

SUPPLEMENTAL APPLICATION INFORMATION

&

UPDATED BUDGET

OAKBROOK CORPORATION

GANSER RIDGE APARTMENTS

September 18, 2015

MEMORANDUM

TO: Mary Charnitz (City of Madison CDBG)

FROM: Michael C. Morey

RE: Ganser Ridge Apartments | AHF Application

DATE: September 18, 2015

In response to your email dated September 10, 2015 please find below and attached the additional information you requested with regards to our AHF application for Ganser Ridge Apartments. For your reference, I have included the questions noted in your email in addition to the responses.

1. Please detail the role of Movin Out as a referral agency. Please detail the level of services to be provided and who the service provider will be. Please also detail how tenants will be selected for the supported units and connected to the service provider for services.

A: Our proposal for Ganser Ridge includes 15 units of supportive housing, or 25% of the total dwelling units for the project. The target population for these units will be Military veterans and people with disabilities eligible for long-term care.

Movin Out is a recognized leader in Wisconsin in providing housing opportunities for people with disabilities. The organization has established innovative, effective and efficient methods of collaboration and coordination with direct support service providers and the county agencies responsible for overseeing and funding supportive services and that will assist the project owner in identifying eligible tenants for the supportive housing units. Movin Out consults with tenants, their support teams, and families to ensure they have the supportive services they need to succeed as tenants. The property owner, Oakbrook (as Property Manager) and Movin Out will enter into an agreement called a Tenant Coordination Services Agreement, which outlines our relationship as it relates to coordination with all third party service providers for the provision of supportive services.

As part of the WHEDA application, all applicants that are pledging to create supportive housing units must provide a fully executed Appendix S (see attached Exhibit 1). The Appendix S must be signed by the Developer/Applicant, Property Manager, and the WI Department of Health Services. The Appendix S certification outlines how the parties will work together to ensure sufficient demand for the proposed units. The Appendix S also states that the tenants must have a choice of service provider. The level of services to the tenants will depend on their unique needs and circumstances. In some cases, the tenant will have a live-in care provider. The project will have a separate office/conference room made available to tenants to meet privately with their support providers or housing counselor as necessary.

2. How much time does it take on Metro to get from the site to Jefferson Middle School and from the site to Falk Elementary School?

A: 1) Jefferson Middle School: According to the Madison Metro website, the #73 bus picks up at the corner of Watts and High Point Roads at 7:14 AM for weekday service and drops off at the corner of Gammon and Odana Roads at 7:18 AM. Then the #67 bus picks up at Gammon/Odana at 7:30 AM and drops off at Gammon/Mineral Point Road at 7:31 AM. It would then be a 5-minute walk to Jefferson Middle School with arrival at 7:36. Total time = approximately 22 minutes.

2) Falk Elementary School: There is a Madison Metro School District bus route that stops at 8080 Watts Road (Princeton Club) at 7:10 AM and arrives at Falk Elementary School at 7:30 AM. Please see the attached schedule for the current school year. (Exhibit 2)

3. Your Operating Proforma shows debt service from a first mortgage. Did you include the debt service associated with the City's loan (50% deferred and 50% annual payments)? If not, please resubmit the Capital Budget page to show line item allocations.

A: Please see the enclosed revised Capital Budget worksheet that includes the debt service assumptions for the \$600,000 (50% of the total request) loan that has annual payments. Though the interest rate will not be determined until closing, we are assuming 2.75% per the City RFP in order to be conservative. Based on our assumptions, the project has a Deferred Development Fee of \$328,544. Per the projections, the Deferred Development Fee would be paid off in Year 7. Once the Development Fee has been paid off, amortization of the City Loan will commence. We have not yet seen the City Note for the Maple Grove project, so we do not know how deferred interest would potentially be treated.

4. The Capital Budget page of the application does not include sources. We noted that the sources are listed in the Project Narrative. Are you flexible in assigning specific costs to the City loan? If not, please submit the Capital Budget page to show the line item allocations.

A: Please refer to the revised Capital Budget worksheet. We are flexible to assigning specific costs to the City loan. Our understanding is that 90% of the loan proceeds would be available at closing, with the remaining 10% available at the final draw upon construction completion. With that understanding, I have assigned the loan proceeds to certain line item costs as an example, including the land purchase, design and engineering fees and other closing costs. The 10% from the Final Draw (\$120,000) has been designated for Landscaping, Signage, Playground, and Common Area Furniture.

5. There will be some overlap between completion of the project the City funded in 2015 and the development of Ganser Ridge Apts. Please speak to your capacity to manage both projects.

A: We are on track to close Maple Grove Commons at the end of October 2015. Much of the heavy workload for the project on our end surrounds the completion of the tax credit application, and once awarded, the 2-3 months prior to closing. Ganser Ridge Apartments is our only proposed tax credit development for 2016. Both projects are located in Madison, within close proximity to our corporate office and will be given the full attention by Michael C. Morey (VP, Oakbrook) and Michael L. Morey (President, Oakbrook and sole guarantor). We are accustomed to managing multiple projects at one time and have the dedicated resources available to manage and complete both projects.

6. What is the appraised value after construction?

A: The best information I can provide you would be based on the appraisal we recently received for our Maple Grove Commons development, a project similar to our proposal for Ganser Ridge. In the appraisal, the Income Approach was utilized to determine a stabilized, post-construction value for the property. The appraiser concluded a 6.75% capitalization rate for the property, based on stabilized income and expenses. If we use our Year 1 stabilized projections for Ganser Ridge, per the Budget worksheet (NOI = \$227,486) and divide by the 6.75% cap rate noted above, the assumed value for the subject property would equal approximately \$3,370,000. Please see the attached Exhibit 3 from the Maple Grove appraisal.

7. Please explain how you determined item #12, Ownership Characteristics, on the Self Score.

A: In Item #12 of the WHEDA scoring category, 6 points are awarded to the applicant when the managing member (controlling entity) includes a tax-exempt organization. Please refer to the attached Exhibit 4, which describes the requirements for points under Item #12 as well as a memo from WHEDA providing a broader description of their intentions as to this category. The ownership entity for Ganser Ridge Apartments will include a tax-exempt organization as part of the managing member.

EXHIBIT 1

APPENDIX S

Certification to Create Rental Units for Persons Needing Supportive Services

Project Name: _____
Address: _____
City: _____
Proposed # units-total: _____
Proposed # units-targeted for supportive housing: _____
Target Population(s)*: _____

This certification acknowledges the intent of the Applicant/Developer to seek an allocation of Low Income Housing Tax Credits from WHEDA and to create units appropriate for persons requiring supportive housing. The Applicant/Developer, Property Management Agent and Wisconsin Department of Health Services (WI DHS) must together review the below stated housing proposal prior to submitting the application to WHEDA, and assess the overall need for the proposed housing considering the target population and the development location to ensure there is sufficient demand for proposed units.

WI DHS will review applications submitted between December 1, 2015 and January 15, 2016.

The parties below agree:

- To establish a procedure for filling vacant supported housing units with eligible tenants during lease-up and thru the initial 15-year compliance period. WI DHS shall assist in contacting appropriate local collaborative long term support partners to help find qualifying persons in the event the developer requests additional support. Those persons and/or their representative shall be referred to the management agent.
- To establish and maintain collaborative relationships with WI DHS and any identified case workers/service providers when providing housing to qualifying persons, ensuring they maintain tenancy, and making reasonable accommodations for persons or their service plans.
- That tenants must have choice of service provider, regardless of supportive housing management plan in place.
- To hold open a vacant supportive housing unit for a minimum of 30 days or until WI DHS or local collaborative long term support partners, in conjunction with the management agent, finds a person meeting the target definition and requisite income qualifications to lease the unit. After the 30 days, the unit may be leased to any otherwise income qualifying family or individual.
- The units will be designed with universal design features making them appropriate or readily adaptable to those with disabilities.
- The units will be set aside for those persons having incomes not exceeding 30% of the County Median Income, or the unit or resident will receive a rental subsidy from a government entity.
- To affirmatively market these units to persons with disabilities by establishing an affirmative marketing and fair housing plan, approved by DHS, specifically for the target population in these units. A waiting list policy specifically designed for this target population should also be reviewed by DHS.

[Signature Page Follows.]

This letter MUST be signed by all parties below.

Applicant/Developer

Date

Property Management Agent

Date

WI Department of Health Services

Date

Which LIHTC application is this document for? Check One:

____ Initial LIHTC Application
____ Final (8609) LIHTC Application

Contact information for WI DHS:

WI DHS-Division of Long Term Care; Wisconsin Dept. of Health Services, 1 West Wilson Street, Rm 527; Madison, WI 53703; (608) 267-7286; DHSDLTCHousing@dhs.wisconsin.gov

*Target Population(s) may include, for example: People who have permanent developmental, physical, sensory, medical or mental health disabilities, or a combination of impairments that make them eligible for long term care services.

Examples of local collaborative long term support partners include: Aging and Disability Resource Centers serving each Wisconsin County, Managed Care Organizations, and County Human Service Agencies.

EXHIBIT 2
TRIP SUMMARY by TRIP
Ordered by Trip Name

09/11/2015

FALK BLUE RTE AM

177		Windsor-Engnell, Brett	
<u>TIME</u>	<u>LOCATION</u>		
2 7:08 am	N LINCOLN RIDGE DR & WATTS RD		
3 7:09 am	ASTER LN & WATTS RD		
4 7:10 am	8080 WATTS RD-PRINCETON CLUB		
5 7:11 am	502 PLAZA DR		
6 7:14 am	HIGH POINT OAKS LN & HIGH POINT RD		
7 7:17 am	KOTTKE DR & SKY RIDGE DR		
8 7:18 am	E VALLEY RIDGE DR & SKY CIR		
9 7:19 am	FLAGSHIP DR & HARBOR HOUSE DR		
10 7:20 am	KOTTKE DR & WATTS RD		
11 7:21 am	742 S GAMMON-COUNTRY MEADW APT		
12 7:30 am	FALK ELEM (011)		

FALK RED RTE PM

197		Woldt, Scott	
<u>TIME</u>	<u>LOCATION</u>		
2 2:37 pm	FALK ELEM (011)		
3 2:52 pm	KINDERCARE -- 6726 RAYMOND RD		
4 2:55 pm	MIDTOWN RD & S GAMMON RD		
5 2:59 pm	7118 RAYMOND RD		
6 3:00 pm	MUIR FIELD RD & PAGHAM DR		
7 3:01 pm	MUIR FIELD RD & GLADSTONE DR		
8 3:02 pm	GLADSTONE DR & SCENIC RIDGE DR		
9 3:03 pm	BERKLEY DR&GLADSTONE DR&WENTWORTH		

FALK BLUE RTE PM

177		Windsor-Engnell, Brett	
<u>TIME</u>	<u>LOCATION</u>		
2 2:37 pm	FALK ELEM (011)		
3 2:55 pm	ASTER LN & WATTS RD		
4 2:56 pm	8080 WATTS RD-PRINCETON CLUB		
5 2:57 pm	502 PLAZA DR		
6 3:00 pm	HIGH POINT OAKS LN & S HIGH POINT RD		
7 3:01 pm	N LINCOLN RIDGE DR & WATTS RD		
8 3:03 pm	KOTTKE DR & SKY RIDGE DR		
9 3:04 pm	E VALLEY RIDGE DR & SKY CIR		
10 3:05 pm	FLAGSHIP DR & HARBOR HOUSE DR		
11 3:06 pm	KOTTKE DR & WATTS RD		
12 3:07 pm	742 S GAMMON-COUNTRY MEADW APT		

FALK RED RTE AM

197		Woldt, Scott	
<u>TIME</u>	<u>LOCATION</u>		
2 7:05 am	KINDERCARE--6726 RAYMOND RD		
3 7:07 am	7118 RAYMOND RD		
4 7:11 am	MIDTOWN RD & S GAMMON RD		
5 7:13 am	MUIR FIELD RD & PAGHAM DR		
6 7:14 am	MUIR FIELD RD & GLADSTONE DR		
7 7:15 am	GLADSTONE DR & SCENIC RIDGE DR		
8 7:16 am	BERKLEY DR&GLADSTONE DR&WENTWORTH		
9 7:19 am	LINDFIELD RD & WHITLOCK RD		
10 7:30 am	FALK ELEM (011)		

EXHIBIT 3

PRO-FORMA INCOME AND EXPENSES

Maple Grove Commons
Restricted Rent Market Value

	<u>Per Unit</u>	<u>Percentage</u>	<u>Amount</u>
Rental Income	\$9,971	99.4%	\$797,652
Parking Income	\$357	3.6%	\$28,560
Other Income	<u>\$200</u>	<u>2.0%</u>	<u>\$16,000</u>
Potential Gross Income	\$10,528	105.0%	\$842,212
Less: Vacancy	<u>-\$499</u>	<u>-5.0%</u>	<u>-\$39,883</u>
Effective Gross Income	\$10,029	100.0%	\$802,329
Payroll	\$775	7.7%	\$62,000
Administrative	\$300	3.0%	\$24,000
Advertising	\$40	0.4%	\$3,200
Management Fee	\$602	6.0%	\$48,140
Maintenance	\$775	7.7%	\$62,000
Utilities	\$1,000	10.0%	\$80,000
Property Taxes	\$1,540	15.4%	\$123,200
Insurance	\$250	2.5%	\$20,000
Reserves	<u>\$300</u>	<u>3.0%</u>	<u>\$24,000</u>
Total Expenses	\$5,582	55.7%	\$446,540
Net Operating Income	\$4,447	44.3%	\$355,789

VALUATION:

Net Operating Income	\$355,789
Direct Capitalization Rate	<u>6.75%</u>
Indicated Value	\$5,270,952
Prospective Stabilized Restricted Rent Market Value	\$5,270,000
Less: Lost Revenue during Absorption	<u>-\$132,942</u>
Indicated Value	\$5,137,058
Prospective Completed Restricted Rent Market Value	\$5,140,000

EXHIBIT 4

12. Ownership Characteristics

Do you wish to claim points for this scoring category?

Check Box	Points	Item
☐	6	<p>Developments where the controlling entity (managing member or general partner) is at least 51% owned and controlled by a member of an ethnic minority group as defined by the Wisconsin Department of Transportation, "Minority Business Enterprise Certification Program" found at http://www.dot.wisconsin.gov/business/mbc.</p> <ol style="list-style-type: none"> Controlling entity must have acceptable previous experience in the development and/or operation of housing similar to that proposed in the application. Attach evidence of previous experience. Attach the actual Minority Business Enterprise Certificate. Attach a development operating agreement or MOU document reflecting that the Minority Business has at least 51% stake in all aspects of the development including but not limited to ownership, cash-flow, and voting rights. Either the Developer or Co-Developer listed in application must be the Minority Business Enterprise. <p>Please name the ethnic minority group for the member (i.e. Native American, Black, Hispanic, Asian Indian, Asian Pacific, Aleut, Eskimo, or Native Hawaiian):</p>
☐	3	<p>Developments where the controlling entity (managing member or general partner) is at least 30% owned and controlled by a member of an ethnic minority group as defined by the Wisconsin Department of Transportation, "Minority Business Enterprise Certification Program" found at http://www.dot.wisconsin.gov/business/mbc.</p> <ol style="list-style-type: none"> Controlling entity minority member must have acceptable previous experience in the development and/or operation of housing similar to that proposed in the application. Attach evidence of previous experience for the member. Attach a development operating agreement or MOU document reflecting that the minority member has at least 30% stake in all aspects of the development including but not limited to ownership, cash-flow, and voting rights. <p>Please name the ethnic minority group for the member (i.e. Native American, Black, Hispanic, Asian Indian, Asian Pacific, Aleut, Eskimo, or Native Hawaiian):</p>
☐	6	<p>The controlling entity (managing member or general partner) is at least 51% owned and controlled by a tax-exempt organization (including local governments, public housing authorities or Tribal Authorities) with acceptable previous experience in the development and/or operation of housing similar to that proposed in the application.</p> <ol style="list-style-type: none"> Attach evidence of previous experience. Attach a copy of the partnership agreement or MOU (Memorandum of Understanding) addressing who has direct control, and to what extent, as well as who has the ultimate decision-making responsibility for the entity. The Tax Exempt Organization must have at least 51% stake in all aspects of the development including but not limited to ownership.

Minority and/or tax exempt entity and ownership percentage must be reflected in Ownership Entity section of the Application in order to receive points in this category (Example: reflect that the tax exempt or minority member has a minimum 0.051% ownership interest in the Managing Member)

Maximum Points: 6	Total Points: <input type="text" value="0"/>
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WHEDA

**WHEDA
2015 LIHTC Program
Frequently Asked Questions
Revised January 2015**

Q: What should applicants use for credit pricing assumptions in their 2015 applications?

A: Any value between 87 cents and 93 cents.

Q: What should applicants use for permanent loan terms/rate in their 2015 LIHTC application?

A: Use WHEDA's then-published Permanent Financing for 9% LIHTC Projects with 35-year term & amortization. However, an applicant may use other more aggressive terms (lower interest rate, longer amortization etc.) if a term-specific, executed financing commitment accompanies the application.

Q: What should applicants use for tax credit percentage rate(s)?

A: Both the 4% and 9% rates are floating, therefore applicants should use the published January 2015 rates.

Q: Scoring - Category 5, Serves Large Families: Will historical adaptive reuse projects be exempt from the ground floor private entrance requirement?

A: No. All new construction and adaptive reuse projects must meet this requirement to score points in Category 5.

Q: Scoring - Category 6, Serves Lowest-Income Residents: Can a development score more than 70 points without the 10 point bonus (10% or more 30% CMI units) in the "Serves Lowest-Income Residents" category?

A: No. The 10 point bonus is meant to be separate and distinct from the 70 point calculation. The only way to score more than 70 is by meeting the 10 point bonus criteria.

Q: Scoring - Category 6, Serves Lowest-Income Residents: If I score points in Category 7, Integrated Supportive Housing will you allow all of the units at the project covered by a voucher or rental subsidy as a 50% unit?

A: No. Only vouchers or rental subsidies on units that are targeted for a supportive housing will be counted as a 50% unit for the point calculation in Category 6.

Q: Scoring - Category 7, Integrated Supportive Housing: When should I work with WI DHS to get my Appendix S approved?

A: Please contact WI DHS as soon as possible, however; they will only review applications submitted between November 1, 2014 and January 15, 2015.

Q: Scoring – Category 15, Readiness to Proceed: What is meant by a conditional use permit, to what level do I need approval?

A: As stated in the scoring category, final plan & design approvals are not required for points to be awarded. If you are unclear if current zoning permits your proposed development, contact the local zoning department to explore their definition of “conditional use permit” as every municipality has a different definition or uses a different term. In summary WHEDA has to have a level of comfort that the current zoning in place will allow your specific multifamily use with the specific number of units to be built without additional approvals required (besides final plan & design approvals). You can also call any Commercial Loan Officer at WHEDA to obtain further clarification.

Q: Scoring - Category 17, Employment Centers and High Need Areas: Can an elderly project score points in this category?

A: Yes, all projects except those that apply in the Preservation Set-Aside are allowed to score points in this category.

Q: Scoring - General: Some categories refer to distances. How does WHEDA define the start point and measure the distance?

A: Applicants may use any outside boundary of the site(s) as the starting point. The distance is measured “as the crow flies” - not driving or walking distance.

Q: Scoring - Employment Centers/High Need Areas. My application might have scattered sites. How do I score in this Employment Center or High Needs category?

A: At least 2/3 of the sites must meet the scoring criteria in order to qualify for points.

Q: Scoring - Employment Centers. Will WHEDA accept anything else (in lieu of actual letters from employers) to document proximity of jobs?

A: No. WHEDA will not accept anything other than an employer support letter, with all its required components. If the employer is neutral to the project, or is not willing to support it with the required letter, no points will be awarded. [Note: points can be awarded if the project site is in one of the census tracts listed in Appendix R.]

Q: Can I apply as a developer with more than three applications?

A: Yes. The limit is imposed on awards, not applications. An applicant would need to withdraw one application if their three applications all scored high enough. WHEDA will contact the applicant if this occurs.

Q: The QAP limits developers to only two awards, but allows a third award if the developer acts as a co-developer. Is it OK to be a developer on one application, and co-developer on two?

A: Yes

Q: Can I be a co-developer on three applications?

A: Yes.

Q: Can I be a co-developer on more than three applications?

A: No. WHEDA suggests co-developers refrain from participating in more than three applications. The Primary Applicant would need to withdraw an application (or drop the co-developer) if the co-developer participates in more than three applications that score high enough to qualify for an award.

Q: I am a large well established for-profit developer. Can I be the Developer under the Non-Profit Set-Aside, if I have a smaller not-for-profit co-developer?

A: No. Under Non-Profit Set-Aside, the QAP states: "*The non-profit must be named as the "Primary Applicant/Developer" and must be a "qualified nonprofit organization" as defined in Section 42*".

Q: Besides my own business considerations, what should I keep in mind regarding my decision to be the Primary Developer, the co-developer, or a consultant?

A: There are too many variables in this decision to be fully discussed here. But here are a few factors that are outlined in the 2013 QAP and the LIHTC application which might be helpful to applicants:

Primary Developer: Limited to two awards, except a third is allowed if acts as a co-developer. Developer scoring will done based on scores of the Primary Developer and the Co-Developer (if any). WHEDA will use the higher of the following: 1) The Primary Developer individually or 2) the average scores of the Primary Developer and Co-Developer.

Co-Developer: Three applications maximum. Developer scoring will done based on scores of the Primary Developer and the Co-Developer (if any). WHEDA will use the higher of the following: 1) The Primary Developer individually or 2) the average scores of the Primary Developer and Co-Developer. A co-developer is expected to own an interest in the controlling entity (managing member or general partner) for the project, materially participate in the development of the project, and make financial guarantees to the investor. A Co-Developer must sign the application.

Consultant: There is no limitation on number of consulting roles. A strong and experienced consultant may help increase a Primary Developer's Development Team score, but typically only in the "Ability to Bring Strong Players together" sub-category. A consultant is typically not expected to provide guarantees nor own an interest in the controlling entity. A consultant does not need to sign the application.

* Q. In Category 12, Ownership Characteristics, what is WHEDA expectation in regards to the statement, "The Tax Exempt Organization must have at least 51% stake in all aspects of the development including but not limited to ownership."?

A. WHEDA expects that the Tax Exempt Organization will have at least 51% ownership of the Managing Member LLC and significantly participate in the project from the development stage throughout the 15 year compliance period. The MOU must reflect that the Tax Exempt Organization will have significant participation including but not limited to voting rights and cash flow. The MOU must also reflect 51% ownership of the general partner, but does not necessarily need to reflect the Tax Exempt Organization having 51% rights to cash flow, development fee, or other financial aspects of the project. However, WHEDA has the expectation that the Tax Exempt Organization will be appropriately compensated for their direct involvement or costs associated with the project.

ORGANIZATION:

OAKBROOK CORPORATION

1. CAPITAL BUDGET

Enter the proposed project capital budget. Identify the fund source and terms and whether the funds have been already committed or are proposed. Place a C next to source if funds have already been committed and a P next to source if the fund source is proposed. Ex.: Acquisition: \$300,000 HOME (P), \$100,000 from CDBG (P), \$200,000 from Anchor Bank @5% interest/15 years (C).

	TOTAL	Amount	Source/Terms	Amount	Source/Terms	Amount	Source/Terms	Amount	Source/Terms	Amount	Source/Terms
Acquisition Costs:											
Acquisition	0	0		0		0		0		0	
Title Insurance and Recording	15,000	15,000		0		0		0		0	
Appraisal	7,500	7,500		0		0		0		0	
Predv/pmnt/feasibility/market study	12,500	12,500		0		0		0		0	
Survey	5,000	5,000		0		0		0		0	
Marketing	75,000	75,000		0		0		0		0	
Relocation	0	0		0		0		0		0	
Other (List)											
Land	840,000	840,000	\$840,000 AHF Loan (P)	0		0		0		0	
Construction:											
Construction Costs	6,907,530	6,907,530		0		0		0		0	
Soils/Site Preparation	0	0		0		0		0		0	
Construction Mgmt	0	0		0		0		0		0	
Landscaping, Play Lots, Signage	100,000	100,000	\$100,000 AHF Loan (P)	0		0		0		0	
Construction Interest	35,054	35,054		0		0		0		0	
Permits; Print Plans/Specs	0	0		0		0		0		0	
Other (List)											
Loan Fees + RE Taxes	30,543	30,543		0		0		0		0	
Fees:											
Architect	150,000	150,000	\$150,000 AHF Loan (P)	0		0		0		0	
Engineering	0	0		0		0		0		0	
Accounting	15,000	15,000		0		0		0		0	
Legal	100,000	100,000	\$90,000 AHF Loan (P)	0		0		0		0	
Development Fee	1,050,000	1,050,000		0		0		0		0	
Leasing Fee	0	0		0		0		0		0	
Other (List)											
	0	0		0		0		0		0	
	0	0		0		0		0		0	
Project Contingency:											
	0	0		0		0		0		0	
Furnishings:											
	50,000	50,000	\$20,000 AHF Loan (P)	0		0		0		0	
Reserves Funded from Capital:											
Operating Reserve	250,000	250,000		0		0		0		0	
Replacement Reserve	0	0		0		0		0		0	
Maintenance Reserve	0	0		0		0		0		0	
Vacancy Reserve	0	0		0		0		0		0	
Lease Up Reserve	0	0		0		0		0		0	
Other: (List)											
Impact, TC Fees, WHEDA	202,000	202,000		0		0		0		0	
TOTAL COSTS:	9,845,127	9,845,127		0		0		0		0	

ORGANIZATION: **OAKBROOK CORPORATION**

2. TOTAL PROJECT PROFORMA

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
Gross Income	583,031	594,692	606,585	618,717	631,092	643,713	656,588	669,719	683,114	696,776	710,712	724,926	739,424	754,213	769,297	784,683
Less Vacancy/Bad Debt	40,812	41,628	42,461	43,310	44,176	45,060	45,961	46,880	47,818	48,774	49,750	50,745	51,760	52,795	53,851	54,928
Income from Non-Residential Use*	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,024	19,404	19,792	20,188
Total Revenue	557,219	568,363	579,730	591,325	603,152	615,215	627,519	640,069	652,871	665,928	679,247	692,832	706,688	720,822	735,238	749,943
Expenses:																
Office Expenses and Phone	9,000	9,225	9,456	9,692	9,934	10,183	10,437	10,698	10,966	11,240	11,521	11,809	12,104	12,407	12,717	13,035
Real Estate Taxes	72,000	73,800	75,645	77,536	79,475	81,461	83,498	85,585	87,725	89,918	92,166	94,470	96,832	99,253	101,734	104,277
Advertising, Accounting, Legal Fees	15,300	15,683	16,075	16,476	16,888	17,311	17,743	18,187	18,642	19,108	19,585	20,075	20,577	21,091	21,618	22,159
Payroll, Payroll Taxes and Benefits	65,000	66,625	68,291	69,998	71,748	73,542	75,380	77,265	79,196	81,176	83,205	85,286	87,418	89,603	91,843	94,139
Property Insurance	15,000	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733	19,201	19,681	20,173	20,678	21,195	21,724
Mtc, Repairs and Mtc Contracts	42,000	43,050	44,126	45,229	46,360	47,519	48,707	49,925	51,173	52,452	53,764	55,108	56,485	57,897	59,345	60,829
Utilities (gas/electric/fuel/water/sewer)	60,000	61,500	63,038	64,613	66,229	67,884	69,582	71,321	73,104	74,932	76,805	78,725	80,693	82,711	84,778	86,898
Property Mgmt	33,433	34,102	34,784	35,480	36,189	36,913	37,651	38,404	39,172	39,956	40,755	41,570	42,401	43,249	44,114	44,997
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	18,000	18,450	18,911	19,384	19,869	20,365	20,874	21,396	21,931	22,480	23,042	23,618	24,208	24,813	25,434	26,069
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	329,733	337,809	346,084	354,562	363,249	372,149	381,268	390,612	400,185	409,994	420,044	430,341	440,892	451,702	462,778	474,127
Net Operating Income	227,486	230,554	233,646	236,763	239,903	243,065	246,251	249,458	252,686	255,934	259,203	262,490	265,796	269,120	272,460	275,816
Debt Service:																
First Mortgage	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)																
City of Madison Loan (2.75%)	0	0	0	0	0	0	0	23,393	23,393	23,393	23,393	23,393	23,393	23,393	23,393	23,393
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	189,624	189,624	189,624	189,624	189,624	189,624	189,624	213,017	213,017	213,017	213,017	213,017	213,017	213,017	213,017	213,017
Total Annual Cash Expenses	519,357	527,433	535,708	544,186	552,873	561,773	570,892	603,629	613,202	623,011	633,061	643,358	653,909	664,719	675,795	687,144
Total Net Operating Income	37,862	40,930	44,022	47,139	50,279	53,441	56,627	36,441	39,669	42,917	46,186	49,473	52,779	56,103	59,443	62,799
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	37,862	40,930	44,022	47,139	50,279	53,441	54,871	0	0	0	0	0	0	0	0	0
Cash Flow	0	0	0	0	0	0	1,756	36,441	39,669	42,917	46,186	49,473	52,779	56,103	59,443	62,799

*Including commercial tenants, laundry facilities, vending machines, parking spaces, storage spaces or application fees.

DCR Hard Debt	1.20	1.22	1.23	1.25	1.27	1.28	1.30	1.32	1.33	1.35	1.37	1.38	1.40	1.42	1.44	1.45
DCR Total Debt	1.20	1.22	1.23	1.25	1.27	1.28	1.30	1.17	1.19	1.20	1.22	1.23	1.25	1.26	1.28	1.29

Assumptions

Vacancy Rate	7.0%
Annual Increase Income	2.0%
Annual Increase Expenses	2.5%
Other	

ORGANIZATION:

OAKBROOK CORPORATION

2. TOTAL PROJECT PROFORMA (cont.)

Enter total Revenue and Expense information for the proposed project for a 30 year period.

	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Gross Income	800,377	816,384	832,712	849,366	866,353	883,680	901,354	919,381	937,769	956,524	975,655	995,168	1,015,071	1,035,373
Less Vacancy/Bad Debt	56,026	57,147	58,290	59,456	60,645	61,858	63,095	64,357	65,644	66,957	68,296	69,662	71,055	72,476
Income from Non-Residential Use*	20,592	21,004	21,424	21,852	22,289	22,735	23,190	23,653	24,127	24,609	25,101	25,603	26,115	26,638
Total Revenue	764,942	780,241	795,846	811,763	827,998	844,558	861,449	878,678	896,252	914,177	932,460	951,109	970,131	989,534
Expenses:														
Office Expenses and Phone	13,361	13,695	14,037	14,388	14,748	15,116	15,494	15,881	16,279	16,685	17,103	17,530	17,968	18,418
Real Estate Taxes	106,884	109,557	112,295	115,103	117,980	120,930	123,953	127,052	130,228	133,484	136,821	140,242	143,748	147,341
Advertising, Accounting, Legal Fees	22,713	23,281	23,863	24,459	25,071	25,698	26,340	26,999	27,674	28,365	29,074	29,801	30,546	31,310
Payroll, Payroll Taxes and Benefits	96,493	98,905	101,378	103,912	106,510	109,173	111,902	114,700	117,567	120,506	123,519	126,607	129,772	133,016
Property Insurance	22,268	22,824	23,395	23,980	24,579	25,194	25,824	26,469	27,131	27,809	28,504	29,217	29,947	30,696
Mtc, Repairs and Mtc Contracts	62,349	63,908	65,506	67,143	68,822	70,542	72,306	74,114	75,966	77,866	79,812	81,808	83,853	85,949
Utilities (gas/electric/fuel/water/sewer)	89,070	91,297	93,580	95,919	98,317	100,775	103,294	105,877	108,524	111,237	114,018	116,868	119,790	122,784
Property Mgmt	45,897	46,814	47,751	48,706	49,680	50,673	51,687	52,721	53,775	54,851	55,948	57,067	58,208	59,372
Operating Reserve Pmt	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Pmt	26,721	27,389	28,074	28,776	29,495	30,232	30,988	31,763	32,557	33,371	34,205	35,060	35,937	36,835
Support Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	485,756	497,670	509,878	522,386	535,202	548,334	561,789	575,575	589,701	604,174	619,004	634,200	649,769	665,723
Net Operating Income	279,187	282,571	285,968	289,377	292,796	296,224	299,660	303,103	306,551	310,002	313,456	316,910	320,362	323,812
Debt Service:														
First Mortgage	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624
Second Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (List)														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624	189,624
Total Annual Cash Expenses	675,380	687,294	699,502	712,010	724,826	737,958	751,413	765,199	779,325	793,798	808,628	823,824	839,393	855,347
Total Net Operating Income	89,563	92,947	96,344	99,753	103,172	106,600	110,036	113,479	116,927	120,378	123,832	127,286	130,738	134,188
Debt Service Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	89,563	92,947	96,344	99,753	103,172	106,600	110,036	113,479	116,927	120,378	123,832	127,286	130,738	134,188

*Including laundry facilities, vending machines, parking spaces, storage spaces or application fees.

DCR Hard Debt	1.47	1.49	1.51	1.53	1.54	1.56	1.58	1.60	1.62	1.63	1.65	1.67	1.69	1.71
DCR Total Debt	1.47	1.49	1.51	1.53	1.54	1.56	1.58	1.60	1.62	1.63	1.65	1.67	1.69	1.71

Assumptions

Vacancy Rate	7.0%
Annual Increase Income	2.0%
Annual Increase Expenses	2.5%
Other	