-hour staff to meet the residents' needs.

### The Financing

Gardant partnered with a group of Illinois-based equity investors to construct a new SLF in Minooka, Illinois, to be named Heritage Woods of Minooka. It will be the 40th SLF in Illinois to be managed by Gardant and one of the last facilities to be granted SLF certification in the state.

Gardant worked with its lender to pursue funding for the new construction project. Initially, 4% low-income housing tax credits (LIHTCs) were considered, as they are often an option to fund the equity associated with SLF project development. In this case, however, the ownership group opted for a more traditional equity stack in order to avoid some of the LIHTC-related requirements like funding a Medicaid delayed payment reserve.

Ultimately, the U.S. Department of Housing and Urban Development (HUD)/Federal Housing Administration (FHA) Sec. 232 program was selected to provide debt

financing for the new construction project, as it was the ideal choice for long-term, non-recourse financing. At the time of submission, Gardant's lender sought an alternative to waiting in the queue which would stall progress on the new construction project. Relying on its ability to articulate the credit worthiness of the project and Gardant's impressive resume, the lender worked with HUD to facilitate an early commencement approval. This allowed Gardant to begin construction prior to HUD issuing a firm commitment.

The result was a \$13.4 million loan insured by the FHA Sec. 232 program to fund the construction of Heritage Woods of Minooka. The FHA loan covered the majority of construction costs and the balance was funded by equity from the ownership group. By using the early commencement process, Gardant was able to expedite construction and benefit from projected savings on construction costs and interest payments.

### A Community Comes to Life

Construction of Heritage Woods of Minooka is currently wrapping up as the 2017 spring season arrives. The road to completion began when the property was purchased more than a decade ago with hopes of bringing AAL to the area. A groundbreaking ceremony was held in early 2016 and was "truly a testament to the will, effort and desire to bring this project to this area," according to Chris Ward, one of the developers of the project.

Once open, the community will serve older adults of all incomes, including those on Medicaid, who need some help to maintain their independence. The facility will operate through the Illinois Supportive Living Program, which



Heritage Woods of Minooka under construction.



A rendering of what Heritage Woods of Minooka will look like when complete.

provides a residential alternative to nursing homes. With the community being fully certified by the State of Illinois as a SLF, a financial assistance program is available for those who do not have the financial resources to afford the monthly fee. As such, older adults who are on Medicaid or who only receive Social Security benefits can qualify for residency.

The three-story building is 83,000 square feet and will house 101 studio and one-bedroom apartments. Each of the private apartments will feature a kitchenette with a refrigerator and microwave; a spacious bathroom with shower, a shower bench and grab bars; individually-controlled heating and air conditioning units; and an emergency alert system. The apartments are also equipped with an emergency call device in the bathroom and bedroom. Laundry rooms are available on all three floors and the staff will do laundry upon request.

Community areas include a lounge area for visiting with family and friends, a spacious dining room, recreation room, theater, general store, library, multi-purpose room, TV lounge, fitness area and library. There is also an exercise room where various classes are offered to promote health and wellness, such as stretching activities and a walking club. Other activities offered include crafts, bingo, cooking club, gardening club, card games and frequent bus trips for shopping, dining out, bowling, baseball games, casino trips and more.

Certified nursing assistants, working under the direction of a licensed nurse, will be on-duty 24 hours a day, seven days a week. Heritage Woods of Minooka will offer a variety of amenities and services designed to make residents as comfortable as possible, including: ongoing health monitoring and nursing assessments, assistance with daily living routines, medication set-up, and beauty and barber services.

Minooka Board President Pat Brennan said he is glad this senior housing project has persevered and is coming to the village. Several years ago, when his mother turned 95 and

realized she needed some assistance, he began searching for an AL community. He found a place in Joliet but says he wished there would have been one closer to his home.

“What a great advantage for the people of Minooka to have a place right here at home where they can take their elders, know that it is a wonderful facility and that their loved ones will be taken care of,” Brennan said.

Rob Burkett, CEO of Gardant, said he is looking forward to serving the older adults who will move into the community, which is being built as a result of partnerships between local, state and federal entities.

The project will also benefit the community from an economic perspective. When fully occupied, the community will provide 50 to 55 full-time and part-time jobs. Annual payroll with benefits is projected to be nearly \$1.5 million.

Heritage Woods of Minooka will join more than 40 other communities operated by Gardant in Illinois, Indiana and Georgia. Gardant is a mission-driven company that is dedicated to enriching lives by providing a dignified lifestyle for older adults and their families. With the new addition of Heritage Woods of Minooka, Gardant continues to bring its mission to life.