

Youth-Centered Housing Development (YCHD) Application

This application form should be used for projects seeking City of Madison YCHD funds. Please format for logical page breaks. Applications must be submitted electronically to the City of Madison Community Development Division by **noon on July 14, 2023**. Email to: cddapplications@cityofmadison.com

APPLICANT INFORMATION

Proposal Title:	The 1202		
Name of Applicant:	Northernstar Companies		
Mailing Address:	133 S. 76 th St Unit 2 Milwaukee, WI 53214		
Telephone:	414-379-8922	Fax:	
Admin Contact:	James Methu	Email Address:	james@northernstarcompanies.com
Project Contact:	James Methu	Email Address:	james@northernstarcompanies.com
Financial Contact:	James Methu	Email Address:	james@northernstarcompanies.com
Website:	https://www.northernstarcompanies.com/		
Legal Status of Maj. Owner:	<input checked="" type="checkbox"/> For-profit	<input type="checkbox"/> Non-profit	LIHTC Application (if applicable): <input checked="" type="checkbox"/> 4% only <input type="checkbox"/> 4+4% <input type="checkbox"/> 9%
Anticipated WHEDA Set-Aside (if applicable):	<input type="checkbox"/> General	<input type="checkbox"/> Non-Profit	<input checked="" type="checkbox"/> Supportive Housing
Federal EIN:	82-2743900	SAM/ UEI #:	

* If seeking federal funds

AFFIRMATIVE ACTION

If funded, applicant hereby agrees to comply with the City of Madison Ordinance 39.02 and file either an exemption or an affirmative action plan with the Department of Civil Rights. A Model Affirmative Action Plan and instructions are available at <https://www.cityofmadison.com/civil-rights/contract-compliance/affirmative-action-plan/individual-developers>.

LOBBYING RESIGTRATION

Notice regarding lobbying ordinance: If you are seeking approval of a development that has over 40,000 gross square feet of non-residential space, or a residential development of over 10 dwelling units, or if you are seeking assistance from the City with a value of over \$10,000 (this includes grants, loans, TIF, or similar assistance), then you likely are subject to Madison's lobbying ordinance, sec. 2.40, MGO. **You are required to register and report your lobbying.** Please consult the City Clerk for more information. Failure to comply with the lobbying ordinance may result in fines of \$1,000 to \$5,000. You may register at <https://www.cityofmadison.com/clerk/lobbyists/lobbyist-registration>.

CITY OF MADISON CONTRACTS

If funded, applicant agrees to comply with all applicable local, state and federal provisions. A sample contract that includes standard provisions may be obtained by contacting the Community Development Division at (608) 266-6520.

If funded, the City of Madison reserves the right to negotiate the final terms of a contract with the selected agency.

SIGNATURE OF APPLICANT

Enter Name: James Methu

By submitting this application, I affirm that the statements and representations are true to the best of my knowledge.

By entering your initials in this box **JM** you are electronically signing your name as the submitter of the application and agree to the terms listed above.

Date: July 13, 2023

PROPOSAL DESCRIPTION

1. Please provide a brief overview of the proposal. Describe the impact of the proposed development on the community as well as other key characteristics.

Our proposed 60 unit project will be named The 1202. This project will be a youth centered housing development of 50 affordable units of housing with 13 set aside for youth located on 1202 S. Park St. There will be independent living program services to support youth who are living in the development. Supportive services may include help with housing navigation, basic necessities, professional mentorships, community connections, referrals, and education. This project will impact the community in a multitude of ways. It will create a safe space for you aging out of in home care with on site services provided bi-weekly.

2. Please describe the following aspects of the proposed development:

Total number of units: 60
 Total number affordable of units (<60% CMI): 50 Total % affordable of units (<60% CMI): 83.3%
 Total amount of AHF requested per affordable unit: 40,000
 Number of units supported by Section 8 project-based vouchers, if known: _____ PBV CMI level: _____
This project will have a Permanent Period of Affordability Commitment

3. Please indicate the organization of the development team for the proposed development:

- Non-Profit Developer For-Profit Developer
 Non-Profit Controlling Member For-Profit Controlling Member

AFFORDABLE HOUSING NEEDS

4. Describe Development Team’s knowledge of and experience in addressing the affordable housing needs of young adults.

Our development team has knowledge and experience in addressing the housing needs of young adults. 3 of our development projects have supportive service needs for young individuals and families facing homelessness including in Milwaukee, Beloit and La Crosse Wisconsin. Northernstar Companies also focuses on Naturally Occurring Affordable Housing and focuses on young families in Milwaukee County.

INTEGRATED SUPPORTIVE HOUSING UNITS

5. If greater than eight, provide the number and percent of Integrated Supportive Housing Units proposed, the income category(ies) targeted for these units?

13 units or 21.6% of the units in the development. The income category is the 30% AMI.

6. Describe the consultation and coordination between Developer, the Property Manager and the lead Supportive Service Coordination Agency that occurred prior to this application and planned to design the development in terms of matching unit mix (income and size) to the targeted population.

The Developer, and Property Manager have a long standing relationship and have worked together in the past (both firms lead by ACRE graduates). The Supportive Service Coordination Agency Workforce Development Board of South Central Wisconsin (WDBSCW) has met with Northernstar Companies to determine scopes of service and how we can best serve the youth together. There is a big focus on 30% AMI because many young people are just getting started financially.

7. Please describe your proposed integrated supportive housing approach. If seeking tax credits, how will this approach go beyond meeting WHEDA’s supportive housing requirements outlined in the Appendix S Checklist?

We will be seeking tax credits and plan to go beyond meeting WHEDA’s supporting housing requirement. We plan to have a more robust checklist to include robust engagement strategies so that individuals have access to many providers and not just the ones assigned to the development. We plan to expand beyond normal boundaries to reach the target population. We plan to accommodate mental health needs by providing resources. We also will have a focus on education and career prep for those seeking. We will conduct additional research on area needs above and beyond the minimum requirements. We will work to identify characteristics of the population in great detail and create a service plan for each individual in the program.

8. Identify the partnership(s) with supportive service agencies that have been or will be formed to serve the target population(s) for the supportive housing units. Provide a detailed description of the type and level of supportive services (% FTE and ratio of staff: household) that will be provided to residents on-site and how services will be coordinated with the Dane County Supervised Independent Living Program.

We will be forming a partnership with Workforce Development Board of South Central Wisconsin (WDBSCW) Independent Living Program. Supportive services will include help with housing navigation, basic necessities, professional mentorships, community connections and referrals, education including access to the BrighterStar scholarship and career assistance.

9. CDD expects that supportive service partners have access to adequate compensation for the dedicated services provided to residents of the development. In order to ensure the success of the development, the partnership(s), and the tenants, describe the level of financial support to help pay for or subsidize supportive services that the development will provide annually to the identified supportive service partner(s). Identify any other non-City funding sources contemplated or committed for supportive services outside of this project. Explain any arrangement with developer fee sharing, "above the line" payments in the operating budget, "below the line" payments out of available cash flow and/or percent of developer fee shared.

Attach a letter from the service provider(s) detailing the services they intend to provide to residents of the supportive housing units, the cost of those services and how those services will be financially supported (i.e., through the development, fundraising, existing program dollars, etc.).

Letter to be supplied during presentation from Workforce Development Board of South Central Wisconsin (WDBSCW) and possibly other organizations, but fundraising, existing program dollars, and funding through the development will all be sources.

PROPERTY MANAGEMENT: TENANT SELECTION & AFFIRMATIVE MARKETING

10. Describe your plans to incorporate flexible tenant selection criteria for households who are connected to supportive services, in order to provide housing opportunities for persons who would otherwise face common obstacles obtaining housing (e.g., poor credit, negative rental history, criminal conviction records, etc.). Specifically outline how this development's tenant selection criteria is consistent with the City of Madison Tenant Selection Best Practices (Attachment B-1 of the RFP) and provides the maximum feasible flexibility in tenant selection to the general population.

No tenant will be turned away and every potential tenant will be evaluated individually. We plan to focus on tenants who have been through obstacles and need a second chance. We believe quality housing is a human right and everyone makes mistakes. Part of our integrated supportive service will focus on life readiness and rebuilding of things such as credit, and negative rental history.

11. Describe the planned approach, relationship and coordination between the Property Manager and the lead Supportive Service Coordination Agency for lease up and ongoing services. Have these entities previously participated in an in-depth pre-lease up coordination process with targeted populations in coordination with relevant community partners (e.g., CDA, DCHA, VASH, CE, etc.)?

The Property Manager and lead Supportive Service Coordination Agency has not coordinated on this before but the planned approach will be to work together on a baseline and execute. We all will draft the in depth pre-lease up coordination plan together.

12. How will you affirmatively market to populations that will be identified as least likely to apply? Detail specific partnerships that the development team, Property Manager, and/or other agencies in this proposal have had with community agencies and organizations that provide direct housing search and related assistance to households least likely to apply. Please reference successful past practices, relationships with agencies and/or marketing materials used.

We will engage community partners and organizations to help us.

13. Describe the proposed development's security deposit policy (e.g., ½ or 1x's rent, other set amount(s), criteria for variations if credit is conditional, etc.). Is the higher deposit policy waived for households with a guaranteed rent

subsidy or voucher? What is the minimum required income to rent ratio (e.g., 1.5 to 1)? Are the lease up policies consistent with the City's Tenant Selection Plan Best Practices (Attachment B-1 of the RFP)?

The proposed development's security deposit is 1 months rent. We will accept the lowest required income to rent ratio allowable to allow us to serve those with the greatest need. The lease up policies will be consistent with the City's Tenant Selection Plan Best Practices

14. If applicable, what percentage of maximum LIHTC rents are used for 50 & 60% units? Describe the proposed development's policy toward limiting rent increases for lease renewals? How will it be ensured that prospective long-term tenants be protected from significantly and rapidly rising contract rents increases allowed under the published rent limits, even under the rent limit increase requirements in this RFP and Loan Agreement.

We will limit rent increases as much as possible given the economic environment. We will work with area advocacy groups as we look to be as fair as possible.

SITE INFORMATION

15. Describe the proposed project's consistency with the land use recommendations, goals and objectives as may be relevant in adopted [plans](#), including the City of Madison Comprehensive Plan (adopted 2018), Neighborhood Plans, Special Area Plans, the Generalized Future Land Use Map (interactive version linked [here](#)), and any other relevant [plans](#).

Our plan is consistent with recent recommendations.

CITY AND COMMUNITY ENGAGEMENT PROCESSES

16. Have you presented to the City's Development Assistance Team (DAT)? If so, please summarize the staff comments to your proposal and reference the date of the presentation. If not, what is the anticipated date of the DAT presentation?

The anticipated date is as soon as allowable. We have not yet presented the City's Development Assistance Team.

17. How will the Property Manager and Supportive Service partner entities work together to ensure a successful development well-integrated with the immediate neighborhood and community? What neighborhood engagement strategies will you implement moving forward?

We will hold multiple outreach events throughout the project. We will collaborate with many community partners in the area. We will also canvass the area.

SITE AMENITIES

18. Describe the exterior amenities that will be available to tenants and guests (e.g., tot lot or play structure, outdoor exercise equipment, patio, permanent tables and chairs, greenspace, grill area, gardens, etc.).

Greenspace, grill area, patio, permanent tables and chairs will be provided and available. Outdoor exercise equipment will be available. We believe these amenities are good for mental health.

19. Describe the interior common area amenities that will be available to tenants and/or guests (e.g., community rooms, exercise room, business center, etc.). For relevant features, please describe how common area amenities will enhance support or contribute to a supportive environment for youth.

There will be a community room, exercise room, business center and a place to play video games. We want to encourage a collaborative environment for youth and encourage teamwork. Our goal is to create a family like environment.

20. What is the anticipated number of total number parking spots, both underground and surface, that will be provided to tenants of the development? What is the ratio to units? What is the associated monthly cost? Will the parking cost in this development vary by CMI level?

The anticipated number is 40 parking spots but this can change. Parking will be free for tenants on a first come first serve basis.

21. For proposals contemplating first floor commercial space, describe how the use and/or tenant of the space will be a benefit to the immediate neighborhood (e.g. childcare, senior center, community facility, neighborhood-serving commercial etc.). Explain how the use of the space was identified to fill a service gap or enhance the surrounding community. Describe if a prospective tenant or use has already been identified or how a prospective tenant will be found and will help inform the space's design.

The community space will be available for the public. The service provider will be on site and there to serve the neighborhood also.

22. Describe the interior apartment amenities, including plans for internet service (and cost to tenants, if any) and a non-smoking indoor environment throughout the building.

Internet service will be free of charge to tenants

PROPOSAL TIMELINE

23. Please list the estimated/target completion dates associated with the following activities/benchmarks to illustrate the timeline of how your proposal will be implemented.

Activity/Benchmark	Estimated Month/Year of Completion
Draft Site Plan Ready to Submit to Dev. Assistance Team (DAT) [<i>Target/Actual Month/Date</i>]	8/1/23
1 st Development Assistance Team/ Meeting (Due by 8/4/23) [<i>Target/Actual Month/Date</i>]	8/4/23
Application to WHEDA, if applicable.	12/1/23
Complete Equity & Debt Financing	8/30/24
Acquisition/Real Estate Closing	9/1/24
New Construction Bid Publishing	9/15/24
New Construction Start	10/15/24
Begin Lease-Up/Marketing	7/1/25
New Construction Completion	10/15/25
Certificates(s) of Occupancy Obtained	10/30/25
Complete Lease-Up	11/15/2025
Request Final AHF Draw	12/1/2025

HOUSING INFORMATION & UNIT MIX

24. Provide the following information for your proposed project. List the property address along with the number of units you are proposing by size, income category, etc. If this is a scattered site proposal, list each address separately with the number of units you are proposing by income category, size, and rent for that particular address and/or phase. Attach additional pages if needed.

ADDRESS #1:		1202 S. Park St					Projected Monthly Unit Rents, Including Utilities				
% of County Median Income (CMI)	Total # of units	# of Bedrooms					\$ Rent for Studios	\$ Rent for 1 BRs	\$ Rent for 2 BRs	\$ Rent for 3 BRs	\$ Rent for 4+ BRs
		# of Studios	# of 1 BRs	# of 2 BRs	# of 3 BRs	# of 4+ BRs					
≤30%	13	2	7	2	2	0	579	619	739	\$854	
40%	0	0	0	0	0	0					
50%	25	0	7	12	6	0		1077	1288	1489	
60%	12	0	4	3	5	0		793	949	1095	
Affordable Sub-total	50	2	18	17	13	0					
80%	0	0	0	0	0	0					
Market*	10	0	6	4	0	0		\$1,150	\$1,360		
Total Units	50	2	18	17	13	0	Notes/Utility Allowance Assumptions:				

*40% = 31-40% CMI; 50% = 41-50% CMI; 60% = 51-60% CMI; 80% = 61-80% CMI; Market = >81% CMI.

*40% = 31-40% CMI; 50% = 41-50% CMI; 60% = 51-60% CMI; 80% = 61-80% CMI; Market = >81% CMI.

NOTE: For proposals contemplating project-based vouchers (PBVs), please list vouchered units under the same CMI designation that you will be representing to WHEDA (e.g. if the LIHTC application to WHEDA presents 8 PBV units as 50% CMI or 60% CMI units, please include those on the “50%” or “60%” row in the above table(s)). The City of Madison will enforce this income designation in the AHF Loan Agreement, if this proposal is awarded funds. Include a comment in the Notes, e.g., Eight (8) 50% CMI units will have PBVs.

25. Utilities/amenities included in rent: Water/Sewer Electric Gas Free Internet In-Unit
 Washer/Dryer Other: _____

26. Please list the source of calculating your utility allowance, and the total utility allowance per bedroom size:
 Utilities Allowance Used: CDA DCHA HUSM (HUD HOME)

Unit Size (Number of Bedrooms)	Total Monthly Utility Allowance (\$)
Efficiency	_____
1-Bedroom	_____
2-Bedroom	_____
3-Bedroom	_____

ENERGY EFFICIENCY, RENEWABLE ENERGY & SUSTAINABLE DESIGN

27. What is your organization’s experience in developing projects that incorporate extraordinary sustainable, energy efficient, and/or green building design techniques? Please list any awards, industry standards or third-party certifications achieved on projects developed in the past ten years, such as LEED®, WELL, Passive House, etc.

We work with partners to build the most energy efficient projects possible. We lean on our relationships with our partners.

28. Describe how this proposed development will contribute to the City’s goal of 100% renewable energy and net-zero carbon emissions (originally adopted March 21, 2017). What size/range of solar array is anticipated? If not yet known, what percentage energy offset is the development aiming to provide via the solar array. For more information, see [100% Renewable Madison Report](#).

We will be aiming for the highest standards possible

29. Describe the proposed project’s energy efficiency goals. Identify any third party certification, such as LEED®, WELL, Passive House or similar, that will be sought.

LEED

30. Describe this development’s proposed strategies to reduce reliance on municipal water sources (i.e. water efficiency). Will the development incorporate systems to recapture and/or reuse water generated on-site?

Yes we plan to be as environmentally friendly as possible. We hope to incorporate systems to recapture and reuse water generated on site

31. Describe this development’s approach to accessibility, including the number and percent of accessible units proposed for each of level of accessibility (i.e. Type A and B units). Elaborate on this development’s plan to meet or exceed WHEDA’s minimum requirements as well as exceeding building code standards for Type A units.

We will look to achieve the highest levels possible.

32. Describe this development’s level of commitment to the principles of Universal Design. Explain the extent to which the development team will incorporate the greatest feasible levels of Universal Design in residential units, commercial spaces, and common areas in accordance with the requirements outlined in the RFP. What percentage or number of units in the proposed development will incorporate Universal Design principles?

We will be working to incorporate the highest level possible.

DEVELOPMENT TEAM

33. Describe the project's organizational structure. Please attach an organizational chart detailing the roles of the applicant, all partners, and the ownership and controlling interest percentages of each entity.

Please see the attached. Northernstar Companies will be the controlling ownership entity.

34. For projects that will be co-developed with a non-profit partner, please explain the non-profit's role in the development. State if the non-profit will have a controlling interest (as memorialized in organizational documents), Right of First Refusal, or General Partner Purchase Option. If not, please elaborate on how the non-profit organization will be involved in the long-term ownership of the development.

35. For projects that will be co-developed with a BIPOC or minority developer, please explain the BIPOC or minority developer role in the development. State what percentage stake the BIPOC or minority developer will have in the development, cash flow, etc. (as memorialized in organizational documents). If the development team will partner with a BIPOC or minority developer but will not provide a stake in the organization structure, please explain this decision and elaborate on how the BIPOC or minority developer will be involved in the long-term ownership of the development.

Northernstar Companies is led by minority developers and will be involved in every aspect long term.

36. Have you or will your development team be willing to provide a meaningful internship, employment opportunity, or development partnership role, to a student or graduate of the Associates in Commercial Real Estate (ACRE) program on this or another project? If so, describe how your development team will address this priority?

As ACRE graduates ourselves we plan to reach back and look for opportunities with other ACRE graduates or those currently in the program. Internship and employment opportunities will be available. We plan to share everything with the ever expanding ACRE network.

37. Identify all key roles in your project development team, including architect, general contractor, legal counsel, property management agent, supportive services provider(s), and any other key consultants, if known.

Contact Person	Company	Role in Development	E-mail	Phone
James Methu	Northernstar Companies	Developer	james@northernstarcompanies.com	414-379-8922
Brandon Methu	Northernstar Companies	Developer	brandon@northernstarcompanies.com	414-708-7121
Falamak Nourzad	Continuum Architects + Planners	Architect	falamak.nourzad@continuumarchitects.com	414-303-4422
Darnell Williams	Team Management	Property Manager	darnellwilliams@teamanagement.net	(414) 273-8326
Pricilla Reyes	Workforce Development Board of South Central Wisconsin (WDBSCW)	Supportive Service Provider	preyes@wdbscw.org	608-288-2459
Jonathan K. Ward	Altius Building Company	General Contractor	jward@altiusbuildingco.com	262-641-8811

38. For the following development team roles, please identify the number and/or percentage of women and persons of color employed by that company.

Company	Role in Development	BIPOC		Women	
		#	%	#	%
Northernstar Companies	Developer	2	100		
	Co-Developer				
	Co-Developer				
Altius	General Contractor				
Team Management	Property Manager			3	
Continuum Architects + Planner	Architect			3	25
Workforce Development Board of South Central Wisconsin (WDBSCW) Independent Living Services	Service Provider				

REFERENCES

39. Please list at least three municipal/financing references who can speak to your work on similar developments completed by your team.

Name	Relationship	Email Address	Phone
City of La Crosse	Municipality		
City of Beloit	Municipality		
City of Milwaukee	Municipality		

PLEASE ATTACH THE FOLLOWING ADDITIONAL INFORMATION (such as assessment and referral, on-site intensive case management, etc.) **AND CHECK THE BOX WHEN ATTACHED:**

- 1. A completed Application Budget Workbook, showing the City's proposed financial contribution and all other proposed financing.
- 2. Description of the Development Team's Experience and Capacity per Section 2.4, Item 2 of the RFP.
- 3.a. Letter(s) from Supportive Service Provider(s) detailing what services are necessary to be adequate for the number of supportive housing units and target population as well as what level of services they intend to provide.
- 3.b. A preliminary site plan and drawings, if available.

NOTE: If a preliminary site plan is not available at the time of application, submittal will be required for DAT on August 4, 2023 with submittal with week prior.

Madison RFP

Madison, WI

9% Low Income Housing Tax Credit Project



60 total Multi-story Elevator units - 50 LIHTC, 10 Market Rate

Initial Feasibility Model

August 10, 2022



Northernstar Companies

Project & Feasibility Summary

Project Name Madison RFP Developer: Northernstar Companies Date: 7/12/2023

Address _____ Development Stage: Initial Feasibility Model

City Madison County Dane State WI

Occupancy: Family Development Type New Construction Building Type: Multi-story Elevator

Project Type LIHTC only LIHTC Type 9% Located in QCT or otherwise eligible for basis boost: Yes

Project Description:

Unit Mix, Rent, & Building Summary

Unit Mix Summary

Residential	# Units	%
LIHTC/Affordable	50	83.3%
Market Rate	10	16.7%
Total Residential	60	
LIHTC Applicable Fraction		83.3%

Summary by AMI

AMI	Units	%
30%	13	22%
40%		
50%	25	42%
60%	12	20%
MKT	10	17%
	60	100%

LIHTC/Affordable Units

# Bed room(s)	Description (optional)	Set Aside	# Units	Area (Sq. Ft.)	Utility Allowance	Net Rent
	APT	30%	2	500	\$62	\$579
	APT	50%				
	APT	60%				
1	APT	30%	7	650	\$68	\$619
1	APT	50%	7	650	\$68	\$1,077
1	APT	60%	4	650	\$68	\$793
2	APT	30%	2	900	\$85	\$739
2	APT	50%	12	900	\$85	\$1,288
2	APT	60%	3	900	\$85	\$949
3	TH	30%	2	1,200	\$98	\$854
3	TH	50%	6	1,200	\$98	\$1,489
3	1 TH - 4 APT	60%	5	1,200	\$98	\$1,095

Gross Rent	Sec 42 Limit
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\$641	\$641
\$687	\$687
\$1,145	\$1,145
\$861	\$1,374
\$824	\$824
\$1,373	\$1,373
\$1,034	\$1,648
\$952	\$952
\$1,587	\$1,587
\$1,193	\$1,905

Market Rate Units

# Bed room(s)	Description (optional)	Set Aside	# Units	Area (Sq. Ft.)	Utility Allowance	Net Rent
	MKT					
1	MKT		6	650	\$68	\$1,150
2	MKT		4	900	\$85	\$1,360
3	MKT					\$1,905

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Northernstar Companies

Project & Feasibility Summary

Net Operating Income & Operating Expenses					
Net Operating Income			Operating Expenses		
	Monthly	Annual	Annual	Per Unit	
Gross Rental Income	\$64,440	\$773,280	Advertising	\$5,000	\$83
Other Income	\$3,910	\$46,920	Insurance	\$30,000	\$500
Total Gross Income	\$68,350	\$820,200	Legal / Accounting	\$19,000	\$317
Less Residential Vacancy	7.0%	(\$54,130)	Repairs & Maintenance	\$30,000	\$500
Less Other Vacancy	7.0%	(\$3,284)	Administrative Costs	\$27,012	\$450
Effective Gross Income		\$762,786	Utilities	\$39,000	\$650
Operating Expenses		\$411,159	Payroll	\$66,000	\$1,100
Net Operating Income		\$351,627	Contracted Services	\$25,000	\$417
Total Annual Hard Debt Service		\$233,345	Management Fees	\$45,767	\$763
Debt Service Coverage (DCR) - Year 1		1.507	Tax Credit Fees	\$1,800	\$30
Cash Flow		\$118,282	Oper Costs/Turnover	\$4,580	\$76
			Real Estate Taxes	\$100,000	\$1,667
			Subtotal	\$393,159	\$6,553
			Replacement Reserves	\$18,000	\$300
			Total	\$411,159	\$6,853

LIHTC & PERMANENT DEBT DETAIL					
Tax Credit Equity					
Credit Type	Annual Credit	Years	Pricing	Owner %	Total Equity
Low Income Housing Tax Credits	\$1,093,217	10	0.86	99.99%	\$9,400,726
Federal Historic Tax Credits		1		100.00%	
State Historic Tax Credits		1		100.00%	
Additional LIHTC	\$10,932	10	0.86	99.99%	\$94,006

Permanent Debt Information					
Source	Amount	Interest	Term	Amort	Annual Pmt
First Mortgage	\$3,164,482	6.65%	15	35	\$233,345
FHLB AHP - Competitive Scoring Request	\$1,000,000		35	35	
City Affordable Housing Support	\$2,000,000	1.00%	35	35	
DANE COUNTY HOME-ARP / ARPA Allocation	\$535,000	1.00%	35	35	
		1.00%	35	35	
		1.00%	35	35	
Deferred Developer Fee					

SOURCES & USES SUMMARY		
SOURCES	PER UNIT	%

Northernstar Companies

Project & Feasibility Summary

Low Income Housing Tax Credit Equity	\$9,494,732	\$158,246	58.6%
First Mortgage	\$3,164,482	\$52,741	19.5%
FHLB AHP - Competitive Scoring Request	\$1,000,000	\$16,667	6.2%
City Affordable Housing Support	\$2,000,000	\$33,333	12.4%
DANE COUNTY HOME-ARP / ARPA Allocation	\$535,000	\$8,917	3.3%
Deferred Developer Fee			
Total	\$16,194,214	\$269,904	41.4%
USES		PER UNIT	%
Acquisition (land + building)	\$290,000	\$4,833	1.8%
Hard Construction Costs	\$12,696,473	\$211,608	78.4%
Soft Costs	\$2,855,489	\$47,591	17.6%
Reserves	\$352,252	\$5,871	2.2%
Total	\$16,194,214	\$269,904	100%
TOTAL DEVELOPMENT COSTS	\$16,194,214	\$269,904	100%
Gap Analysis		TOTAL	
Total Sources of Funds	\$16,194,214		
Total Development Costs	\$16,194,214		
Oversourced / (Undersourced)			

Northernstar Companies

Madison RFP

Madison, WI

Date: August 10, 2022

Input & Assumptions

PROPERTY INFORMATION:

Project Name	Madison RFP
Developer	Northernstar Companies
Co-Developer / Non-Profit Sponsor	
Address	
City	Madison
County	Dane
State	WI

PROJECT INFORMATION:

Development Stage	Initial Feasibility Model
Project Type	LIHTC only
Development Type	New Construction
Occupancy	Family
Building Type	Multi-story Elevator
# Of Buildings	1
Commercial Component (Y=1, N=0)	0
Commercial %	0.0%

CREDIT INFORMATION:

LIHTC Project (Y=1, N=0)	1
Tax-Exempt Bonds (Y=1, N=0)	0
Historic Project (Y=1, N=0)	0
LIHTC Type (9%/4%)	9%
LIHTC Percentage - 4%	4.00%
LIHTC Percentage - 9%	9.00%
Federal Historic TC %	20%
State Historic TC %	20%
Located in QCT / State Basis Boost (Y=1, N=0)	1
Basis Boost Percentage	15%
Master Lease for Historic Credits (Y=1, N=0)	0

FORECAST PERIOD:

Anticipated Closing	May 1, 2024
Date 1st bldg Placed In Service	June 1, 2025
Months of Operations in First Year	7
First Year	2025
Years To Be Projected	14.58

VACANCY

Residential	7.0%
Other Income	7.0%
Commercial	0.0%

EQUITY PRICING:

LIHTC	\$0.860
Federal Historic Tax Credits	\$0.000
State Historic Tax Credits	\$0.000
Energy Credits	\$0.000

INCOME & OPERATING INFLATION FACTORS:

Year Inflation Begins	2024
Residential Rents	2.0%
Other Income	2.0%
Commercial Rents	0.0%
Operating Expenses	3.0%
Real Estate Taxes	3.0%
Replacement Reserves	3.0%

FEES:

Annual Asset Management Fees	\$3,200
Annual Asset Management Fees Inflation Factor	3.0%

Income & Rent Limits

Effective Date: 4/18/2022
 County: Dane WI

County Median Income

	120%	100%	80%	60%	55%	50%	45%	40%	35%	30%	25%
1 Person	\$ 102,600	\$ 85,500	\$ 68,400	\$ 51,300	\$ 47,025	\$ 42,750	\$ 38,475	\$ 34,200	\$ 29,925	\$ 25,650	\$ 21,375
2 Persons	\$ 117,240	\$ 97,700	\$ 78,160	\$ 58,620	\$ 53,735	\$ 48,850	\$ 43,965	\$ 39,080	\$ 34,195	\$ 29,310	\$ 24,425
3 Persons	\$ 131,880	\$ 109,900	\$ 87,920	\$ 65,940	\$ 60,445	\$ 54,950	\$ 49,455	\$ 43,960	\$ 38,465	\$ 32,970	\$ 27,475
4 Persons	\$ 146,520	\$ 122,100	\$ 97,680	\$ 73,260	\$ 67,155	\$ 61,050	\$ 54,945	\$ 48,840	\$ 42,735	\$ 36,630	\$ 30,525
5 Persons	\$ 158,280	\$ 131,900	\$ 105,520	\$ 79,140	\$ 72,545	\$ 65,950	\$ 59,355	\$ 52,760	\$ 46,165	\$ 39,570	\$ 32,975
6 Persons	\$ 170,040	\$ 141,700	\$ 113,360	\$ 85,020	\$ 77,935	\$ 70,850	\$ 63,765	\$ 56,680	\$ 49,595	\$ 42,510	\$ 35,425
7 Persons	\$ 181,800	\$ 151,500	\$ 121,200	\$ 90,900	\$ 83,325	\$ 75,750	\$ 68,175	\$ 60,600	\$ 53,025	\$ 45,450	\$ 37,875
8 Persons	\$ 193,440	\$ 161,200	\$ 128,960	\$ 96,720	\$ 88,660	\$ 80,600	\$ 72,540	\$ 64,480	\$ 56,420	\$ 48,360	\$ 40,300

II. UNIT RENT RESTRICTIONS (INCLUDES UTILITIES)

0 Efficiency	\$ 2,565	\$ 2,137	\$ 1,710	\$ 1,282	\$ 1,175	\$ 1,068	\$ 961	\$ 855	\$ 748	\$ 641	\$ 534
1 1 Bedroom	\$ 2,748	\$ 2,290	\$ 1,832	\$ 1,374	\$ 1,259	\$ 1,145	\$ 1,030	\$ 916	\$ 801	\$ 687	\$ 572
2 2 Bedroom	\$ 3,297	\$ 2,747	\$ 2,198	\$ 1,648	\$ 1,511	\$ 1,373	\$ 1,236	\$ 1,099	\$ 961	\$ 824	\$ 686
3 3 Bedroom	\$ 3,810	\$ 3,175	\$ 2,540	\$ 1,905	\$ 1,746	\$ 1,587	\$ 1,428	\$ 1,270	\$ 1,111	\$ 952	\$ 793
4 4 Bedroom	\$ 4,251	\$ 3,542	\$ 2,834	\$ 2,125	\$ 1,948	\$ 1,771	\$ 1,594	\$ 1,417	\$ 1,239	\$ 1,062	\$ 885
5 5 Bedroom	\$ 4,690	\$ 3,908	\$ 3,127	\$ 2,345	\$ 2,149	\$ 1,954	\$ 1,758	\$ 1,563	\$ 1,368	\$ 1,172	\$ 977

LIHTC Income Limits for 2023 (Based on 2023 MTSP Income Limits)						
	Charts	60.00%	30.00%	50.00%	60.00%	80.00%
1 Person	^^	51,300	25,650	42,750	51,300	68,400
2 Person	^^	58,620	29,310	48,850	58,620	78,160
3 Person	^^	65,940	32,970	54,950	65,940	87,920
4 Person	^^	73,260	36,630	61,050	73,260	97,680
5 Person	^^	79,140	39,570	65,950	79,140	105,520
6 Person	^^	85,020	42,510	70,850	85,020	113,360
7 Person	^^	90,900	45,450	75,750	90,900	121,200
8 Person	^^	96,720	48,360	80,600	96,720	128,960
9 Person	^^	102,540	51,270	85,450	102,540	136,720
10 Person	^^	108,420	54,210	90,350	108,420	144,560
11 Person	^^	114,300	57,150	95,250	114,300	152,400
12 Person	^^	120,120	60,060	100,100	120,120	160,160

To Populate Unit Mix table

# BR	Rent		# of units	Rent
	AMI	Limit		
0	30%	\$641	2	\$641
0	50%	\$1,068	0	
0	60%	\$1,282	0	
1	30%	\$687	7	\$687
1	50%	\$1,145	7	\$1,145
1	60%	\$1,374	4	\$1,374
2	30%	\$824	2	\$824
2	50%	\$1,373	12	\$1,373
2	60%	\$1,648	3	\$1,648
3	30%	\$952	2	\$952
3	50%	\$1,587	6	\$1,587
3	60%	\$1,905	5	\$1,905

LIHTC Rent Limits for 2023 (Based on 2023 MTSP/VLI Income Limits)							
Bedrooms (People)	Charts	60.00%	30.00%	50.00%	60.00%	80.00%	FMR
Efficiency (1.0)	^^	1,282	641	1,068	1,282	1,710	1,007
1 Bedroom (1.5)	^^	1,374	687	1,145	1,374	1,832	1,183
2 Bedrooms (3.0)	^^	1,648	824	1,373	1,648	2,198	1,378
3 Bedrooms (4.5)	^^	1,905	952	1,587	1,905	2,540	1,810
4 Bedrooms (6.0)	^^	2,125	1,062	1,771	2,125	2,834	2,041
5 Bedrooms (7.5)	^^	2,345	1,172	1,954	2,345	3,127	

Northernstar Companies

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Madison, WI

Unit Mix - Income

8/10/2022

LIHTC/Affordable Units

Bedrooms	Description Unit Type	Set-Aside	# of Units	Square Foot	Utility Allowance	Net Rent	Gross Rent	Section 42 Limit	% of Rents to Limits	Tot Monthly Rent	Total Footage/unit	% of Units
0	APT	30%	2	500	\$62	\$579	\$641	\$641	100.0%	\$1,158	1,000	3.3%
0	APT	50%								\$0	-	
0	APT	60%								\$0	-	
1	APT	30%	7	650	\$68	\$619	\$687	\$687	100.0%	\$4,333	4,550	11.7%
1	APT	50%	7	650	\$68	\$1,077	\$1,145	\$1,145	100.0%	\$7,539	4,550	11.7%
1	APT	60%	4	650	\$68	\$793	\$861	\$1,374	62.7%	\$3,172	2,600	6.7%
2	APT	30%	2	900	\$85	\$739	\$824	\$824	100.0%	\$1,478	1,800	3.3%
2	APT	50%	12	900	\$85	\$1,288	\$1,373	\$1,373	100.0%	\$15,456	10,800	20.0%
2	APT	60%	3	900	\$85	\$949	\$1,034	\$1,648	62.7%	\$2,847	2,700	5.0%
3	TH	30%	2	1,200	\$98	\$854	\$952	\$952	100.0%	\$1,708	2,400	3.3%
3	TH	50%	6	1,200	\$98	\$1,489	\$1,587	\$1,587	100.0%	\$8,934	7,200	10.0%
3	1 TH - 4 APT	60%	5	1,200	\$98	\$1,095	\$1,193	\$1,905	62.6%	\$5,475	6,000	8.3%
TOTAL AFFORDABLE			50							\$52,100	43,600	83.3%

Market

0		MKT	0							\$0	-	
1		MKT	6	650	\$68	\$1,150	\$1,218			\$6,900	3,900	10.0%
2		MKT	4	900	\$85	\$1,360	\$1,445			\$5,440	3,600	6.7%
3		MKT	0			\$1,905				\$0	-	
TOTAL MARKET			10							\$12,340	7,500	16.7%

TOTALS

60

Monthly Rental Income

\$64,440

51,100

Sq. Ft.

Other Income

	Monthly	Annual	PUPM	Per Unit
Laundry, Vending, App Fees, Pet Fees Etc.	\$630	\$7,560	\$11	\$126
Parking 37 \$40	\$1,480	\$17,760	\$25	\$296
Other - Rental Assistance	\$1,800	\$21,600	\$30	\$360
Total	\$3,910	\$46,920	\$65	\$782

Square Footage

Total Residential Living Area	51,100
Common (community rm, office, halls)	17,966
Commercial Area	-
Covered Parking	11,502
Gross Floor Area (SF):	80,568

Commercial - within LIHTC Project

Annual

SF:		Rent:	\$0
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Applicable Fraction

Effective Gross Income			Annual
Gross Potential Rental Income			\$773,280
Gross Potential Other Income			\$46,920
Gross Potential Commercial Income			\$0
Vacancy Rental	7%		(\$54,130)
Vacancy Other	7%		(\$3,284)
Vacancy Commercial	0%		\$0
Effective Gross Income			\$762,786

Operating Expenses	\$411,159
Net Operating Income	\$351,627

Percentage of Low Income Units	83.3%
Percentage of Low Income SF	85.3%
Percentage of Building Costs that Qualify	83.3%

Lease-Up Schedule

Date 1st Building Placed in Service 6/1/2025
Months of operations in 2025 7

Year	2025	Units Available	Units Occupied	LIHTC Occupied	Market Occupied
1	January	0	0	0	0
2	February	0	0	0	0
3	March	0	0	0	0
4	April	0	0	0	0
5	May	0	0	0	0
6	June	60	0	0	0
7	July	60	0	0	0
8	August	60	0	0	0
9	September	60	14	12	2
10	October	60	20	17	3
11	November	60	28	23	5
12	December	60	32	27	5
Total		420	94	79	15

Total available	420
Total occupied	94
Vacancy	77.62%
LIHTC Units 1 yr. total	324
LIHTC Units occupied	79
Modified Applicable Fraction	24.38%

Year	2026	Units Available	Units Occupied	LIHTC Occupied	Market Occupied
January		60	60	50	10
February		60	60	50	10
March		60	60	50	10
April		60	60	50	10
May		60	60	50	10
June		60	60	50	10
July		60	60	50	10
August		60	60	50	10
September		60	60	50	10
October		60	60	50	10
November		60	60	50	10
December		60	60	50	10
Total		720	720	600	120

Total available	720
Total occupied	720
Vacancy	0.00%
LIHTC Units 1 yr. total	600
LIHTC Units occupied	600
Modified Applicable Fraction	100.00%

Northernstar Companies

Madison RFP
Madison, WI

Operating Expenses

8/10/2022

MANUAL - EXPANDED

	Annual	Per Unit Per Year	Per Month
Administration			
Conventions and Meetings		\$0	\$0
Management Consultants		\$0	\$0
Advertising/Marketing Expense		\$0	\$0
Office Salaries		\$0	\$0
Office Expenses		\$0	\$0
Office or Model Apartment Rent		\$0	\$0
Management Fee	6%	\$45,767	\$763
Manager/Superintendent Salaries		\$0	\$0
Administrative Rent-free Unit		\$0	\$0
Telephone		\$0	\$0
Legal Expenses		\$0	\$0
Bookkeeping Fees/Accounting Services/Audit		\$0	\$0
Bad Debt Expense		\$0	\$0
Service Coordinator		\$0	\$0
Subtotal Administration	\$45,767	\$763	\$64
Utilities			
Gas/Fuel Oil		\$0	\$0
Electricity (Light & Misc. Power)		\$0	\$0
Water		\$0	\$0
Sewer		\$0	\$0
Owner-paid unit amenities		\$0	\$0
Internet		\$0	\$0
Subtotal Utilities	\$0	\$0	\$0
Operating and Maintenance			
Maintenance Payroll		\$0	\$0
Supplies		\$0	\$0
Contracts		\$0	\$0
Operating and Maintenance Rent Free Unit		\$0	\$0
Garbage and Trash Removal		\$0	\$0
Security Payroll/Contract (incl taxes and benefits)		\$0	\$0
Grounds		\$0	\$0
Heating/Cooling Repairs & Maintenance		\$0	\$0
Snow Removal		\$0	\$0
Vehicle/Maintenance Equipment Operation & Repairs		\$0	\$0
Extermination		\$0	\$0
Elevator Maintenance		\$0	\$0
Vacant Unit Prep (Carpets, Painting, Etc.)		\$0	\$0
Misc. Operating & Maintenance Exp.		\$0	\$0
Subtotal Operating and Maintenance	\$0	\$0	\$0
Fixed Expenses			
Real Estate & Personal Property Taxes		\$0	\$0
Property and Liability Insurance (Hazard)		\$0	\$0
Payroll Taxes - Project Share		\$0	\$0
MIP Insurance		\$0	\$0
Employee Benefits		\$0	\$0
Misc Taxes, Licenses, Permits, and Insurance		\$0	\$0
Compliance Monitoring	\$45	\$2,700	\$45
Subtotal Fixed Expenses	\$2,700	\$45	\$4
SUBTOTAL OPEX	\$48,467	\$808	\$67
Replacement Reserves	Per Unit \$250	\$15,000	\$250
TOTAL OPEX	\$63,467	\$1,058	\$88

MANUAL - CONDENSED

	Annual	Per Unit Per Year	Per Month
Advertising	\$5,000	\$83	\$7
Insurance	\$30,000	\$500	\$42
Legal / Accounting	\$19,000	\$317	\$26
Repairs & Maintenance	\$30,000	\$500	\$42
Administrative Costs	\$27,012	\$450	\$38
Utilities	\$39,000	\$650	\$54.17
Payroll & Benefits	\$66,000	\$1,100	\$92
Contracted Services	\$25,000	\$417	\$35
Management Fees	6%	\$45,767	\$763
Tax Credit Fees	\$30	\$1,800	\$30
Oper Costs/Turnover	\$4,580	\$76	\$6
Real Estate Taxes	\$100,000	\$1,667	\$139
Subtotal	\$393,159	\$6,553	\$546
Replacement Reserves	\$300	\$18,000	\$300
Total	\$411,159	\$6,853	\$571

\$15,480

Real Estate Tax Estimate:

NOI Without RE Taxes:	\$451,627	Cap rate:	10.00%
Loaded Cap Rate:	12.95%	Mill rate:	2.95%
Assessed value:	\$3,487,466		
RE Taxes:	\$102,880.25		

EXPANDED TO CONDENSED

	Annual	Per Unit Per Year	Per Month
Advertising	\$0	\$0	\$0
Insurance	\$0	\$0	\$0
Legal / Accounting	\$0	\$0	\$0
Repairs & Maintenance	\$0	\$0	\$0
Administrative Costs	\$0	\$0	\$0
Utilities	\$0	\$0	\$0
Payroll	\$0	\$0	\$0
Contracted Services	\$0	\$0	\$0
Management Fees	\$45,767	\$763	\$64
Tax Credit Fees	\$2,700	\$45	\$4
Oper Costs/Turnover	\$0	\$0	\$0
Real Estate Taxes	\$0	\$0	\$0
Subtotal	\$48,467	\$808	\$67
Replacement Reserves	\$15,000	\$250	\$21
Total	\$63,467	\$1,058	\$88

Northernstar Companies

Madison RFP Madison, WI

Development Costs

8/10/2022

		<u>Development Cost</u>	<u>New Construction 9% Eligible Basis</u>	<u>Per Unit</u>
I. Acquisition Cost				
Land		\$290,000		\$4,833
Existing Structure				
TOTAL ACQUISITION COST		\$290,000		\$4,833
II. Hard Construction Costs				
New Construction		\$9,615,000	\$9,615,000	\$160,250
Rehabilitation				
Commercial Space				
Site Work		\$400,000	\$400,000	\$6,667
Off-Site Work				
Underground/Covered Parking		\$800,000		\$13,333
Landscaping				
Interior Demolition				
Exterior Demolition				
Personal Property (e.g. Laundry Equipment)				
Other (e.g. Hard FF&E)				
SUBTOTAL HARD COSTS		\$10,815,000	\$10,015,000	\$180,250
Contractor's Profit		\$498,202	\$498,202	\$8,303
Contractor's Overhead		\$206,132	\$206,132	\$3,436
General Requirements		\$452,823	\$452,823	\$7,547
Payment & Performance Bond	1.0%	\$119,722	\$119,722	\$1,995
Hard Cost Contingency	5.0%	\$604,594	\$604,594	\$10,077
Additional Owner Contingency				
Other				
TOTAL HARD CONSTRUCTION COSTS		\$12,696,473	\$11,896,473	\$211,608
III. Professional Fees				
Architect Fee - Design	X	\$275,000	\$275,000	\$4,583
Architect Fee - Supervision	X	\$37,100	\$37,100	\$618
Engineering Fee	X	\$50,000	\$50,000	\$833
Soils Report				
Land Survey, CSM	X	\$20,000	\$20,000	\$333
Market Study	X	\$7,500	\$7,500	\$125
Appraisal		\$7,500	\$7,500	\$125
Capital Needs Assessment				
Environmental Reports	X	\$15,000	\$15,000	\$250
Historic Consultant/Archeological Survey				
Developer Legal Fees	X	\$100,000	\$75,000	\$1,667
Accounting Fees		\$10,000	\$10,000	\$167
Cost Certification		\$10,000	\$10,000	\$167
Inspection/Plan Review		\$5,000	\$5,000	\$83
Plan Cost Review				
TOTAL PROFESSIONAL FEES		\$537,100	\$512,100	\$8,952
IV. Construction Financing Costs				
Construction Origination Fee	1.00%	\$93,000	\$93,000	\$1,550
Construction Loan Interest	X	\$400,000	\$260,000	\$6,667
Predev Loan Fees & Interest	X	\$5,000	\$5,000	\$83
Title & Recording	X	\$15,000	\$15,000	\$250
Application Fee				
Construction Legal	X	\$15,000	\$15,000	\$250
TOTAL CONSTRUCTION LOAN COST		\$528,000	\$388,000	\$8,800
V. Permanent Financing Costs				
Perm Origination Fee	1.50%	\$47,467		\$791
Loan Credit Enhancement				

Northernstar Companies

Madison RFP Madison, WI

Development Costs

8/10/2022

		Development Cost	New Construction 9% Eligible Basis	Per Unit
Bond Issuance Costs				
Bond Premium				
Permanent Legal Fees	X	\$15,000		\$250
Loan Application Fee				
TOTAL PERMANENT FINANCING COST		\$62,467		\$1,041
VI. Syndication Cost				
Syndication Legal Fees				
Syndication Fee	X	\$50,000		\$833
TOTAL SYNDICATION COST		\$50,000		\$833
VII. Miscellaneous Soft Costs				
Insurance During Construction - BR & Liability	X	\$40,000	\$40,000	\$667
Taxes - Construction Period Only	X	\$25,000	\$25,000	\$417
Soft Cost Contingency	X	\$50,000	\$50,000	\$833
Commercial Space - Tenant Improvement (TI) Allowance				
Marketing	X	\$15,000		\$250
Furniture, Fixtures & Equipment (FF&E)	X	\$75,000	\$75,000	\$1,250
Temporary Tenant Relocation Costs				
Permanent Tenant Relocation Costs	X	\$50,000		\$833
Permitting Fees	X	\$50,000	\$50,000	\$833
Impact/Park Fees				
Utility/Tap Fees				
TOTAL MISCELLANEOUS SOFT COSTS		\$305,000	\$240,000	\$5,083
VIII. Developer's Overhead & Fees				
Developer's Fee - Paid	X	\$1,260,000	\$1,260,000	\$21,000
Developer Fee - Deferred	X			
Non Profit Fee				
Consultant Fee				
TOTAL DEVELOPER'S OVERHEAD & FEES		\$1,260,000	\$1,260,000	\$21,000
IX. Tax Credit Fees				
Application Fee	X	\$3,000		\$50
Allocation Fee	X	\$109,322		\$1,822
Extension Fees				
8609 Fee	X	\$600		\$10
TOTAL TAX CREDIT FEES		\$112,922		\$1,882
SUBTOTAL SOFT COSTS		\$2,855,489	\$2,400,100	\$47,591
IX. Project Reserves				
Operating Reserve	Months	6	\$322,252	\$5,371
Rent-Up Reserve		X	\$30,000	\$500
Debt Service/Other Reserve				
TOTAL PROJECT RESERVES		\$352,252		\$5,871
TOTAL SOFT COSTS		\$3,207,741	\$2,400,100	\$53,462
TOTAL DEVELOPMENT COSTS		\$16,194,214	\$14,296,573	\$269,904

Northernstar Companies

Madison RFP
Madison, WI

Sources of Funds

8/10/2022

Construction Sources

Source	Amount	Rate	Term	100% Outstanding	Average Outstanding	Estimated Const. Interest
Construction Loan	\$9,300,000	6.89%	24	\$1,281,540	40.0%	\$512,616
Tax Credit Equity During Construction	\$2,350,182	1.00%	24	\$0	60%	\$0
City Affordable Housing Support	\$2,000,000	0.00%		\$0		\$0
FHLB AHP - Competitive Scoring Request	\$1,000,000	0.00%		0		\$0
County Demolition Grant	\$535,000	0.00%		\$0		\$0
TOTAL	\$15,185,182					\$512,616

1125882

1125994

4133

884386

Permanent Equity

Tax Credit Equity	Total Annual Eligible Credits	Years	Total Credits	Pricing	Investor %	Investor Credits	Total Equity
Low Income Housing Tax Credits	\$1,093,217	10	\$10,932,170	\$0.8600	99.99%	\$10,931,077	\$9,400,726
Federal Historic Tax Credits	\$0	1	\$0	\$0.00	100.00%	\$0	\$0
State Historic Tax Credits	\$0	1	\$0	\$0.00	100.00%	\$0	\$0
Additional LIHTC	\$10,932	10	\$109,320	\$0.860	99.99%	\$109,309	\$94,006
Total Equity							\$ 9,494,732

Permanent Debt

Source	Principal Balance	Interest Rate	Term	Amortization Period	Soft/Hard	Monthly Debt Service	Annual Debt Service	% of Sources	Per Unit
First Mortgage	\$3,164,482	6.65%	15	35	H	\$19,445	\$233,345	19.5%	\$52,741
FHLB AHP - Competitive Scoring Request	\$1,000,000	0.00%	35	35	S			6.2%	\$16,667
City Affordable Housing Support	\$2,000,000	1.00%	35	35	S			12.4%	\$33,333
DANE COUNTY HOME-ARP / ARPA Allocation	\$535,000	1.00%	35	35	S			3.3%	\$8,917
		1.00%	35	35	S				
		1.00%	35	35	S				
Deferred Developer Fee	0.0%								
Low Income Housing Tax Credits	\$9,400,726							58.0%	\$156,679
Historic Equity	\$0								
Other Tax Credit Equity	\$94,006							0.6%	\$1,567
Remaining Gap	\$0							0.0%	\$0
Total	\$16,194,214						\$233,345		\$269,904

Northernstar Companies

Madison RFP
Madison, WI

8/10/2022

Tax Credits & Equity

Tax Credit Summary	Total Annual Eligible Credits	Years	Total Credits	Pricing	Investor %	Investor Credits	Total Equity
Low Income Housing Tax Credits	\$1,093,217	10	\$10,932,170	\$0.860	99.99%	\$10,931,077	\$9,400,726
Federal Historic Tax Credits	\$0	1	\$0	\$0.00	100.00%	\$0	\$0
State Historic Tax Credits	\$0	1	\$0	\$0.00	100.00%	\$0	\$0
Additional LIHTC	\$10,932	10	\$109,320	\$0.860	99.99%	\$109,309	\$94,006
Total Equity							\$9,494,732

Equity Pay-in Assumptions

#	Benchmark	Date	Months	%	Amount
1	Closing	5/1/2024		25.00%	\$2,350,182
2	50% completion	10/30/2023	-6	0.00%	\$0
3	Completion	6/1/2024	1	25.00%	\$2,350,182
4	Stabilization	1/1/2025	8	44.60%	\$4,192,724
5	8609	1/1/2025	8	5.40%	\$507,639
				100%	\$9,400,726

Dev Fee Installments	Cinnaire	Partner
25.00%	\$315,000	
	\$0	
15.00%	\$189,000	
35.00%	\$441,000	
25.00%	\$315,000	
0.00%	\$0	
Total	\$1,260,000	\$0
Paid	\$1,260,000	
Deferred	\$0	

LOW-INCOME HOUSING TAX CREDITS

	ACQ.	NEW CONSTR. /	TOTALS
Eligible Costs	\$0	\$14,296,573	
Basis Reduction	Master Lease? No	\$0	\$0
Boost	Yes	15%	\$0 \$2,144,486
Eligible Costs	\$0	\$16,441,059	
Applicable Fraction	83.33%	83.33%	
Qualified Basis	\$0	\$13,700,882	
Credit Percentage	Credit Type: 9%	4.00%	9.00%
Tax Credits Generated	\$0	\$1,233,079	\$1,233,079
Tax Credit Request/Allocation - for 9%		\$1,093,217	\$1,093,217
Total	\$0	\$1,093,217	\$1,093,217

Total Credit Allocation		\$1,093,217
Equity Gap Calc	16194214	
	\$6,699,482	
	\$9,494,732	
	\$949,473.18	
	\$1,104,149.00	
	\$1,115,190.00	

FORECASTED ANNUAL CREDIT STREAM

Year	LIHT CREDITS		TOTALS
	ACQ.	NEW CONSTR. /	
2025	\$0	\$266,556	\$266,556
2026	\$0	\$1,093,217	\$1,093,217
2027	\$0	\$1,093,217	\$1,093,217
2028	\$0	\$1,093,217	\$1,093,217
2029	\$0	\$1,093,217	\$1,093,217
2030	\$0	\$1,093,217	\$1,093,217
2031	\$0	\$1,093,217	\$1,093,217
2032	\$0	\$1,093,217	\$1,093,217
2033	\$0	\$1,093,217	\$1,093,217
2034	\$0	\$1,093,217	\$1,093,217
2035	\$0	\$826,661	\$826,661
2036	\$0	\$0	\$0
2037	\$0	\$0	\$0
2038	\$0	\$0	\$0
2039	\$0	\$0	\$0
2040	\$0	\$0	\$0
	\$0	\$10,932,170	\$10,932,170

HISTORIC TAX CREDITS

	FEDERAL	STATE	TOTALS
TOTAL QUALIFIED REHABILITATION COSTS	\$0	\$0	
ADJUSTMENT FACTOR	99.75%	99.75%	
TOTAL ADJUSTED QUALIFIED REHABILITATION COSTS	\$0	\$0	
TAX CREDIT PERCENTAGES	20%	20%	
TAX CREDITS	\$0	\$0	
Ownership %	99.99%	99.99%	
Pricing	\$0.00	\$0.00	
Equity	\$0	\$0	
TOTAL HISTORIC EQUITY		\$0	

ENERGY CREDITS

TOTAL ENERGY CREDIT COSTS	\$0
TAX CREDIT PERCENTAGE	30%
ENERGY CREDITS	\$0
OTHER CREDITS	
BASIS	\$ -
PERCENTAGE	50%
TAX CREDITS	\$ -

Northernstar Companies

Madison RFP
Madison, WI

8/10/2022

15 Year Cash Flow Pro Forma

Year	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039	16 2040	17 2041	18 2042	19 2043	20 2044	
Gross Rental Income	2%	\$773,280	\$788,746	\$804,521	\$820,611	\$837,023	\$853,764	\$870,839	\$888,256	\$906,021	\$924,141	\$942,624	\$961,476	\$980,706	\$1,000,320	\$1,020,327	\$1,040,733	\$1,061,548	\$1,082,779	\$1,104,434	\$1,126,523
Other Income	2%	\$46,920	\$47,858	\$48,816	\$49,792	\$50,788	\$51,803	\$52,840	\$53,896	\$54,974	\$56,074	\$57,195	\$58,339	\$59,506	\$60,696	\$61,910	\$63,148	\$64,411	\$65,699	\$67,013	\$68,354
Commercial Income	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Income		\$820,200	\$836,604	\$853,336	\$870,403	\$887,811	\$905,567	\$923,678	\$942,152	\$960,995	\$980,215	\$999,819	\$1,019,816	\$1,040,212	\$1,061,016	\$1,082,236	\$1,103,881	\$1,125,959	\$1,148,478	\$1,171,448	\$1,194,877
Less Vacancies	7%	(\$54,130)	(\$55,212)	(\$56,316)	(\$57,443)	(\$58,592)	(\$59,763)	(\$60,959)	(\$62,178)	(\$63,421)	(\$64,690)	(\$65,984)	(\$67,303)	(\$68,649)	(\$70,022)	(\$71,423)	(\$72,851)	(\$74,308)	(\$75,795)	(\$77,310)	(\$78,857)
Less Vacancies (Other)	7%	(\$3,284)	(\$3,350)	(\$3,417)	(\$3,485)	(\$3,555)	(\$3,626)	(\$3,699)	(\$3,773)	(\$3,848)	(\$3,925)	(\$4,004)	(\$4,084)	(\$4,165)	(\$4,249)	(\$4,334)	(\$4,420)	(\$4,509)	(\$4,599)	(\$4,691)	(\$4,785)
Less Vacancies (Commercial)	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income		\$762,786	\$778,042	\$793,603	\$809,475	\$825,664	\$842,177	\$859,021	\$876,201	\$893,725	\$911,600	\$929,832	\$948,429	\$967,397	\$986,745	\$1,006,480	\$1,026,610	\$1,047,142	\$1,068,085	\$1,089,446	\$1,111,235
Operating Expenses	3%	\$247,392	\$254,814	\$262,458	\$270,332	\$278,442	\$286,795	\$295,399	\$304,261	\$313,389	\$322,790	\$332,474	\$342,448	\$352,722	\$363,303	\$374,203	\$385,429	\$396,992	\$408,901	\$421,168	\$433,803
Management Fee	6%	\$45,767	\$47,140	\$48,554	\$50,011	\$51,511	\$53,057	\$54,648	\$56,288	\$57,976	\$59,716	\$61,507	\$63,352	\$65,253	\$67,211	\$69,227	\$71,304	\$73,443	\$75,646	\$77,916	\$80,253
Real Estate Taxes	3%	\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$115,927	\$119,405	\$122,987	\$126,677	\$130,477	\$134,392	\$138,423	\$142,576	\$146,853	\$151,259	\$155,797	\$160,471	\$165,285	\$170,243	\$175,351
Replacement Reserves	3%	\$18,000	\$18,540	\$19,096	\$19,669	\$20,259	\$20,867	\$21,493	\$22,138	\$22,802	\$23,486	\$24,190	\$24,916	\$25,664	\$26,434	\$27,227	\$28,043	\$28,885	\$29,751	\$30,644	\$31,563
Total Operating Expenses		\$411,159	\$423,494	\$436,199	\$449,285	\$462,763	\$476,646	\$490,946	\$505,674	\$520,844	\$536,469	\$552,564	\$569,140	\$586,215	\$603,801	\$621,915	\$640,573	\$659,790	\$679,583	\$699,971	\$720,970
Net Operating Income		\$351,627	\$354,548	\$357,404	\$360,190	\$362,901	\$365,531	\$368,075	\$370,527	\$372,881	\$375,130	\$377,268	\$379,288	\$381,182	\$382,944	\$384,565	\$386,037	\$387,352	\$388,501	\$389,475	\$390,265
First Mortgage DS		\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345
Other Hard DS		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL must-pay debt		\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345	\$233,345
Debt Coverage Ratio - (DCR)		1.507	1.519	1.532	1.544	1.555	1.566	1.577	1.588	1.598	1.608	1.617	1.625	1.634	1.641	1.648	1.654	1.660	1.665	1.669	1.672
Predistribution Cash Flow		\$118,282	\$121,203	\$124,059	\$126,845	\$129,556	\$132,186	\$134,730	\$137,182	\$139,536	\$141,785	\$143,923	\$145,943	\$147,837	\$149,599	\$151,220	\$152,692	\$154,007	\$155,156	\$156,130	\$156,920
Cash Flow Available for Distribution		\$118,282	\$121,203	\$124,059	\$126,845	\$129,556	\$132,186	\$134,730	\$137,182	\$139,536	\$141,785	\$143,923	\$145,943	\$147,837	\$149,599	\$151,220	\$152,692	\$154,007	\$155,156	\$156,130	\$156,920
Cash Flow Waterfall																					
1 Asset Management Fee	3%	(\$3,200)	(\$3,296)	(\$3,395)	(\$3,497)	(\$3,602)	(\$3,710)	(\$3,821)	(\$3,936)	(\$4,054)	(\$4,175)	(\$4,301)	(\$4,430)	(\$4,562)	(\$4,699)	(\$4,840)	\$0	\$0	\$0	\$0	\$0
2 Deferred Fee Payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3 La Crosse AHRLF																					
4																					
5																					
Distributable Cash Flow - After Payments		\$115,082	\$117,907	\$120,664	\$123,348	\$125,954	\$128,476	\$130,909	\$133,247	\$135,483	\$137,610	\$139,623	\$141,513	\$143,275	\$144,900	\$146,379	\$152,692	\$154,007	\$155,156	\$156,130	\$156,920
Deferred Fee Feasibility																					
Deferred Developer Fee	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 Year Predistribution Cash Flow	%	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364	\$1,305,364
15 Year Predistribution Cash Flow		\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886	\$2,043,886
Years to repay Deferred Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cap Rate																					
Projected Assessed Value	7.50%	\$4,688,358	\$4,727,304	\$4,765,384	\$4,802,532	\$4,838,678	\$4,873,750	\$4,907,672	\$4,940,366	\$4,971,750	\$5,001,739	\$5,030,245	\$5,057,174	\$5,082,432	\$5,105,919	\$5,127,531	\$5,147,159	\$5,164,693	\$5,180,015		
Market Rate Developments:																					
Predistribution Cash Flow		\$118,282	\$121,203	\$124,059	\$126,845	\$129,556	\$132,186	\$134,730	\$137,182	\$139,536	\$141,785										
Return on Equity		\$0																			
Investor Equity	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Developer Equity	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Investor Cash on Cash Return		\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
IRR Calculation	#VALUE!	\$0	\$118,282	\$121,203	\$124,059	\$126,845	\$129,556	\$132,186	\$134,730	\$137,182	\$139,536	#DIV/0!									
Sale Year 10																					
NOI		\$375,130																			
Property Value	Cap Rate:	6.50%	\$5,771,237																		
Cost of Sale		3.00%	(\$173,137)																		
Sale Value			\$5,598,100																		
First Mortgage Ending Balance			(\$2,840,365)																		
Subordinate Debt																					
Net Sale Proceeds			\$2,757,735																		
Return of Capital to Equity Investor			\$0																		
Proceeds to Developer			\$0																		
Return to Split			\$2,757,735																		
Share to Equity Investor		#DIV/0!	#DIV/0!																		
Sale Value																					
NOI		\$351,627	\$354,548	\$357,404	\$360,190	\$362,901	\$365,531	\$368,075	\$370,527	\$372,881	\$375,130										
Property Value	6.50%	\$5,409,644	\$5,454,581	\$5,498,520																	

IRR by Year of Sale - Investor

Year	IRR	Investor Equity	1	2	3	4	5	6	7	8	9	10
1	#NUM!	\$0	\$118,282									
2	#VALUE!	\$0	#DIV/0!	\$121,203								
3	#VALUE!	\$0	#DIV/0!	#DIV/0!	\$124,059							
4	#VALUE!	\$0	#DIV/0!	#DIV/0!	#DIV/0!	\$126,845						
5	#VALUE!	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$129,556					
6	#VALUE!	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$132,186				
7	#VALUE!	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$134,730			
8	#VALUE!	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$137,182		
9	#VALUE!	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$139,536	
10	#VALUE!	\$0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	\$141,785

Northernstar Companies

Madison RFP
Madison, WI

Commercial Space

8/10/2022

Income

Tenant	SF	Rent (NNN)	Annual
1	3,000	\$ 15.00	45000
2	1,500	\$ 14.50	21750
3	1,200	\$ 14.00	16800
Total	5,700		\$ 83,550

Commercial Vacancy Rate:	20%
Income Inflation:	2%

<u>Commercial Sources</u>	<u>Debt Service</u>
First Mortgage	611,671
Other	150,000
Other	
Total	\$ 761,671

<u>Commercial Uses</u>	
Acquisition	100,000
Hard Construction Costs	500,000
Soft Costs	
Tenant Improvement Allowance	199,500
Legal	
Commercial Broker Commission	
Permits & Fees	
Construction Insurance	
Other:	
Other:	
Other:	
Total	\$ 799,500

Expenses

Taxes	-
Maintenance	-
Insurance	-
Utilities	-
Reserves	5,000.00
Total Expenses	\$ 5,000.00

Expense Inflation:	3%
--------------------	----

First Mortgage Sizing

Minimum DCR	1.20
NOI	\$61,840
Max Payment	\$51,533
Amortization	20
Term	7
Rate	5.75%
Max Loan Amount	\$611,671

Term

Oversourced / (Undersourced)

(\$37,829)

Proforma	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Gross Rent	\$ 83,550	\$ 85,221	\$ 86,925	\$ 88,664	\$ 90,437	\$ 92,246	\$ 94,091
Less Vacancy	\$ (16,710)	\$ (17,044)	\$ (17,385)	\$ (17,733)	\$ (18,087)	\$ (18,449)	\$ (18,818)
Effective Gross Income	\$ 66,840	\$ 68,177	\$ 69,540	\$ 70,931	\$ 72,350	\$ 73,797	\$ 75,273
Less Operating Expenses	\$ (5,000.00)	\$ (5,150.00)	\$ (5,304.50)	\$ (5,463.64)	\$ (5,627.54)	\$ (5,796.37)	\$ (5,970.26)
Net Operating Income	\$ 61,840	\$ 63,027	\$ 64,236	\$ 65,468	\$ 66,722	\$ 68,000	\$ 69,302
First Mortgage DS	\$51,533	\$51,533	\$51,533	\$51,533	\$51,533	\$51,533	\$51,533
Other Hard DS							
DCR - All In	1.20	1.22	1.25	1.27	1.29	1.32	1.34
Cash Flow	\$ 10,307	\$ 11,493	\$ 12,703	\$ 13,934	\$ 15,189	\$ 16,467	\$ 17,769

APPLICANT & PROJECT NAME:

Northernstar Companies & The 1202

1. CAPITAL BUDGET

Enter ALL proposed project funding sources.

FUNDING SOURCES

Source	Amount	Non-Amortizing (Y/N)	Rate (%)	Term (Years)	Amort. Period (Years)	Annual Debt Service
Permanent Loan-Lender Name:						
First Mortgage	\$ 3,164,482		6.65%	15	35	\$233,345
Subordinate Loan-Lender Name:						
Subordinate Loan-Lender Name:						
Tax Exempt Loan-Bond Issuer:						
AHP Loan (List FHLB):						
FHLB AHP - Competitive Scoring Request	\$ 1,000,000		0.00%	35	35	\$0
Total City Request (AHF, TIF, federal funds, etc.)						
City Affordable Housing Support	\$ 2,000,000		1.00%	35	35	\$0
Other-Specify Lender/Grantor:						
DANE COUNTY HOME-ARP / ARPA Allocatio	\$ 535,000		1.00%	35	35	\$0
Other-Specify Lender/Grantor:						
Other-Specify Lender/Grantor:						
Tax Credit Equity	\$ 9,494,732					
Historic Tax Credit Equity						
Deferred Developer Fees						
Owner Investment						
Other-Specify:						
Total Sources	\$ 16,194,214					

Do you plan on submitting an application for TIF?

No

Construction Financing			
Source of Funds	Amount	Rate	Term (Months)
Construction Loan-Lender Name:			
Construction Loan	\$ 9,300,000	6.89%	24
Bridge Loan-Lender Name:			
Tax Credit Equity:			
Tax Credit Equity During Construction	\$ 2,350,182		
Total	\$ 11,650,182		

Estimated pricing on sale of Federal Tax Credits: **\$ -**

Estimated pricing on sale of State Tax Credits: **\$ -**
(if applicable)

Remarks Concerning Project Funding Sources:



APPLICANT:

Northernstar Companies

2. PROJECT EXPENSES

Enter the proposed project expenses

Acquisition Costs	Amount
Land	\$290,000
Existing Buildings/Improvements	\$0
Other (List)	
	\$0

Construction:	
Construction/Rehab Costs	\$9,615,000
Construction Profit	\$498,202
Construction Overhead	\$206,132
General Requirements	\$452,823
Construction Supervision	\$0
FF&E/Personal Property	\$0
Demolition	\$0
Site Work	\$400,000
Landscaping	\$0
Letter of Credit/P&P Bond	\$119,722
Construction Contingency	\$604,594
Other (List)	
Underground/Covered Parking	\$800,000

<--- If applicable, please list the costs attributable to "above and beyond" green building/Net Zero construction components included in the Construction Costs line item:

Total Cost:
\$16,194,214

Architectural & Engineering	
Architect - Design	\$275,000
Architect - Supervision	\$37,100
Engineering	\$50,000
Other (List)	
	\$0

Interim/Construction Costs	
Builder's Risk/Property Insurance	\$40,000
Construction Loan Interest	\$400,000
Construction Loan Origination Fee	\$93,000
Real Estate Taxes	\$0
Park Impact Fees	\$0
Other Impact Fees	\$0
Other (List)	
Predev Loan Fees & Interest (\$5,000) Title & Recording (\$15,000) Construction Legal - (\$15,000)	\$35,000

Financing Fees	
Cost of Bond Issuance	\$0
Permanent Loan Origination Fee	\$47,467
Credit Enhancement	\$0

Other Permanent Loan Fees	\$15,000
Soft Costs	
Appraisal	\$7,500
Market Study	\$7,500
Environmental Reports	\$15,000
Survey	\$20,000
Permits	\$50,000
Lease-Up Period Marketing	\$15,000
Tax Credit Fees - Application	\$3,000
Tax Credit Fees - Compliance	\$600
Tax Credit Fees - Allocation	\$109,322
Accounting/Cost Certification	\$20,000
Title Insurance and Recording	\$0
Relocation	\$50,000
FF&E	\$75,000
Capital Needs Assessment (if rehab)	\$0
Legal	\$100,000
Other (List)	
Inspection/Plan Review (\$5,000)	\$80,000
Soft Cost Contingency (\$50,000)	
Taxes - Construction Period Only (\$25,000)	
Fees:	
Bridge Loan Fees	\$0
Organizational Fees	\$0
Syndication Fees	\$50,000
Total Development Fee	\$1,260,000
Developer Overhead	\$0
Other Consultant Fees	\$0
Other (List)	
	\$0
Reserves Funded from Capital:	
Lease-Up Reserve	\$30,000
Operating Reserve	\$322,252
Replacement Reserve	\$0
Capital Needs Reserve	\$0
Debt Service Reserve	\$0
Escrows	\$0
Other: (List)	
	\$0
TOTAL COSTS:	\$16,194,214

APPLICANT: Northernstar Companies

3. PROJECT PROFORMA

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

Table with 30 columns (Year 1-30) and rows for Gross Income, Less Vacancy/Bad Debt, Income from Non-Residential Use, Expenses (Office, Real Estate, Advertising, Payroll, Property Insurance, etc.), Total Annual Cash Expenses, Total Net Operating Income, Debt Service, Deferred Developer Fee, Cash Flow, and DCR Hard Debt.

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

Assumptions table with rows for Vacancy Rate (7.0%), Annual Increase Income (2.0%), Annual Increase Expenses (3.0%), and Other.

*Please list all fees (per unit per month) and non-residential income:

APPLICANT:

3. PROJECT PROFORMA (cont.)

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

Table with 30 columns (Year 17-30) and rows for Gross Income, Less Vacancy/Bad Debt, Income from Non-Residential Use, Expenses (Office, Real Estate, Advertising, Payroll, Property Insurance, etc.), Total Annual Cash Expenses, Total Net Operating Income, Debt Service, Deferred Developer Fee, Cash Flow, and DCR Hard Debt.

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

Assumptions table with rows for Vacancy Rate (7.0%), Annual Increase Income (2.0%), Annual Increase Expenses (3.0%), and Other.

Team Structure

Project Team:

1. **Lead Developer** – TBD
2. **Co-Developer** – Northernstar Companies
3. **General Contractor** – Altius Building Company.
4. **Property Manager** – TEAM Management, LLC.
5. **Architect** – Continuum Architects + Planners, S.C.

Developer: Northernstar Companies

Northernstar Companies is an ACRE born commercial real estate firm in the Greater Milwaukee area. We are proud of the fact that we use our business as a vehicle to enhance the lives of those who live, work, and play in and around the projects we develop.

Key Staff Members: Brandon Methu - Founding Principal
 James Methu - President

Northernstar Companies is a real estate development firm that acquires, owns, renovates, and operates affordable, workforce, and value-oriented assets across southeastern Wisconsin. Northernstar Companies partners with institutional investors – both domestically and internationally – to deliver quality primary housing in major metropolitan and suburban Wisconsin markets.

A primary focus of our mission is to provide hard-working families higher quality, well maintained, and safe value rental housing – a base for their pursuit of the American Dream. We invest not only in brick and mortar but in on-site services, amenities, and activities that add value to properties and bring our residents' desired lifestyles within reach.

Families with incomes of \$30,000 to \$80,000 represent the largest segment of the rental housing market. We regard the ability to serve this market as a social, cultural, and financial opportunity.

Prior to founding Northernstar Companies, Brandon Methu was the lead analyst of a Milwaukee-based commercial real estate company where he led structuring and negotiation of acquisitions, RFP submissions, and pre-development activities.

Previously, Brandon managed the financial analysis, project planning, and preliminary due diligence of more than \$150 Million of world-class affordable real estate projects as the Project Coordinator of a regional housing developer and Investment Analyst with the Federal Home Loan Bank.

Brandon holds a BA in Economics from the University of Wisconsin-Milwaukee, an Associates in Commercial Real Estate from Milwaukee School of Engineering and sits on the board of Community First MKE.

General Contractor: Altius Building Company

Altius mission is to deliver construction management and development integration solutions second to none in quality and efficiency, with a focus on uncompromising honesty and integrity.

The success of every project we complete begins with our team of construction management experts. At Altius Building Company, our project teams are handpicked for the needs of each project. They have

outstanding skills managing complex deliverables, uncovering efficiencies, solving problems, and executing projects.

Although each project and partnership is unique, one thing never waivers, our core values. As a company, we continually pursue excellent service, safety, integrity, quality craftsmanship, accountability, and professionalism. Every member of our team plays a critical role in ensuring that our client's needs come first, while completing our projects on-time and often, under budget.

Leading the company is Scott Drees, President & CEO; Jonathan Ward, Vice President of Development Integration, and Darren Smith, Controller.

Property Manager: TEAM Management

Established in 1997, TEAM Management provides a full range of property management services for commercial and multi-family buildings. TEAM Management, since its inception, has specialized in managing properties designated for affordable housing either through Section 8 or Section 42. Through our experienced staff, we provide our clients with the best in property management services.

Our property managers and compliance monitors are trained in Section 42 through YASC training and seminars. Section 8 training is done through occupancy specialist certification courses. In addition, our staff has attended the Landlord Training Program which focuses on problem solving techniques for low income housing managers.

Architect: Continuum Architects + Planners, S.C

Continuum designs relevant and award-winning architecture responsive to clients and beneficial to the community. We offer interactive programming and planning; full architectural and interior design; historical consultation and rehab; and comprehensive project management as part of our in-house services.

Established in 1996, Continuum Architects + Planners is a highly technical team of experienced professionals. We can deliver projects from \$100,000 to \$140 million dollars and manage multiple active projects at one time while never compromising client service.

Currently, the firm has 17 team members including five principals, seven licensed architects— three who are LEED APs—three degreed technicians, and one administrative professional. Together, the teams' experiences, enthusiasm and determination are a dynamic combination well suited to addressing clients' needs in a variety of building types such as higher education, mixed-use, multi-family housing, offices, and public facilities.

It is Continuum's belief that good architecture can affect a community's quality of life. Well-thought-out, sustainable design can be a great source of pride to the community. We believe that architecture and the built environment play important roles in the way companies and building occupants are perceived by other members of the community, and that architecture needs to facilitate rather than discourage this important interaction. The design process should be an enjoyable experience for all participants, with emphasis on a highly interactive process.

Company Leadership

James Methu



James Methu was a Senior Business Analyst with the City of Milwaukee's Office of Small Business Development. He is also an entrepreneur, children's book author, public servant, and father. James is a lifelong Milwaukee resident, responsible for the firm's community engagement and public relations.

His educational background includes a Bachelor of Business Administration, Securities Investment Licenses 6, 63, 7 and 24, as well as continuing professional studies in Compliance. He is a graduate of the Associates in Commercial Real Estate program (MSOE & Marquette University). As a young professional he has experience in financial services, community activism, urban development, Residents Preference Programs, Small Business Enterprises, public-private partnerships, and property management. He is a managing member of Methu Legacy Portfolio, and partner with real estate development firm Northernstar Companies LLC.

Brandon Methu



Brandon has an extensive background in multifamily and mixed-use real estate. Specializing in housing developments that utilize low-income housing tax credits, new market tax credits, and opportunity zone investment; Brandon provides underwriting and financial analysis to support all stages of the development process.

Prior to founding Northernstar Companies, Brandon was the lead analyst of a Milwaukee-based commercial real estate company where he led structuring and negotiation of acquisitions, RFP submissions, and pre-development activities.

Previously, Brandon managed the financial analysis, project planning, and preliminary due diligence of more than \$150 Million of world-class affordable real estate projects as the Project Coordinator of a regional housing developer and Investment Analyst with the Federal Home Loan Bank.

Brandon holds a BA in Economics from the University of Wisconsin-Milwaukee, an Associates in Commercial Real Estate from Milwaukee School of Engineering and is the chairman of Community First 501(c)(3) Milwaukee's largest volume provider for administering the Neighborhood Improvement Program (NIP), a housing rehabilitation loan program for low income homeowners that uses Federal Community Development Block Grant and HOME funds.



December 2, 2020

Mr. Joaquin Altoro
Chief Executive Officer
WHEDA
201 W. Washington Ave, Suite 700
Madison, WI 53703-1728

RE: Associates in Commercial Real Estate Certification of Completion

Dear Mr. Altoro,

This letter is to certify that Brandon Methu completed the 2014-2015 Associates in Commercial Real Estate (ACRE) program. I have included the ACRE 2014-2015 graduation program (attached) for verification.

If you need any additional information please contact me directly at 414-930-1746 or tlipscomb@lisc.org.

Thank you,

A handwritten signature in black ink, appearing to read "Theodore Lipscomb, Sr.", written in a cursive style.

Theodore Lipscomb, Sr.
Executive Director
LISC Milwaukee



December 2, 2020

Mr. Joaquin Altoro
Chief Executive Officer
WHEDA
201 W. Washington Ave, Suite 700
Madison, WI 53703-1728

RE: Associates in Commercial Real Estate Certification of Completion

Dear Mr. Altoro,

This letter is to certify that James Methu completed the 2014-2015 Associates in Commercial Real Estate (ACRE) program. I have included the ACRE 2014-2015 graduation program (attached) for verification.

If you need any additional information please contact me directly at 414-930-1746 or tlipscomb@lisc.org.

Thank you,

A handwritten signature in black ink, appearing to read "Theodore Lipscomb, Sr.", written in a cursive style.

Theodore Lipscomb, Sr.
Executive Director
LISC Milwaukee



MILWAUKEE COUNTY EXECUTIVE CHRIS ABELE

Milwaukee County

NOTICE OF SELECTION FOR QUALIFIED FIRMS

RFQ #98190013 Milwaukee County Housing Division

DATE OF NOTIFICATION: September 3, 2019

Milwaukee County Housing Division has reviewed the qualification submission received in response to RFQ #98190013 for potential future projects. This notice is to notify you that you have been qualified and added to the list.

It is Milwaukee County Housing Division's intent to contract with firms from the qualified list, subject to a successful selection, negotiation and contract approval process.

This list does not guarantee award of any contract or selection. The County will retain a list of qualified firms for a term of 5-years and select developers on a per-project basis based on qualification/strength related to specific projects. Decisions to award contract shall be made at the sole discretion of the Housing Division.

Lacy Parson
RFP Administrator
(414) 223-8109



SCOTT DREES

Drawing on his broad background of over 19 years of experience, which includes all facets of construction, Scott manages the operations of the company and oversees each project team. Clients seek his personable demeanor and have come to rely on Scott for a winning combination of sophistication, cost structure, and an unwavering commitment to client satisfaction. Scott holds a B.S. in Construction Management from the Milwaukee School of Engineering. He also holds a LEED AP BD + C certification and is a Certified Professional Constructor (Level 1AC) from the American Institute of Constructors. He also serves on the Froedtert & MCW Digestive Disease Board.



JONATHAN WARD

As Vice President of Development Integration, Jonathan focuses on assisting clients with the planning, modeling, and financing of their projects. He has a wealth of experience in tax credit financing, grants, leverage loans, subordinate loans, and TIF financing. Prior to Altius, Jonathan was a Project Manager for several real estate development firms and worked in tax credit investments for a large national financial institution. Over his career, Jonathan has closed financing on projects worth nearly \$200 million. He studied city planning, architecture, and public space design in Barcelona, and was awarded the Lauble Fellowship in Community Development from Heinz College at Carnegie Mellon University. Jonathan is also a member of NAIOP-Wisconsin. He earned a Master's degree in Public Policy and Management in Development at Carnegie Mellon University.



DARREN SMITH

As Controller Darren's responsibilities include cash management, cash flows, projections, financial statement preparations, monthly closing financial statements, and compliance. Prior to joining Altius Building Company, Darren's experience included work as a Director of Finance at Select Sound Service, Inc., where he was responsible for all human resources and financial functions of the company. He also was an Accountant for Nabco Entrances, Inc., completing all day-to-day accounting functions for the Wisconsin Branch. Darren has a Bachelor of Business Administration in Accounting from Lakeland University. He is currently pursuing an American Institute of Certified Public Accountants designation.

ABOUT US



759
COMPLETED
PROJECTS

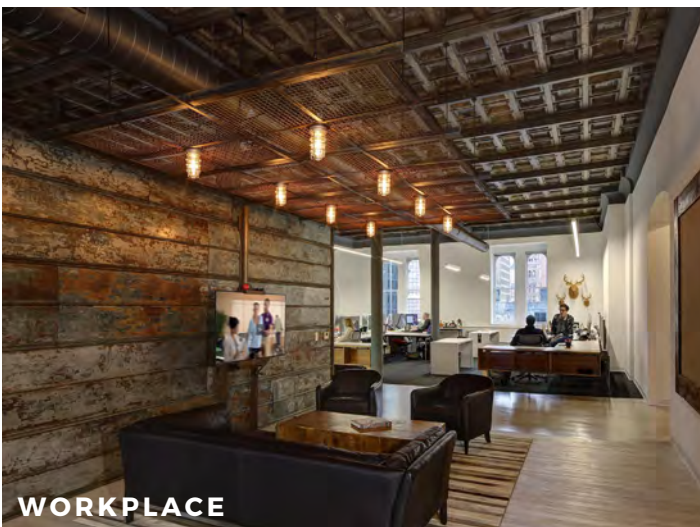
93
WINNING
AWARDS

17
PROFESSIONAL
STAFF

148
SATISFIED
CLIENTS

Established in 1996, Continuum Architects + Planners was born out of a desire to provide high design without compromising meticulous attention to detail. We are made up of a tight-knit, creative, and highly technical team of design professionals. For us, architecture is an investment in the future, a belief in great things to come. Our design philosophy extends beyond the bounds of the physical building to include the users and the community impacted by the design. Continuum's approach to design is to carefully balance the pragmatic and the visionary, pairing meticulous project planning with inspired creativity. We call it intelligent optimism.

We intentionally work with clients who want to enhance the built environment and on projects that uplift the communities in which they are located. We understand that how places and spaces are planned, programmed, designed and built presents an opportunity to inspire hope, and our process reflects that.



WHAT WE DO

Our team provides a suite of services that help our clients take their vision through to completion. From the initial master planning, space planning, and programming phases, through to detailed design, interior design and finishes, and construction administration - we provide consistent attention to detail and client engagement throughout the life of a project.





ARCHITECTURE

Continuum understands how a project can positively impact all of the stakeholders, from the client, to end-users. Our design philosophy is grounded in creating intelligent, innovative designs that aim to elevate our clients and communities.



INTERIOR DESIGN

Every space has a story to tell. Interior architecture is just one way to give that story a voice. Our designers balances big picture goals with small-scale details. Our approach assures that the interior space is an extension of the exterior and evokes an emotional response.



MASTER PLANNING & FACILITIES PLANNING

Planning for the future is a large part of architecture. We bring decades of experience in campus master plans, corporate and redevelopment master plans, and facilities plans.



PROGRAMMING & SPACE PLANNING

Programming and space utilization begins by learning how your organization interacts within the space. Our objective is to use great design to reinforce your core values and culture, while still creating a more efficient, forward-thinking, and flexible space



LABORATORY PLANNING

The rise of Science, Technology, Engineering, and Mathematics (STEM) programs are driving a need for college campuses, research institutes and technology-based corporations to remain competitive in the market, which means providing state of the art lab facilities.



FAIR HOUSING ACT DESIGN

We have worked with developers, community groups, nonprofits, and housing authorities to provide high quality affordable housing options within our community. We help our clients navigate complex funding sources through State and Federal Low Income Housing Tax Credits (LIHTC).



HISTORIC CONSULTING

At Continuum, we take pride in giving new life to historic buildings. Our team takes a scholarly approach to researching past uses and historical significance, preparing nominations for the National Registry of Historic Places, and helping clients navigate complex historic certification and tax credits.



SUSTAINABLE DESIGN

Designing for the future means understanding emerging trends and technologies for a more sustainable and resilient building. There are many strategies available in our toolkit - from the US Green Building Council's LEED rating system, to energy saving models, to designing for net-zero.



VISUALIZATION

Architectural visualization is much more than creating beautiful renderings. We use tools to explore and translate ideas into a format that helps our clients visualize the final product, and engage a broader audience. Visualization is an iterative and interactive process throughout the life of a project.



PROJECT MANAGEMENT

Meticulous project management is one of Continuum Architect's core values. Our leadership and project management approach has led large national teams through complex projects while maintaining a high degree of control, coordination and client satisfaction. construction



CONSTRUCTION MANAGEMENT

Continuum believes that execution of our design vision is critical to every project. We remain dedicated throughout the life of the project, including the construction phase. Our team maps out a comprehensive plan for construction administration with team meetings and onsite check-ins.



CHANGE MANAGEMENT

The key to implementing a new workplace model depends on having a successful change management plan. As more companies shift their physical workplace and culture, it becomes increasingly important to communicate a strategy to employees and staff on how these changes may impact them.

AFFORDABLE HOUSING



50+

RESIDENTIAL
PROJECTS

1392

AFFORDABLE
UNITS

856

HISTORIC
MARKET RATE
UNITS

For over 20 years, Continuum has help developers and municipalities master plan and design residential housing. Our expertise ranges from master planning large areas of land for low-density multifamily developments, to urban new construction, or renovation and adaptive reuse of historic buildings into residential housing.

For each project, we listen closely to our clients to understand their specific goals, understand their vision for the project, and to develop designs that are sensitive the surrounding neighborhood context while still meeting the needs of our clients and end users. The following pages include a sampling of our residential portfolio.



WHITNEY LOFTS
Green Bay, Wisconsin



HARLOW & HEM
Wauwatosa, Wisconsin



WELFORD SANDERS LOFTS
Milwaukee, Wisconsin



THE WATERTOWN
Wauwatosa, Wisconsin



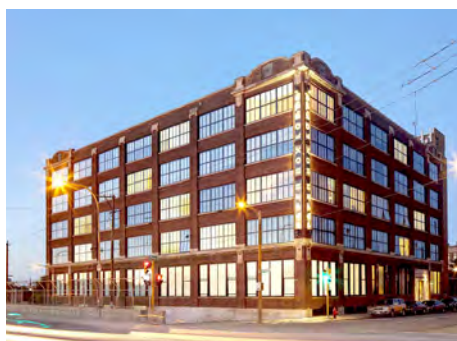
HISTORIC MACKIE BUILDING
Milwaukee, Wisconsin



PORT WASHINGTON TOWNHOMES
Port Washington, Wisconsin



CONTINENTAL PROPERTIES
Prototype



PAPER BOX LOFTS
Milwaukee, Wisconsin



BISHOPS CREEK
Milwaukee, Wisconsin

FALAMAK NOURZAD AIA, NCARB, LEED, ASID

PRINCIPAL-IN-CHARGE



Co-founder and principal of Continuum Architects + Planners, Falamak brings high performance and design standards to every stage of the architectural process. With over 25 years of professional experience, her passion for building better communities through architecture has helped revitalize several urban Milwaukee neighborhoods. In the last five years, her projects have won ten awards from the Business Journal, the Milwaukee Mayor's office, and WCREW, among others. Falamak brings expertise in historic consulting and has served as lead architect for the adaptive reuse of some of Milwaukee's most cherished historic buildings. Falamak is certified by the National Council of Architectural Registration Boards, and is a LEED Accredited Professional. She belongs to both the American Institute of Architects and the American Society of Interior Designers Wisconsin Chapters. In addition, she continues to mentor students at UWM's School of Architecture and Urban Planning and is a board member of the Creative Alliance of Milwaukee and the Southeastern Wisconsin Regional Planning Commission.

EDUCATION

Master of Architecture,
UW-Milwaukee, 1987

Bachelor of Science in Architecture,
UW-Milwaukee, 1984

Interior Design Study,
University of Kansas, 1979

PROFESSIONAL AFFILIATIONS

American Institute of Architects
(AIA), member

REGISTRATION

Architect: Wisconsin, Illinois,
Michigan, Minnesota
Missouri

National Council of Architectural
Registration Boards (NCARB),
Certified, 2010

LEED Accredited Professional, Green
Building Certification Institute, 2009

EIGHTEEN87 WATER STREET, MILWAUKEE, WISCONSIN

A new 5-story, 79-unit building is a mix of one, two, and three-bedroom units with over half of the units set aside for those making less than 60% of the area's median income. The development is working in partnership with Movin' Out, a Madison-based non-profit that works with individuals and their families to create sustainable housing solutions for people and families with disabilities.

HISTORIC WHITNEY LOFTS & TOWNHOMES, GREEN BAY, WISCONSIN

Renovation of a historical school to create 20 market-rate units. The surrounding block contains 18 townhome condominiums that creates a campus with the historic building.

BROADWAY MARKET LOFTS, MILWAUKEE, WISCONSIN

Converting a historic 3-story, 18,000 sf warehouse into art galleries and studios with apartments and underground parking

MACKIE BUILDING RENOVATION, MILWAUKEE, WISCONSIN

Rehab of 6 story iconic building in Milwaukee's Commercial District. 64,000 square feet of renovation into multi-tenant office, 25 market rate unit, and 450 person assembly space at Grain Exchange Room.

MAXWELL LOFTS, MILWAUKEE, WISCONSIN

Historic rehab of the 1894-1935 Building comprised of 4 contributing structures into 110 Market rate units, and addition of a 6 unit penthouse.

PAPER BOX LOFTS, MILWAUKEE, WISCONSIN

Historic rehab of 1920 box 5-story factory into 72 units of LIHTC housing.

WELFORD SANDERS LOFTS, MILWAUKEE, WISCONSIN

Historic rehab of the 1916-1919 Nunn-Bush Shoe Company Factory into 59 LIHTC units of housing, and rehab of the 1950's addition into office use.

BLOMMER HISTORICAL CAMPUS, MILWAUKEE, WISCONSIN

Historic rehab of the 1926 Blommer Ice Cream Co. into 38 LIHTC units, and a four story new addition for 27 LIHTC units on the same block.

NATIONAL BLOCK, MILWAUKEE, WISCONSIN

Historic rehab of 123,500 sf 882 commercial building in Walker's Point into 14 market rate units.

KRAMER LIFESTYLE CENTER, MILWAUKEE, WISCONSIN

New 3-story retail and office building. Foundry Redevelopment: Renovation for restaurant, coffee shop, and office mixed-use. Kramer Loft Apartments: 55-unit apartment complex.

VAISHALI WAGH, RA, LEED AP

PRINCIPAL- DESIGN ARCHITECT



EDUCATION

Master of Arts, Ball State University, Indiana, 2006

Master of Science, Architecture, Iowa State University, 1994

Bachelor of Architecture, LSR School of Architecture, India, 1991

REGISTRATION

Architect: Wisconsin

LEED Accredited Professional, Green Building Certification

TEACHING EXPERIENCE

2-D Design Foundations Instructor, Ball State University, Muncie, Indiana

Introduction to Architecture, Instructor, University of California - Berkeley

Vaishali is one of Continuum's lead design architect who brings a cosmopolitan perspective and fine arts experience into her architectural design sensibilities. She has won numerous awards for her artistic pottery and academic performance. Vaishali's unique combination of disciplines and global perspective provide her a discerning eye and ability to design space and form at a variety of scales-- from intimate interiors to large scale urban design. She also is one of Continuum's experts in Historical Consulting. Her strategic approach to historic tax credit projects ensures timely and successful certification for Continuum's clients. She also has a deep understanding of City of Milwaukee zoning and code issues and Milwaukee's Historic Preservation regulations. She is able to navigate these complex processes to ensure integrated design solutions that meets all regulations, as well as our clients expectations.

HARLOW AND HEM, WAUWATOSA, WISCONSIN

High-end mixed use development in the central business district. Includes townhomes, studio, 1-, 2-, and 3-bedrooms, and commercial, retail, restaurant space.

THE WATERTOWN, WAUWATOSA, WISCONSIN

Housing for medical students and young professionals developed at affordable pricing within close walking proximity to the medical complex.

ALDON STATION, ASHWAUBENON, WISCONSIN

Planning and redevelopment of a 13-acre site with 160 residential units, including duplex, townhomes, and senior living.

PORT WASHINGTON TOWNHOMES, PORT WASHINGTON, WISCONSIN

Urban-style townhomes in the downtown Port Washington.

NATIONAL BLOCK LOFTS, MILWAUKEE, WISCONSIN

Complete restoration of 1900's historic building in Walkers Point into boutique housing and event space.

PAPER BOX LOFTS, MILWAUKEE, WISCONSIN

Rehab of 1920 historic manufacturing plant into 72 units of LIHTC housing.

109TH AND BRADLEY REDEVELOPMENT, MILWAUKEE, WISCONSIN

Master planning for a 9-acre multifamily redevelopment that includes a mix of 2- and 3- story townhomes.

BROADWAY LOFTS, HISTORIC THIRD WARD, MILWAUKEE, WISCONSIN

Historic rehab of 1890's warehouse structure into commercial retail and 12 market rate units, and a new two luxury penthouse units.

WHITNEY SCHOOL LOFTS, GREEN BAY WISCONSIN

Historic rehab of the 1916 , 3 story school structure into a 23 market units, and development of the historical site with 17 New Town Homes.

THE BARCLAY, PITTSBURGH PLATE GLASS MIXED USE DEVELOPMENT, MILWAUKEE, WISCONSIN

Historic Nomination of the Barclay Industrial Historic District in Milwaukee. Historic rehab of three structures into 92 market-rate units.

MACKIE BUILDING MIXED-USE RENOVATION, MILWAUKEE, WISCONSIN

64,000 square feet of renovation for conversion into multi-tenant office, 25 market rate unit, and 450 person assembly space at Grain Exchange.

MULTI-FAMILY HOUSING PROTOTYPE

Prototype housing for modern two- and three-story multi-family housing models that offer efficiency and modern amenities.

WELFORD SANDERS LOFTS, MILWAUKEE, WISCONSIN

Historic rehab of the 1916-1919 Nunn-Bush Shoe Company Factory into 59 LIHTC units of housing and office space.

WATER STREET APARTMENTS

MILWAUKEE, WISCONSIN

2021
IN
DESIGN

AFFORDABLE
RIVERFRONT
LIVING

79
UNITS
115,861 SF



This 5-story, 79-unit building on Water Street, known as EIGHTEEN87, is a mix of one, two, and three-bedroom units with over half of the units set aside for those making less than 60% of the area's median income. The development, proposed by Rule Enterprises, is working in partnership with Movin' Out, a Madison-based non-profit that works with individuals and their families to create sustainable housing solutions for people and families with disabilities.

Continuum Architects worked with the developers and Movin' Out to help design an integrated solutions that brings more affordable housing to Milwaukee's East Side neighborhood.

CLIENT: Rule Enterprises & Movin' Out

WHITNEY SCHOOL REDEVELOPMENT

GREEN BAY, WISCONSIN



2020
COMPLETION
DATE

REGISTER
OF
**HISTORIC
PLACES**

The City of Green Bay is going through a renewal with the development of the riverfront, rehabilitation of its historic buildings, and the cultural, residential, and retail renaissance of its downtown district. The Whitney School site is uniquely located between the downtown district and a quieter residential district, creating a unique planning challenge of negotiating between these two different scales. The site covers an entire block and is anchored by the historical Whitney School – a site of prominence for its contribution to public education in the State of Wisconsin.

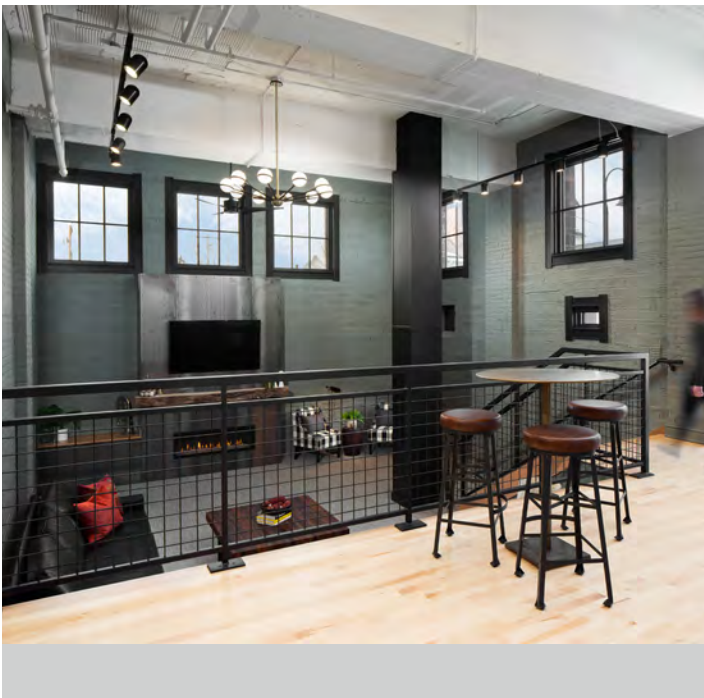
18
TOWNHOMES

20
MARKET RATE
APARTMENTS

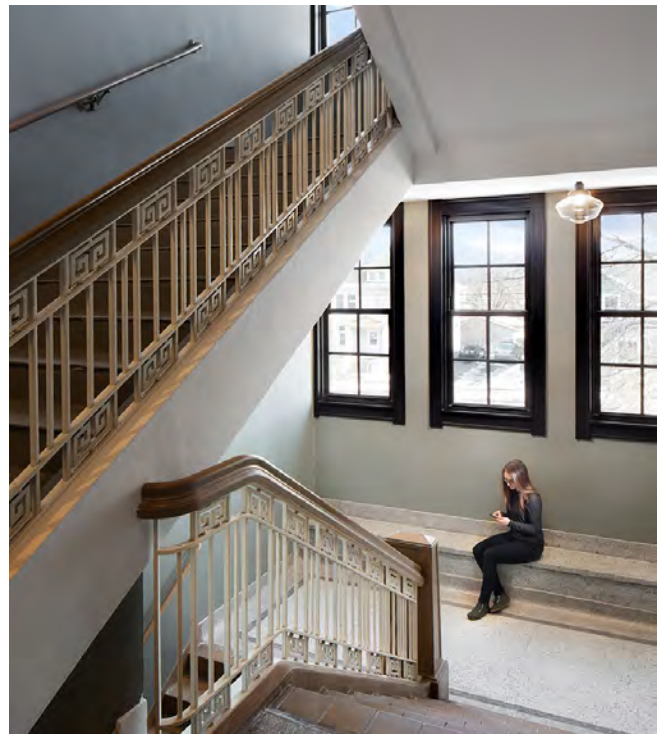
The master plan includes redevelopment of the school into 20 market rate residential units that retain the distinct ambience of a historic building. The surrounding block will be developed into 18 townhome condominiums. The mix of unit types will create a dense urban fabric that balances urban downtown living with an intimate residential environment.

The development will also seek TIF funding from the city for street improvements and new connections to the adjacent public park and nearby Main Street. Site rezoning is being pursued through a Planned Unit Development. Historic Tax Credits from the State and Federal governments as well as HUD financing will provide partial funding for the project. Complex processes involving the City, State and Federal government require collaborative strategies that satisfy the city ordinances, developer visions, and user experience.

CLIENT: Milwaukee View, LLC



WHITNEY SCHOOL REDEVELOPMENT





COMMUNITY WITHIN THE CORRIDOR

MILWAUKEE, WISCONSIN

2022
EST.
COMPLETION

**AFFORDABLE
HOUSING**

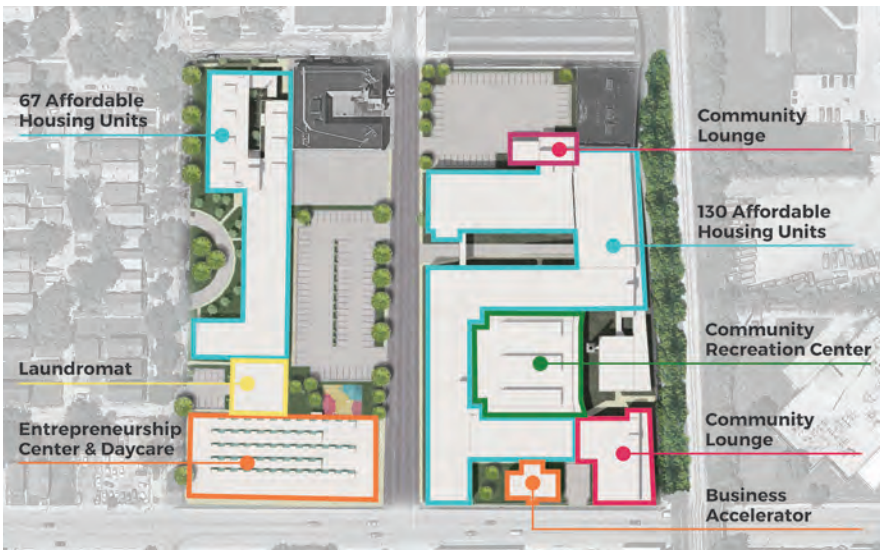
**\$44M
CONSTRUCTION**

**197
UNITS**

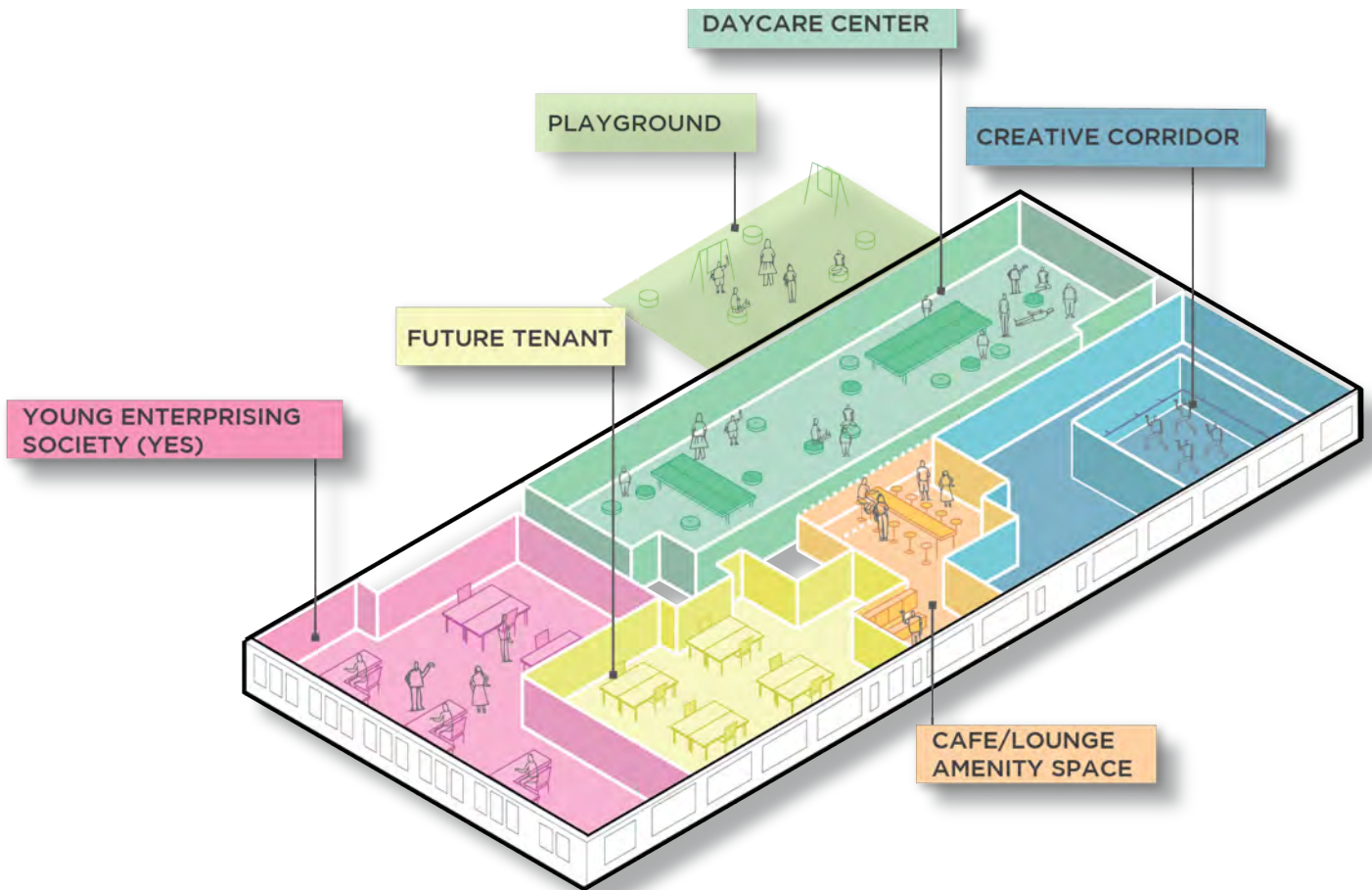
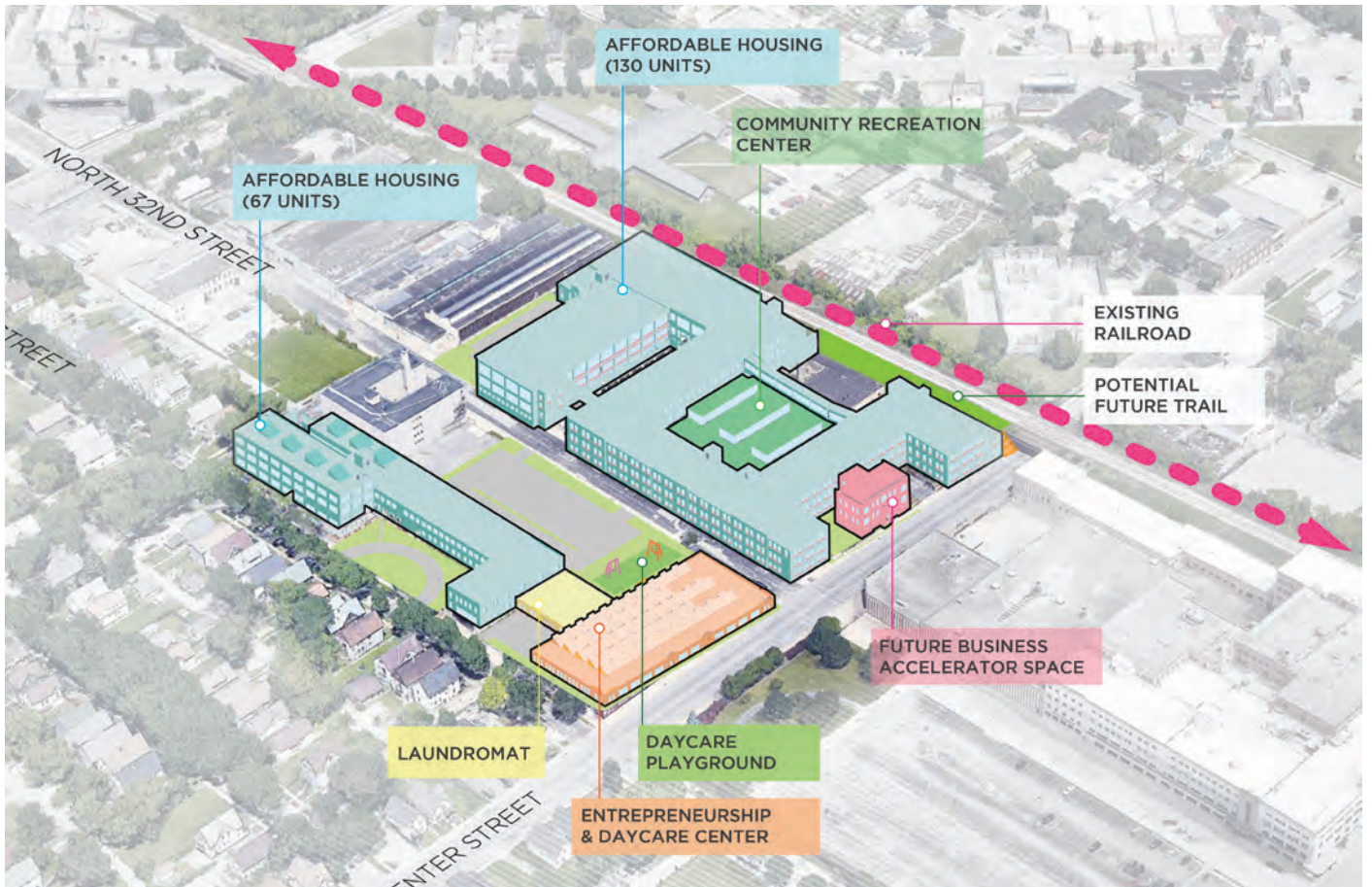


The Community within the Corridor is a visionary transformation of the City of Milwaukee’s 30th Street Industrial Corridor. Formerly occupied by the Briggs & Stratton Corporation, these historic industrial buildings will be revitalized into 197 apartments and roughly 45,000 sq ft of office space for new businesses and local nonprofit groups. The community-focused redevelopment will also include recreational uses, including a community fitness and wellness center, skate park, and bicycle resource station for cyclist along bike trail.

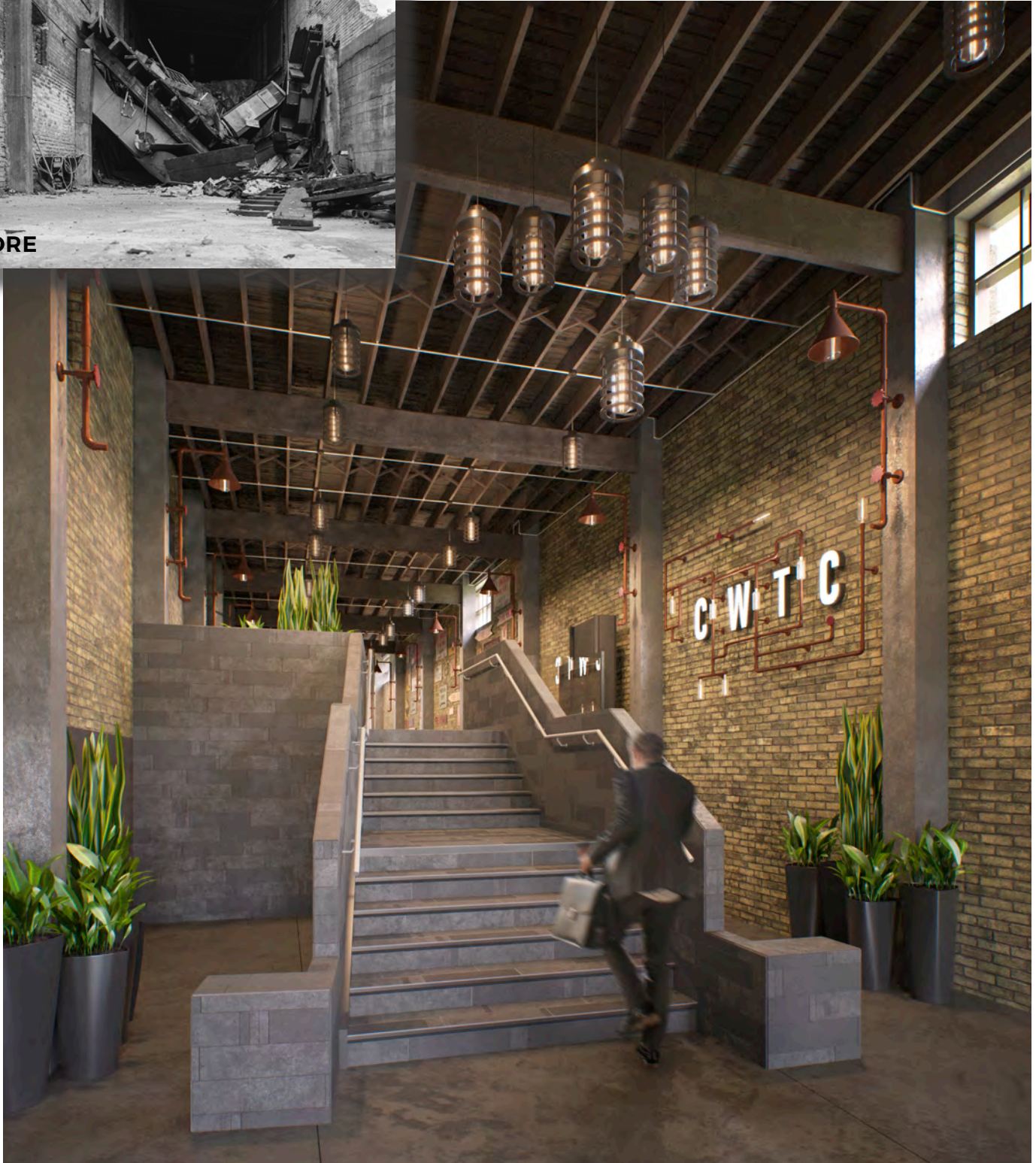
Additionally, the redevelopment includes roughly 30,000 square feet to be developed as a business incubator and community service organizations and recreational space,



CLIENT: Scott Crawford, Inc. and Roers Companies

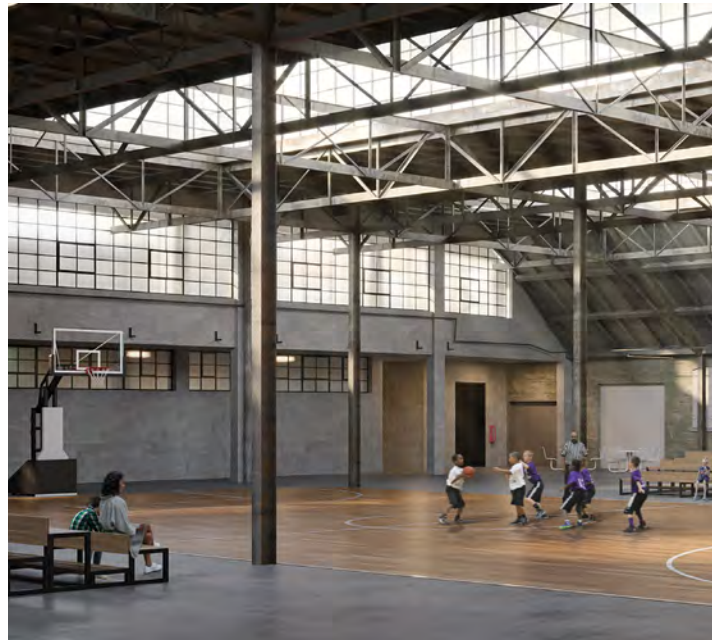


COMMUNITY WITHIN THE CORRIDOR





COMMUNITY WITHIN THE CORRIDOR





WELFORD SANDERS LOFTS

MILWAUKEE, WISCONSIN



\$14M
CONSTRUCTION

REGISTRY
OF
**HISTORIC
PLACES**

2018
COMPLETION
DATE

59
UNITS
204,850
SF OFFICE

5 AWARDS

- Mayor's Design Award, Milwaukee, 2019
- The Daily Reporter Top Project, 2018
- MANDI State Farm Building Block, 2019
- Wisconsin Trust for Historic Preservation, 2019
- Wisconsin Assoc. Historic Preservation, 2019

Welford Sanders Lofts is a total interior renovation of the existing historic Nunn Bush Shoe Co. factory. The revamped facility will boast new multi-family housing and office space. This project continues the redevelopment of King Drive started by the facility's namesake, the late Welford Sanders, former Executive Director of MLK Economic Development Corp.

Continuum assisted the building owners in securing historic tax credits, as well as WHEDA credits. Adhering to a strict budget, universal housing requirements, supportive housing requirements and historic design limitations, Continuum designed 59 mixed-income, two- to four-bedroom apartments and amenities such as individual storage, underground parking, large unit-wide windows, a community room, a fitness center and a private exterior plaza.

Transforming historic buildings for new uses always brings architectural challenges. One such challenge with this project was creating a new and identifiable residential entrance when only a nondescript and awkward factory entrance existed. Another was addressing a 42" grade difference at the existing building west entrance, which was making accessibility difficult to achieve. Continuum addressed both with a two-story entrance lobby that includes a new chair lift and entrance stairs. The design not only solves both challenges, but also now provides a welcoming, spacious community lobby area for the building.

CLIENT: Wisconsin Redevelopment



HISTORIC PAPER BOX LOFTS

MILWAUKEE, WISCONSIN



\$10M
CONSTRUCTION

REGISTRY
OF
**HISTORIC
PLACES**

2014
COMPLETION
DATE

72
RESIDENTIAL
UNITS

2 AWARDS
Mayor's Design Award, City of Milwaukee, 2016
Vintage Building of the Year, Apartment
Managers Assoc. of Wisconsin, 2016

First completed in 1920, the five-story red and cream-city brick building was once home to the Milwaukee Paper Box Company, a light manufacturer of intricate candy boxes. Sherman Associates saw a great opportunity to transform it into affordable housing for working families while preserving the historic structure. Already on the National Register of Historic Places, Continuum's role was to create a design that was sensitive to the original industrial-style architecture, honor the building's former function, and meet the community's housing needs. Collaborating with a historical consultant, Continuum submitted the complete package with construction drawings to the State Historic Preservation Office and the National Park Service.

The renovation creates 72 units of one, two and three-bedroom apartments with an emphasis on two and three-bedroom family units. Existing fenestration with generous spans of glazing allow for open, light-filled apartments with access to views and fresh air on every floor. The interior floor plate is very deep, so the apartments were positioned around the outer perimeter to create space for lounges, common spaces, storage, and utility rooms. Also included is a community room, children's play area, as well as both indoor and outdoor parking.



FIRST FLOOR PLAN



MAXWELL LOFTS

MILWAUKEE, WISCONSIN

\$20M
CONSTRUCTION

REGISTER
OF
HISTORIC
PLACES

2020
COMPLETION
DATE

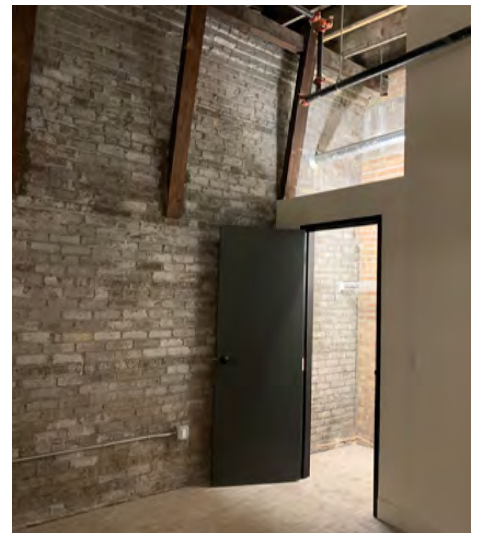
116
MARKET RATE
APARTMENTS

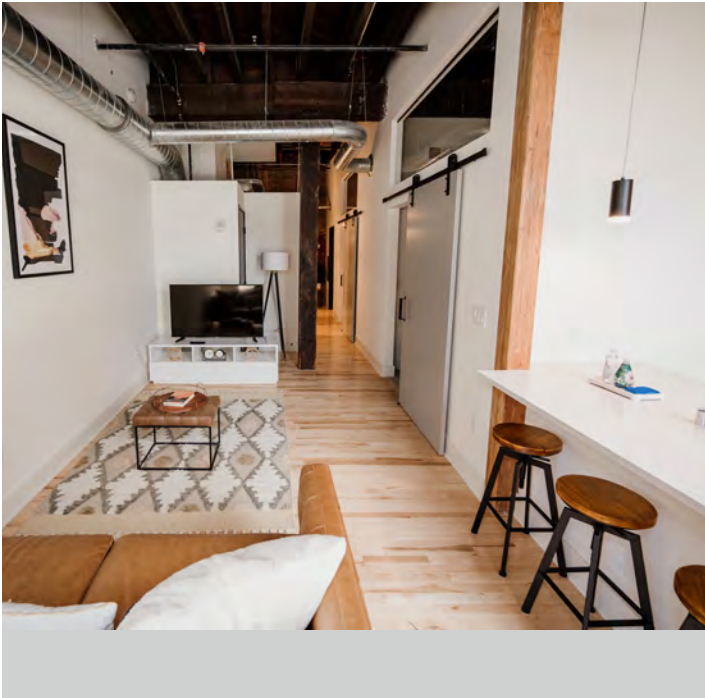


The renovation of Maxwell Loft's shows the evolution of an industry glass manufacturing facility into market-rate lofts. Continuum was successful in getting the nine-building campus listed on the State and Federal historic preservation offices. This renovation includes 110 market rate apartments, and six luxury penthouse units. The buildings' original historical use as industrial/manufacturing makes laying out units a challenge, but proves to create unique floor plans and character within each space.

Modern kitchens and spa like bathrooms are grouped in a central installation in each unit. The block volume of this grouping creates a floating low height cube in the tall historic space. These apartments introduce user oriented progressions of the space, that are distinguished by different atmospheric characters - a play of new amid historical elements.

CLIENT: Roers Companies





MAXWELL LOFTS





LEVEL 01



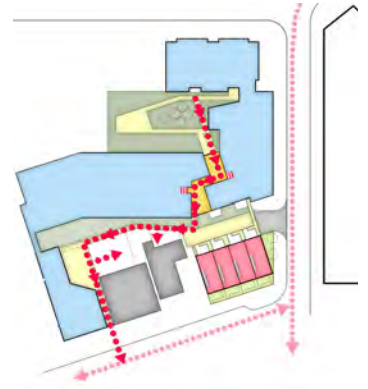
LEVEL 02



LEVEL 03-05

HARLOW & HEM

WAUWATOSA, WISCONSIN



2022
EST.
COMPLETION

HIGH-END
URBAN
LIFESTYLE

129,000
SF
RESIDENTIAL

93
UNITS



Continuum Architects and The Mandel Group collaborated on this thoughtfully designed mixed-income residential concept that responds to the changing lifestyle preferences of today's renter and homeowner.

The new high-end mixed use development in the heart of the city's business district will include a mix of two-story townhomes, studio, 1-, 2-, and 3-bedrooms with ground level parking. The development will also include retail, food and beverage spaces.

The townhome units integrate seamlessly with the existing residential character of the neighborhood, and gradually transitions to the four-story multi-family building. Interstitial spaces between the building create comfortable pockets of community outdoor space.



CLIENT: Mandel Group, Inc.

NATIONAL BLOCK BUILDING

MILWAUKEE, WISCONSIN



2021
COMPLETION

REGISTER
OF
**HISTORIC
PLACES**

23,500
SF HISTORIC
RENOVATION

\$8.5M
CONSTRUCTION

National Block in Milwaukee's Walkers Point neighborhood is a 130 year old building transformed into a vibrant mixed-use development. The building was condemned by the City of Milwaukee due to its heavily deteriorated conditions. Interest in the neighborhood and the vision to maintain the historic quality of Walker's Point spurred the client to breathe new life into this historic building.

The mixed use building will include retail and entertainment venue on the first level and a total of 12 market rate residential units on the 3 floors above. Each residential unit is unique in layout and remains rooted in history through original features such as wood floors, windows and decorative corridors. As an amenity for the residents a portion of the roof will be removed to convert the attic space into a roof top deck. The deck with its expansive views is a place of calm, and provides much needed respite from the energetic neighborhood below.

CLIENT: True Inc.

BROADWAY MARKET LOFTS

MILWAUKEE, WISCONSIN



\$5M
CONSTRUCTION

REGISTRY
OF
**HISTORIC
PLACES**

2017
DATE

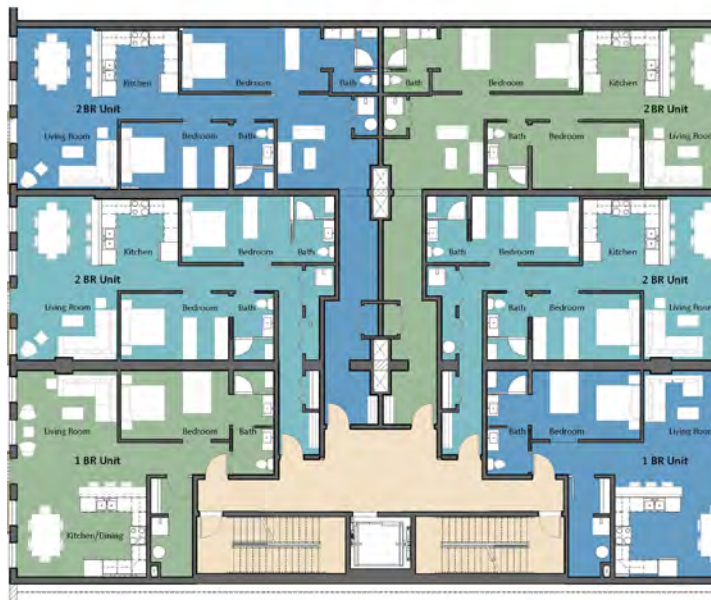
14
UNITS

Continuum designed mixed-use space for three of the structures in the six contiguous buildings known as Commission Row-Milwaukee's vegetable market in the early 1900s. The plan created commercial space on the ground level with two floors of market-rate apartments consisting of twelve luxury units and new fourth level featuring 2 luxury penthouse suites.

Continuum expedited the historic tax credit submission for the project and received approval from the National Park Service (NPS) in Fall 2014. The owner then purchased one more of these historic buildings. Continuum processed an amendment to the historical submittal for the expanded plan that included increasing commercial space, four more apartments, and two luxury penthouse units with a great view of Milwaukee's Downtown.

Amenities in all of the units consist of designer high-end appliances and luxury bathrooms within master bedroom suites. Penthouse units will enjoy bi-level living and dining room areas, and a library gallery space. The basement will be converted to heated underground parking for 25 cars.

CLIENT: Milwaukee View, LLC



THIRD FLOOR PLAN



September 30th, 2021

Scott Kwiecinski
Horizon Development Group, Inc.
5201 E Terrace Drive, Suite 300
Madison, WI, 53718

Brandon Methu
Northernstar Companies, LLC
P.O. Box 1652
Milwaukee, WI 53201

Phillip Schultz
President
Midwest Affordable Housing Corporation
1560 East Blackthorne Place
Whitefish Bay, WI 53211

Re: The Regal Lofts, a 44 unit affordable housing development to be located in 6th and North Avenue, Milwaukee, Wisconsin, and developed, constructed, owned and operated by Regal Lofts MM LLC, a Wisconsin limited liability company (the "Company"), in compliance with Section 42 of the *Internal Revenue Code of 1986* ("IRC")

Dear Messrs. Kwiecinski, Methu and Schultz:

Thank you for providing Hunt Capital Partners, LLC ("HCP") the opportunity to present this Letter of Intent Agreement. The following sets forth our proposal of the basic business terms to be included in the Operating Agreement by and between Hunt, or its designees as the Investor Member (the "Investor Member" or "IM") and Regal Lofts MM, LLC, a Wisconsin, limited liability company (the "Managing Member" or "MM") in regards to the Project.

<i>Investment Entity:</i>	Regal Lofts, LLC (the "Company"), with Regal Lofts MM, LLC as managing member with a 0.01% ownership interest in the Company. Midwest Affordable Housing Corporation, and Hunt Capital Partners, LLC or its designated affiliate, as Investor Member with a 99.99% ownership interest in the Company. Regals Lofts MM, LLC will be controlled by Horizon Development Group, Inc., Northernstar Companies, LLC and Midwest Affordable Housing Corporation.
<i>Tax Credits Available:</i>	\$7,475,000 ("projected LIHTCs") The IM is acquiring 99.99% of the Company's tax credits with annual housing credit allocation of \$747,425.
<i>Net Credit Price to Company:</i>	\$0.880 (Federal LIHTC)
<i>Net Capital Contribution:</i>	\$6,577,343
<i>Equity Proceeds Pay-In Schedule:</i>	<p>Based on the terms of this letter agreement and the information, projections, and assumptions you have provided to us, equity contributions will be made to the Company by the IM in the percentages set forth below:</p> <ol style="list-style-type: none">1. 10% will be funded at (a) the Investor Member's admission into the Company, (b) closing and initial funding of all of the construction financing for the Project, (c) receipt of the commitments for all of the permanent financing, and (d) receipt of the LIHTC allocation; such funds shall be used to fund hard and soft development costs.2. 25% will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraph (1) and (b) 100% construction completion as certified by project architect; such funds shall be used to fund hard and soft development costs3. 30% will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payments set forth in paragraphs (1) and (2), (b) the issuance of final Municipal or County Occupancy Certificates, (c) receipt of the certification of qualified expenditures by an independent certified public accountant, (d) 90% qualified occupancy for three consecutive months

("Stabilized Operations"); such funds shall be used to fund any remaining hard and soft development costs.

4. 35% will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payments set forth in paragraphs (1), (2) and (3), (b) funding of the Permanent Loan, (c) the issuance of all Treasury Forms 8609, and (d) receipt of the federal income tax return and K-1s for the Company; such funds shall be used to fund initial operating deficit reserves and any remaining hard and soft development costs.

Obligations of the General Partner and Guarantor(s):

Operating Deficit Guaranty: The MM and Guarantors will guarantee and agree to loan to the Company sufficient funds, for a period of 60 months following the date stabilized operations is achieved (the "Operating Deficit Guaranty Period"), to fund operating deficits.

Development Completion Guaranty: The MM and Guarantors will guarantee completion of construction of the Project substantially in accordance with plans and specifications approved by Hunt Capital Partners, LLC, including, without limitation, a guaranty: (i) to pay any amounts needed in excess of the construction loan and other available proceeds to complete the improvements; and (ii) to pay operating deficits prior to the conclusion of Project construction.

Credit Adjusters: The MMs will provide that, if in any year actual credits are less than Projected Credits, then IM shall be owed an amount necessary to preserve its anticipated return based on the Projected Credit.

The obligations of the MM shall be guaranteed by MM, Developer and their principals (the "Guarantor").

Asset Management Fee (AMF):

\$7,500 annually

Cash Flow Split:

Cash Flow to the Company shall be distributed as follows:

- a. To the IM, to make any tax credit adjuster payment not previously made;

- b. To the payment of any debts, excluding any unpaid Development Fee, owed to the Partners and/or their affiliates, until all such debts have been paid in full;
- c. To the payment of the AMF plus all accrued AMF unpaid from prior years;
- d. 90% to the payment of any unpaid Development Fee, until such fee has been paid in full and 10% to the IM;
- e. The balance, 90% to the MM as an Incentive Property Management Fee and 10% to the partners in accordance with their ownership percentages.

All tax profits, losses, and credits from operations will be allocated 0.01% to the MM and 99.99% to the IM.

Residual Split:

From Refinancing or Sale. Taxable profits and/or losses from a sale of the Property will be allocated among the Partners of the Company to adjust capital accounts as required by the Internal Revenue Code and in accordance with sale proceeds distributions.

Sale and Refinancing Proceeds will be distributed as follows:

- a. Payment in full of all Company debts except those due to Partners and/or their affiliates;
- b. To the IM, to make any tax credit adjuster payment not previously made;
- c. To the payment of any debts owed to Partners and/or their affiliates until all such debts have been paid in full, and MM's capital contribution;
- d. The balance, 90% to the MM and 10% to the IM.

Replacement Reserves:

\$300/unit/year

Other Terms and Conditions:

- 1) Proof of award and allocation of LIHTC.
- 2) The MM must have a firm commitment for a fixed-rate permanent first mortgage with terms, conditions and a Lender acceptable to the Investor Member.
- 3) Receipt, review, and approval of market study, environmental and geological reports, plans and specifications, contractor and such other conditions which

are customary and reasonable for an equity investment of this nature and amount;

4) The Capital Contributions are determined on the projected credits delivered to Hunt based on the lease-up schedule provided to Hunt by the MM. Any changes in the timing of construction and/or lease-up may impact the timing and amounts of Capital Contributions.

5) Approval of the transaction by (i) HCP's Investment Committee and (ii) HCP's Investor including transaction yield and tax rate assumptions.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

In recognition of the time and expense to be spent by Hunt in evaluating this transaction prior to closing, the MM will deal exclusively with Hunt with respect to the transactions noted in this firm commitment letter until this firm commitment letter is terminated by either party. You hereby confirm that no other party presently has any right to acquire an interest in the Property or the Company.

Please execute and promptly return to us a copy of this commitment letter. The terms herein shall expire 10 business days after the date of this letter if your signed copy has not been received by us.

Sincerely,

Dana Mayo
Executive Managing Director
Hunt Capital Partners, LLC



AGREED and ACCEPTED:

By: Regal Lofts LLC

By: Regal Lofts MM LLC

By: _____ Date _____

Name: _____

Title: _____

Cc: Richard Coomber (Hunt Capital Partners)
Christian Trane (Hunt Capital Partners)



January 3, 2020

Brandon Methu
Northernstar Companies, LLC
3070 N. 55th St.
Milwaukee, WI 53210

Re: Near West Apartments, a 57-unit affordable housing development to be located in Milwaukee, Milwaukee County, WI and developed, constructed, owned and operated by a to-be-formed Wisconsin limited liability company (the "Company"), in compliance with Section 42 of the *Internal Revenue Code of 1986* ("IRC")

Dear Mr. Methu:

Thank you for providing Hunt Capital Partners, LLC ("HCP") the opportunity to present this Letter of Intent Agreement. The following sets forth our proposal of the basic business terms to be included in the Partnership by and between Hunt, or its designees as the Investor Member (the "Investor Member" or "IM") and a to-be-formed Wisconsin limited liability company whose members are Northernstar Companies & Peebles Corp., along with Milwaukee Development Corp. (the "Managing Member" or "MM") regarding the Project.

Investment Entity: A to-be-formed Wisconsin, LLC. (the "Company"), with Northernstar Companies & Peebles Corp., along with Milwaukee Development Corp. as Managing Member with a 0.01% ownership interest in the Company, and Hunt Capital Partners, LLC or its designated affiliate, as Investor Member with a 99.99% ownership interest in the Company.

Tax Credits Available: \$3,684,880 ("projected LIHTCs")
The IM is acquiring 99.99% of the company's tax credits with annual housing credit allocation of \$368,451.

\$2,210,707 ("projected SLIHTCs")
The IM is acquiring 100% of the company's tax credits with annual housing credit allocation of \$368,488.

Net Credit Price to Company: \$0.90 (Federal LIHTC)

\$0.70 (State LIHTC)

Net Capital Contribution: \$3,316,061 (Federal LIHTC)
\$1,547,495 (State LIHTC)

Equity Proceeds Pay-In Schedule: Based on the terms of this letter agreement and the information, projections, and assumptions you have provided to us, equity contributions will be made to the Company by the IM in the percentages set forth below:

1. 10% will be funded at (a) the Investor Member's admission into the Company, (b) closing and initial funding of all of the construction financing for the Project, (c) receipt of the commitments for all of the permanent financing, and (d) receipt of the LIHTC allocation; such funds shall be used to fund hard and soft development costs.
2. 10% will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraph (1), and (b) 50% construction completion as certified by project architect; such funds shall be used to fund hard and soft development costs.
3. 10% will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraphs (1) and (2) and (b) 100% construction completion as certified by project architect; such funds shall be used to fund hard and soft development costs
4. 70% will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payments set forth in paragraphs (1), (2) and (3), (b) the issuance of final Municipal or County Occupancy Certificates, (c) receipt of the certification of qualified expenditures by an independent certified public accountant, (d) 90% qualified occupancy for three consecutive months ("Stabilized Operations"), (e) funding of the Permanent Loan, (f) the issuance of all Treasury Forms 8609, and (g) receipt of the federal income tax return and K-1s for the Company; such funds shall be used to fund initial operating deficit reserves and any remaining hard and soft development costs.

*Obligations of the General
Partner and Guarantor(s):*

Operating Deficit Guaranty: The MM and Guarantors will guarantee and agree to loan to the Company sufficient funds, for a period of 60 months following the date stabilized operations is achieved (the "Operating Deficit Guarantee Period"), to fund operating deficits.

Development Completion Guaranty: The MM and Guarantors will guarantee completion of construction of the Project substantially in accordance with plans and specifications approved by Hunt Capital Partners, LLC, including, without limitation, a guaranty: (i) to pay any amounts needed in excess of the construction loan and other available proceeds to complete the improvements; and (ii) to pay operating deficits prior to the conclusion of Project construction.

Credit Adjusters: The MMs will provide that, if in any year actual credits are less than Projected Credits, then IM shall be owed an amount necessary to preserve its anticipated return based on the Projected Credit.

The obligations of the MM shall be guaranteed by MM, Developer and their principals (the "Guarantor").

Asset Management Fee (AMF):

\$7,500 annually

Cash Flow Split:

Cash Flow to the Company shall be distributed as follows:

- a. To the IM, to make any tax credit adjuster payment not previously made;
- b. To the payment of any debts, excluding any unpaid Development Fee, owed to the Members and/or their affiliates, until all such debts have been paid in full;
- c. To the payment of the AMF plus all accrued AMF unpaid from prior years;
- d. 90% to the payment of any unpaid Development Fee, until such fee has been paid in full and 10% to the IM;
- e. The balance, 90% to the MM as an Incentive Property Management Fee and 10% to the members in accordance with their ownership percentages.

All tax profits, losses, and credits from operations will be allocated 0.01% to the MM and 99.99% to the IM.

Residual Split:

From Refinancing or Sale. Taxable profits and/or losses from a sale of the Property will be allocated among the Members of the Company to adjust capital accounts as required by the Internal Revenue Code and in accordance with sale proceeds distributions.

Sale and Refinancing Proceeds will be distributed as follows:

- a. Payment in full of all Company debts except those due to Members and/or their affiliates;
- b. To the IM, to make any tax credit adjuster payment not previously made;
- c. To the payment of any debts owed to Members and/or their affiliates until all such debts have been paid in full, and MM's capital contribution;
- d. The balance, 90% to the MM and 10% to the IM.

Replacement Reserves:

\$300/unit/year

Other Terms and Conditions:

- 1) Proof of award and allocation of LIHTC.
- 2) The MM must have a firm commitment for a fixed-rate permanent first mortgage with terms, conditions and a Lender acceptable to the Investor Member.
- 3) Receipt, review, and approval of market study, environmental and geological reports, plans and specifications, contractor and such other conditions which are customary and reasonable for an equity investment of this nature and amount;
- 4) The Capital Contributions are determined on the projected credits delivered to Hunt based on the lease-up schedule provided to Hunt by the MM. Any changes in the timing of construction and/or lease-up may impact the timing and amounts of Capital Contributions.
- 5) Approval of the transaction by (i) HCP's Investment Committee and (ii) HCP's Investor including transaction yield and tax rate assumptions.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

In recognition of the time and expense to be spent by Hunt in evaluating this transaction prior to closing, the MM will deal exclusively with Hunt with respect to the transactions noted in this firm commitment letter until this firm commitment letter is terminated by either party. You hereby confirm that no other party presently has any right to acquire an interest in the Property or the Company.

Please execute and promptly return to us a copy of this commitment letter. The terms herein shall expire 10 business days after the date of this letter if your signed copy has not been received by us.

Sincerely,



Dana Mayo
Executive Managing Director
Hunt Capital Partners, LLC

AGREED and ACCEPTED:

Northernstar Companies, LLC

By: _____

_____ Date

Name: _____

Title: _____

Cc: Juan Trinidad (Hunt Capital Partners)
Christian Bloom (Hunt Capital Partners)
Rich Coomber (Hunt Capital Partners)



To: Northernstar Companies LLC
From: Griffin Peterson, Managing Director PACE Equity
Re: PACE Equity Indicative Terms
Date: December 12, 2019

Brandon,

Thanks for sending over the information related to Near West Side Apartments. PACE Equity is focusing on funding for buildings: 3421 W Wells, 3226 W Wisconsin, 3212 W Wisconsin. Based on the information provided, I have prepared the following indication of PACE Equity's terms for funding.

Value Proposition

The main goal our financing provides is additional non-recourse financing to your project. Our clients have identified the following key reasons why they utilize our capital and PACE Equity:

1. Boost in IRR – utilizing PACE Equity's capital vs. mezzanine or equity can boost the project's returns, without adding personal recourse or another waterfall participant.
2. Reduction in WACC – by increasing the amount of low-cost financing, this allows the project to reduce the overall weighted average cost of capital.
3. Fill a Gap – whether you're seeking a solution that works with a complex stack or seeking the final funding to move forward, our capital is a great last dollar in.
4. Complex Capital Stacks – PACE Equity has significant experience and expertise layering our funding with complex funding structures including historic and new markets tax credits, TIF and abatements, brownfield projects and Opportunity Zones.
5. Turnkey Process – we fund our capital through a public/private legislated partnership. We reduce the complexity of this by handling all the work for our customers, which varies greatly state by state. This includes the energy engineering, regulation compliance and all required approvals.
6. Dedicated Funding – PACE Equity has raised a fund with set underwriting and pricing for our projects. As such, we can upfront commit to your project, providing you the surety of pricing and underwriting without surprises later.

Process

The PACE Equity team has completed more than 150 of these projects over many years. Your project will get the benefit of all of that experience, as we have carefully crafted a process to provide a turnkey engagement to manage the deliverables and stakeholders to get all of the required approvals, so that we can fund. After engagement, we will run a two-phase process to achieve success. Here is how that works:



Items for Consideration

In moving forward to our binding commitment, some items for you to consider and questions that would be helpful for our understanding:

- **Mortgage Lender Consent:** A requirement of PACE Equity is that we get mortgage lender consent for our financing. It's key in your conversations with banks that PACE Equity is a part of the capital stack and that PACE Equity is afforded an opportunity to speak with your target lenders. We also have partnered with several institutions to be able to offer a joint proposal for a construction loan and PACE Equity's financing, if that would be of interest for you.

Indicative Terms

Below are indicative terms based on our knowledge thus far.

- **Financing Rate:** The rate provided is a target spread based on the information we have to date from PACE Equity's fund. PACE Equity has a fund backed by institutional private equity with assets in excess of \$20 billion. Our target rate spread is 460 bps + 10-year USTs. This spread can increase or decrease based on changes in funding amount, term or prepayment.
- **Term:** Our target term is 20 Years
- **Prepayment:** This spread assumes no prepayment penalty after 5 payments and a yield maintenance penalty prior to then. If you plan to hold the property longer, we can increase the length of yield maintenance, which would decrease our spread. Similarly, if you need more flexibility, we can decrease the yield maintenance period, which would increase our spread.
- **Funding Amount:** After reviewing the construction budgets, we can fund a range of \$300-500k of the stack and is what we have assumed on the initial project review. This potentially can increase and decrease as wanted or needed. We will also fund all the soft costs associated with our financing.
- **Outstanding Items to Review:** PACE Equity reviews a wide variety of due diligence documents in order to propose funding. To date, we have not yet reviewed property appraisals, DSCR, completed capital stack, debt terms which may impact our proposed funding amount.
- **Capitalized Interest:** We setup an interest reserve to cover a period between our funding and a first payment. We have assumed a first payment in January 2022. This interest is capitalized and amortized into our balance.



One of the benefits of PACE Equity is that we 100% finance all costs/expenses associated with our funding. As you will see in the uses of funds section, this includes several different items, both to cover PACE Equity’s services, transaction costs, interest and the cost of the local special improvement district. Those include:

- **Legal & Closing Expenses:** These are legal costs and transaction costs for PACE Equity.
- **Project Development:** This is a success fee for PACE Equity managing & completing all facets of the legislative requirements to fund the project. This includes lender approval, special improvement district authorization, energy engineering, structuring and stakeholder organization. This also includes all the costs associated with these services.
- **Finance & Facility Cost:** This is a success fee for PACE Equity providing capital for this project including underwriting, due diligence, transaction management and coordination with the financing team.
- **Program Administrator Costs:** This is a third-party non-profit who provides the local special improvement district review and approval. This is required to close on PACE Equity’s financing and is independent of PACE Equity’s costs
- **Capitalized Interest:** As mentioned above, this is interest between closing and a first payment, which is then capitalized and amortized into the balance. With PACE financing, typically, a first payment is deferred from closing until the next tax cycle. The interest on this is calculated, retained and capitalized (amortized into the balance).

It’s important to note that these projects require a significant amount of work which PACE Equity is performing **at risk**. If we are successful, we will profit at closing. If we are not, then we are out the time but have not profited on the project.

Here is an initial project summary for your review:

Project Summary				
Customer Name	Northernstar Companies LLC - Near West Apartments		PACE Program	Wisconsin Me2
Term	20 years		Property Value	\$ 1,900,000
Direct Construction Costs	\$	300,000	PACE to Value	19.3%
Project Metrics				
Annual PACE Tax Assessment (starting in 2022)	\$			33,965
PACE Financing Interest Rate (assuming spread of 460 bps over 10 yr UST)				6.39%
Passthrough to tenants (assuming 0% passthrough of assessment)			\$0 per sq ft	
Minimum Savings to meet PACE Program SIR Requirement (Savings to Investment):				\$0.29 per sq ft
Prepayment Assumption				5 yr lockout
Use of Funds				
Direct Construction Costs	\$			300,000
Project Development	\$			26,390
Legal and Closing Expenses	\$			10,000
Finance & Facility Cost	\$			7,500
Wisconsin Me2 Fee	\$			1,828
Total Principal Amount Financed	\$			345,718
Capitalized Interest (First Payment 1/31/2022)	\$			21,718
Total Assessment	\$			367,436



If this looks compelling for you, I will prepare a Financing Commitment and Project Development Agreement. This lays out the terms, costs, and scope of work. In short, we commit to funding the project and all of the work required to get to funding on a turnkey basis and manage the deliverables and stakeholders to get this accomplished. We look forward to working with you.

Regards,

Griffin Peterson
Managing Director
262.893.0768
gpeterson@pace-equity.com



December 23, 2020

Brandon Methu
Northernstar Companies, LLC
P.O. Box 1652
Milwaukee, WI 53201

Re: Emmanuel Phillip Elementary School Apartments, a 45 unit affordable housing development to be located in Milwaukee, Wisconsin, and developed, constructed, owned and operated by a to-be-formed limited partnership (the "Partnership"), in compliance with Section 42 of the *Internal Revenue Code of 1986* ("IRC")

Dear Brandon:

Thank you for providing Hunt Capital Partners, LLC ("HCP") the opportunity to present this Letter of Intent Agreement. The following sets forth our proposal of the basic business terms to be included in the Partnership by and between Hunt, or its designees as the Investor Limited Partner (the "Limited Partner" or "LP"), Northernstar Companies, LLC (the "General Partner" or "GP"), and a to-be-identified co-developer (the "Co-General Partner" or "Co-GP") regarding the Project. The GP and Co-GP will be collectively referred to as the "General Partners" or "GPs").

Investment Entity: A to-be-formed Limited Partnership (the "Partnership"), with Northernstar Companies, LLC and a to be identified co-developer, as General Partners with a 0.01% ownership interest in the Partnership, and Hunt Capital Partners, LLC or its designated affiliate, as Limited Partner with a 99.99% ownership interest in the Partnership.

Tax Credits Available: \$7,645,600 ("projected LIHTCs")
The LP is acquiring 99.99% of the partnership's tax credits with annual housing credit allocation of \$764,560.

\$2,148,838 ("projected FHTCs")
The LP is acquiring 99.99% of the partnership's tax credits with annual housing credit allocation of \$2,148,838.

\$2,148,838 (“projected WIHTCs”)

The LP is acquiring 99.99% of the partnership’s tax credits with annual housing credit allocation of \$2,148,838.

Net Credit Price to Partnership: \$0.88 (Federal LIHTC)
 \$0.80 (Federal HTC)
 \$0.75 (Wisconsin HTC)

Net Capital Contribution: \$10,057,821

Equity Proceeds Pay-In Schedule: Based on the terms of this letter agreement and the information, projections, and assumptions you have provided to us, equity contributions will be made to the Partnership by the LP in the percentages set forth below:

1. 10% will be funded at (a) the Limited Partner's admission into the Partnership, (b) closing and initial funding of all of the construction financing for the Project, (c) receipt of the commitments for all of the permanent financing, and (d) receipt of the LIHTC, FHTC, and WHTC allocation; such funds shall be used to fund hard and soft development costs.
2. 10% will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraph (1) and (b) 100% construction completion as certified by project architect; such funds shall be used to fund hard and soft development costs
3. 80% will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payments set forth in paragraphs (1) and (2), (b) the issuance of final Municipal or County Occupancy Certificates, (c) receipt of the certification of qualified expenditures by an independent certified public accountant, (d) 90% qualified occupancy for three consecutive months (“Stabilized Operations”), (e) funding of the Permanent Loan, (f) the issuance of all Treasury Forms 8609, and (g) receipt of the federal income tax return and K-1s for the Partnership; such funds shall be used to fund initial operating deficit reserves and any remaining hard and soft development costs.

*Obligations of the General
Partner and Guarantor(s):*

Operating Deficit Guaranty: The GP and Guarantors will guarantee and agree to loan to the Partnership sufficient funds, for a period of 60 months following the date stabilized operations is achieved (the "Operating Deficit Guarantee Period"), to fund operating deficits.

Development Completion Guaranty: The GP and Guarantors will guarantee completion of construction of the Project substantially in accordance with plans and specifications approved by Hunt Capital Partners, LLC, including, without limitation, a guaranty: (i) to pay any amounts needed in excess of the construction loan and other available proceeds to complete the improvements; and (ii) to pay operating deficits prior to the conclusion of Project construction.

Credit Adjusters: The GPs will provide that, if in any year actual credits are less than Projected Credits, then LP shall be owed an amount necessary to preserve its anticipated return based on the Projected Credit.

The obligations of the GP shall be guaranteed by GP, Developer and their principals (the "Guarantor").

Asset Management Fee (AMF):

\$7,500 annually

Cash Flow Split:

Cash Flow to the Partnership shall be distributed as follows:

- a. To the LP, to make any tax credit adjuster payment not previously made;
- b. To the payment of any debts, excluding any unpaid Development Fee, owed to the Partners and/or their affiliates, until all such debts have been paid in full;
- c. To the payment of the AMF plus all accrued AMF unpaid from prior years;
- d. 90% to the payment of any unpaid Development Fee, until such fee has been paid in full and 10% to the LP;
- e. The balance, 90% to the GP as an Incentive Property Management Fee and 10% to the partners in accordance with their ownership percentages.

All tax profits, losses, and credits from operations will be allocated 0.01% to the GP and 99.99% to the LP.

Residual Split:

From Refinancing or Sale. Taxable profits and/or losses from a sale of the Property will be allocated among the Partners of the Partnership to adjust capital accounts as required by the Internal Revenue Code and in accordance with sale proceeds distributions.

Sale and Refinancing Proceeds will be distributed as follows:

- a. Payment in full of all Partnership debts except those due to Partners and/or their affiliates;
- b. To the LP, to make any tax credit adjuster payment not previously made;
- c. To the payment of any debts owed to Partners and/or their affiliates until all such debts have been paid in full, and GP's capital contribution;
- d. The balance, 90% to the GP and 10% to the LP.

Replacement Reserves:

\$300/unit/year

Other Terms and Conditions:

- 1) Proof of award and allocation of LIHTC, FHTC, and WHTC.
- 2) The GP must have a firm commitment for a fixed-rate permanent first mortgage with terms, conditions and a Lender acceptable to the Limited Partner.
- 3) Receipt, review, and approval of market study, environmental and geological reports, plans and specifications, contractor and such other conditions which are customary and reasonable for an equity investment of this nature and amount;
- 4) The Capital Contributions are determined on the projected credits delivered to Hunt based on the lease-up schedule provided to Hunt by the GP. Any changes in the timing of construction and/or lease-up may impact the timing and amounts of Capital Contributions.
- 5) Approval of the transaction by (i) HCP's Investment Committee and (ii) HCP's Investor including transaction yield and tax rate assumptions.

In recognition of the time and expense to be spent by Hunt in evaluating this transaction prior to closing, the GP will deal exclusively with Hunt with respect to the transactions noted in this firm commitment letter until this firm commitment letter is terminated by either party. You hereby confirm that no other party presently has any right to acquire an interest in the Property or the Partnership.

Please execute and promptly return to us a copy of this commitment letter. The terms herein shall expire 10 business days after the date of this letter if your signed copy has not been received by us.

Sincerely,



Dana Mayo
Executive Managing Director
Hunt Capital Partners, LLC

AGREED and ACCEPTED:

Northernstar Companies, LLC

By:  _____

12/27/2020

Date

Name: Brandon Methu

Title: Principal Partner

Cc: Isaac Gephart (Hunt Capital Partners)
Richard Coomber (Hunt Capital Partners)